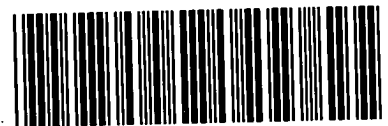


Carmac Holdings Limited

Directors' Report and Consolidated Financial Statements
for the Year Ended 30 June 2023

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Carmac Holdings Limited

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Carmac Holdings Limited

Company Information

Directors	C F Kilroy
	T McGowan
	I Tomlinson
Registered office	Burton Road Finedon Northamptonshire NN9 5HX
Auditors	Hawsons Chartered Accountants Statutory Auditor Jubilee House 32 Duncan Close Moulton Park Northampton NN3 6WL

Carmac Holdings Limited

Strategic Report for the Year Ended 30 June 2023

The directors present their strategic report for the year ended 30 June 2023.

Fair review of the business and future developments

The group's trading subsidiary, Carmac (Building & Civil Engineering) Limited is an established company that undertakes residential groundworks for housing developers. During the last year we worked on 16 plus sites from the North of Greater London area to Leicester. The works involve earthworks, adopted infrastructure, foundations, and external works.

The group had a very successful year. We measure this success across four key financial and non-financial metrics –

- Safety, Health & Environmental
- Quality
- Financial Performance
- Community impact through charity work

We have had no significant change in our client base but we have organically grown our turnover by strategically focusing on key projects. Our focus is still to deliver within our current region with some further growth anticipated in the next financial year.

The Directors and our employees are the key to the success of the business. The consistency in our management structure and promotion of some key individuals has provided us with the opportunity to progress further and quicker than we anticipated. The key focus for us as a business is to drive the quality across all sites and improve our safety standards further. Our client base has recognised this and rewarded it with the appointment on some significant projects.

Health and safety have been and will be the key metrics we will use to measure the success of the business. We continue to invest in this and know further improvements can be made; this will continue to be led by the senior management.

For the coming year we know the industry has seen a slowdown in construction output. We are not immune to this, but we have still seen significant growth through key client relationships and having a mantra of being a user friendly contractor. We are a very agile business with importance put on employees to feel that they have the autonomy to make decisions for the good of our clients.

The group's key financial and other performance indicators during the year were as follows:

	Unit	Year ended 30 June 2023	1 March 2022 to 30 June 2022
Turnover	£	43,204,979	16,964,252
Turnover growth (adjusted for short comparative period)	%	(15)	51
Gross profit	£	7,573,498	2,830,435
Gross profit margin	%	18	17
Profit before tax	£	3,136,701	1,402,627

Principal risks and uncertainties

We look at principal risks under the following five key headings:

1. Health, Safety and Environmental management – we are a market leader in our region and feel that further investment is a key way for us to manage both this risk and ensure it becomes something that is at the forefront of the way the company operates going forward.

2. Price risks – the industry needs certainty on price of materials as the excessive inflationary pressures that were seen in 2022 and early 2023 have been one of the key causes for the drop in demand in the housing market. The industry needs and will benefit from a stable price point.

3. Market Risks – We are reliant on the housing market and if this continues to have a significant downturn then it will have a material affect on our operations. We are, as previously stated, an agile business that values our ability to operate successfully independent of our turnover.

Carmac Holdings Limited

Strategic Report for the Year Ended 30 June 2023

4. Credit risks - we manage our client list and have long established relationships. We do a monthly review on the amount of credit with certain clients evaluating any risks and ensuring that clients don't exceed internal credit limits we have set. Whilst we don't credit insure, we do perform regular checks on our clients.

5. Liquidity risk - the company manages liquidity by ensuring we have access to cash to meet our investment needs, both short term and long term needs.

Section 172 statement

The directors continue to have regard to section 172(1) of the Companies Act 2006 and, in particular, notes the following:

Business Relationships - customers and suppliers

Having traded for what will be 39 years, the need to maintain long standing relationships with both clients and suppliers is paramount to the success of the group and its longevity. Regarding suppliers, our policy for paying suppliers is to agree payment terms in advance, in line with normal trade practices and to honour these terms throughout the relationship. We have always ensured that any smaller business are paid as quickly as possible. We run a procurement and sub-contractor systems which enables the responsible people to approve any payments in a timely fashion.

Our People

Carmac is committed to being a responsible business. The behaviour of the company is aligned to the expectations of the employees, customers, shareholders, communities and society. People are at the heart of what Carmac do and deliver. The management of people's performance is essential to our success. Enabling staff to be part of a team and feel part of Carmac is one of the most important non-financial key performance indicators of the group.

Energy and carbon report

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period from 1 July 2022 to 30 June 2023, pursuant to the Companies (Director report) and Limited liability partnerships (Energy and Carbon Report) Regulations 2018, implementing the government streamlined energy and carbon reporting (SECR) policy.

Please find below our greenhouse gas emissions and energy usage data for the year:

	Year ended 30 June 2023		Year to 30 June 2022	
	Tonnes of Co2 emissions	kWh (kilowatt hours)	Tonnes of Co2 emissions	kWh (kilowatt hours)
Electricity and gas usage	19	102,417	20	103,885
Combustion of fuel for transport and plant	3,273	12,120,389	3,044	11,272,547
Combustion of fuel for company facilities	Included in above	Included in above	Included in above	Included in above
Total emissions	3,292	12,222,806	3,064	11,376,432
Intensity ratios:				
Emissions per employee	52	194,013	51	189,607
Tonnes of Co2/kWh per £m revenue	76	283,066	180	669,202

Carmac Holdings Limited

Strategic Report for the Year Ended 30 June 2023

Methodology

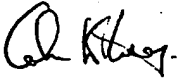
We have reported on all of the emission sources required under the Companies Act 2006 (Strategic and Director report) Regulations 2018. We do not have any responsibility for any sources that are not included in our consolidated financial statements except those quoted in the omissions section.

We have contacted all our suppliers and have used the raw data provided, we have used the UK Government's GHG conversion factors for the company reporting in order to calculate the above emission usage.

Energy efficiency

As a company we continue where possible to make improvements. We have made significant upgrades on our plant to improve the efficiencies of the plant we run. We continue to look at idling times and potential savings that can be made from in-efficiencies.

Approved by the Board and signed on its behalf by:



C F Kilroy
Director

4 January 2024

Carmac Holdings Limited

Directors' Report for the Year Ended 30 June 2023

The directors present their report and the audited consolidated financial statements for the year ended 30 June 2023.

Principal activity

The principal activity of the group is civil engineering work.

Directors of the group

The directors who held office during the year were as follows:

C F Kilroy

T McGowan

I Tomlinson

Strategic report

Some items required under Schedule 7 of the Statutory Instruments 2008 No. 410 are included within the Strategic Report.

Dividends

The company paid dividends of £280,667 (2022 - £98,083). The directors do not recommend payment of a further dividend.

Directors indemnities

As permitted by the articles of association, the directors had the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006.

Disclosure of information to the auditors

The directors of the company who held office at the date of the approval of this Annual Report as set out above confirm that:

- so far as they are aware, there is no relevant audit information (information needed by the company's auditors in connection with preparing their report) of which the company's auditors are unaware, and
- they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of auditors

The auditors, Hawsons Chartered Accountants, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



C F Kilroy
Director

4 January 2024

Carmac Holdings Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Carmac Holdings Limited

Independent Auditor's Report to the Members of Carmac Holdings Limited

Opinion

We have audited the financial statements of Carmac Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2023, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Statement of Changes in Equity, the Consolidated Statement of Cash Flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 June 2023 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Carmac Holdings Limited

Independent Auditor's Report to the Members of Carmac Holdings Limited

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the group or the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the group or the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

The group and parent company is subject to laws and regulations that directly and indirectly affect the financial statements. Based on our understanding of the group and the environment it operates within, we determined that the laws and regulations which were most significant included FRS 102, Companies Act 2006, employment law and Health and Safety regulations. We considered the extent to which non-compliance with these laws and regulations might have a material effect on the financial statements, including how fraud might occur. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries to improve the company's result for the period, and management bias in key accounting estimates. In addition to this, we have also identified the following principal risk areas:

- Revenue recognition - there are two components to this risk, being revenue completeness and revenue cut-off;
- Recoverability of retention debtors - retention debtors are potentially problematic as they relate to snag lists and are receivable once the overall contract has finished;
- Contract margins - an area that requires review of on-going contract margins for either under or overstatement;
- Investment property ownership and valuation - there is a risk that the company does not hold the rights of ownership over the property and that the carrying value is materially different to the fair value at the year end;
- Investments - there is a risk that investments are not held at the correct valuation.

Audit procedures performed by the engagement team included:

Carmac Holdings Limited

Independent Auditor's Report to the Members of Carmac Holdings Limited

- Discussions with management and those responsible for legal compliance procedures within the company to obtain an understanding of the legal and regulatory framework applicable to the company and how the company complies with that framework, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud and non-compliance with laws and regulations;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the valuation of long-term work in progress;
- Identifying and testing journal entries;
- Reviewing the balance owed to the company in relation to building retentions by vouching a sample of the balances to the year-end payment certificates and assessing the recoverability of these balances by agreeing them to payments received post year end;
- Reviewing post year end contract margins and comparing this to margins at the year end;
- Verifying property ownership to a Land Registry title search and reviewing the completion statement for the acquisition of property;
- Obtaining management's estimate of fair value of the property at the year end and assessing whether it appears reasonable;
- Calculating an estimate of investment value based on EBITDA to determine whether the current valuation is appropriate.

There are inherent limitations in the audit procedures described above and the more removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor-s-responsibilities-for. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Hawsons

David Owens

Senior Statutory Auditor

For and on behalf of Hawsons Chartered Accountants

Statutory Auditor

Jubilee House

32 Duncan Close

Moulton Park

Northampton

NN3 6WL

9 January 2024

Carmac Holdings Limited

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2023

		Year ended 30 June 2023	1 March 2022 to 30 June 2022
	Note	£	£
Revenue	2	43,204,979	16,964,252
Cost of sales		<u>(35,631,481)</u>	<u>(14,133,817)</u>
Gross profit		7,573,498	2,830,435
Administrative expenses		(4,394,147)	(1,394,610)
Other operating income	3	<u>8,444</u>	<u>2,896</u>
Operating profit		3,187,795	1,438,721
Other interest receivable and similar income	5	38,813	-
Interest payable and similar charges	6	<u>(89,907)</u>	<u>(36,094)</u>
Profit before tax		3,136,701	1,402,627
Taxation	10	<u>(363,535)</u>	<u>(284,860)</u>
Profit for the financial year		<u>2,773,166</u>	<u>1,117,767</u>
Total comprehensive income for the period		<u>2,773,166</u>	<u>1,117,767</u>

The above results were derived from continuing operations.

The group has no recognised gains or losses in the year other than the results above.

Carmac Holdings Limited

(Registration number: 13194246)

Consolidated Statement of Financial Position as at 30 June 2023

	Note	30 June 2023 £	30 June 2022 £
Non-Current Assets			
Intangible assets	11	181,373	205,031
Property, Plant and Equipment	12	6,953,332	5,322,773
Investment property	13	<u>2,106,253</u>	<u>-</u>
		<u>9,240,958</u>	<u>5,527,804</u>
Current assets			
Trade and other receivables	15	10,299,220	10,412,590
Cash at bank and in hand		<u>4,190,431</u>	<u>4,211,919</u>
		14,489,651	14,624,509
Current liabilities	17	<u>(14,025,241)</u>	<u>(12,555,333)</u>
Net current assets		<u>464,410</u>	<u>2,069,176</u>
Total assets less current liabilities		9,705,368	7,596,980
Non-current liabilities	17	(1,933,207)	(2,777,118)
Provisions for liabilities	18	<u>(1,729,500)</u>	<u>(1,269,700)</u>
Net assets		<u>6,042,661</u>	<u>3,550,162</u>
Equity			
Called up share capital	20	100	100
Share premium reserve		632,000	632,000
Retained earnings		<u>5,410,561</u>	<u>2,918,062</u>
Equity attributable to owners of the company		<u>6,042,661</u>	<u>3,550,162</u>
Total equity		<u>6,042,661</u>	<u>3,550,162</u>

Approved and authorised by the Board and signed on its behalf by:



C F Kilroy

Director

4 January 2024

Carmac Holdings Limited

(Registration number: 13194246)

Statement of Financial Position as at 30 June 2023

	Note	30 June 2023 £	30 June 2022 £
Non-Current Assets			
Investment property	13	2,106,253	-
Investments	14	<u>6,355,553</u>	<u>6,355,553</u>
		<u>8,461,806</u>	<u>6,355,553</u>
Current assets			
Trade and other receivables	15	2,875	100
Cash at bank and in hand		<u>1,971</u>	<u>-</u>
		4,846	100
Current liabilities	17	<u>(7,299,756)</u>	<u>(4,532,553)</u>
Net current liabilities		<u>(7,294,910)</u>	<u>(4,532,453)</u>
Total assets less current liabilities		1,166,896	1,823,100
Non-current liabilities	17	<u>(541,000)</u>	<u>(1,191,000)</u>
Net assets		<u>625,896</u>	<u>632,100</u>
Equity			
Called up share capital		100	100
Share premium reserve		632,000	632,000
Retained earnings		<u>(6,204)</u>	<u>-</u>
Total equity		<u>625,896</u>	<u>632,100</u>

The company made a profit after tax for the financial year of £274,463 (2022 - profit of £98,083).

Approved and authorised by the Board and signed on its behalf by:



C F Kilroy

Director

4 January 2024

Carmac Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 June 2023

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 July 2022	100	632,000	2,918,062	3,550,162
Total comprehensive income	-	-	2,773,166	2,773,166
Dividends	-	-	(280,667)	(280,667)
At 30 June 2023	<u>100</u>	<u>632,000</u>	<u>5,410,561</u>	<u>6,042,661</u>

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 March 2022	100	632,000	1,898,378	2,530,478
Total comprehensive income	-	-	1,117,767	1,117,767
Dividends	-	-	(98,083)	(98,083)
At 30 June 2022	<u>100</u>	<u>632,000</u>	<u>2,918,062</u>	<u>3,550,162</u>

Carmac Holdings Limited

Statement of Changes in Equity for the Year Ended 30 June 2023

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 July 2022	100	632,000	-	632,100
Total comprehensive income	-	-	274,463	274,463
Dividends	-	-	(280,667)	(280,667)
At 30 June 2023	<u>100</u>	<u>632,000</u>	<u>(6,204)</u>	<u>625,896</u>

	Share capital £	Share premium £	Retained earnings £	Total £
At 1 March 2022	100	632,000	-	632,100
Total comprehensive income	-	-	98,083	98,083
Dividends	-	-	(98,083)	(98,083)
At 30 June 2022	<u>100</u>	<u>632,000</u>	<u>-</u>	<u>632,100</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Carmac Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 30 June 2023

		Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
	Note		
Cash flows from operating activities			
Profit for the year		2,773,166	1,117,767
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	1,065,072	285,001
Profit on disposal of property plant and equipment	4	(162,090)	(1,586)
Finance income	5	(38,813)	-
Finance costs	6	89,907	36,094
Income tax expense	10	363,535	284,860
		<u>4,090,777</u>	<u>1,722,136</u>
Working capital adjustments			
Decrease/(increase) in trade and other receivables	15	193,297	(3,605,962)
Increase in trade and other payables	17	1,050,164	1,277,879
Cash generated from operations		5,334,238	(605,947)
Income taxes paid	10	(79,927)	(8,669)
Net cash flow from operating activities		<u>5,254,311</u>	<u>(614,616)</u>
Cash flows from investing activities			
Interest received	5	38,813	-
Acquisitions of property plant and equipment		(1,557,558)	(547,843)
Proceeds from sale of property plant and equipment		322,740	29,650
Acquisition of investment properties	13	(2,106,253)	-
Net cash flows used in investing activities		<u>(3,302,258)</u>	<u>(518,193)</u>
Cash flows from financing activities			
Hire purchase interest	6	(89,907)	(36,094)
Payment of deferred consideration		(650,000)	(200,000)
Payments to finance lease creditors		(952,967)	(112,833)
Dividends paid		(280,667)	(98,083)
Net cash flows used in financing activities		<u>(1,973,541)</u>	<u>(447,010)</u>
Net decrease in cash and cash equivalents		(21,488)	(1,579,819)
Cash and cash equivalents at 1 July	16	4,211,919	5,791,738
Cash and cash equivalents at 30 June	16	<u>4,190,431</u>	<u>4,211,919</u>

The notes on pages 16 to 28 form an integral part of these financial statements.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 Accounting policies

Summary of significant accounting policies and key accounting estimates

Carmac Holdings Limited is a company limited by shares incorporated in England within the United Kingdom. The address of the registered office is given in the company information on page 1 of these financial statements.

The financial statements are presented in sterling, which is the functional currency of the group.

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Summary of disclosure exemptions

The parent company has taken exemption from presenting its unconsolidated profit and loss account under section 408 of the Companies Act 2006.

The parent company has taken advantage of the exemptions available under FRS102 not to disclose related party transactions with qualifying group companies.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 June 2023.

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the Statement of Comprehensive Income from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 Accounting policies (continued)

Going concern

After due consideration of all relevant factors, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Revenue

Revenue is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts. Revenue and costs on contracts are recognised where the outcome of a contract is reasonably certain. Full provision is made for any losses on contracts at the point the loss is first foreseen.

Rent receivable

Rental receivable is recognised on a straight-line basis over the life of the lease agreement.

Government grants

Grants in respect of capital expenditure are credited to Property, Plant and Equipment and deducted from the cost of the asset to which they relate.

Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

Long-term contracts

Long-term contracts are assessed on a contract by contract basis and are valued at cost less foreseeable losses less any applicable payments on account. A reasonable proportion of revenue and related costs are recognised in the statement of comprehensive income where the outcome of a contract can be assessed with reasonable certainty.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

Deferred tax shall be recognised in respect of all timing differences at the reporting date, except as otherwise required by FRS102. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Unrelieved tax losses and other deferred tax assets shall be recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits..

Property, Plant and Equipment

Property, Plant and Equipment are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of property, plant and equipment includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	15% reducing balance
Motor vehicles	25% reducing balance
Office equipment	3 years straight line

Investment property

In accordance with accounting standards, the company's property is held for long-term investment and is included in the Statement of Financial Position at fair value. The surplus or deficit on revaluation of the property is recognised through profit or loss. Depreciation is not provided in respect of investment property.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 Accounting policies (continued)

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Goodwill

Goodwill arising on acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows: Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Inventories

Long-term contracts are assessed on a contract by contract basis and are valued at cost less foreseeable losses less any applicable payments on account. A reasonable proportion of revenue and related costs are recognised in the statement of comprehensive income where the outcome of a contract can be assessed with reasonable certainty.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

1 Accounting policies (continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Critical accounting judgements and estimates

Drawing up the financial statements in accordance with FRS102 required management to make necessary estimates and assessments. Estimates are based on past experience and other reasonable assessment criteria. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that and prior periods, or in the period of the revision and future periods if the revision affects both current and future periods.

Given the judgemental nature of such estimates, actual results could be different from the assumptions used. The critical accounting estimates and judgements are set out below:

- **Revenue from construction contracts** - a reasonable proportion of revenue and related costs are recognised in the Statement of Comprehensive Income where the outcome of a contract can be assessed with reasonable certainty. The key judgements and estimates in determining the outcome of a contract include the estimation of costs to completion and an estimation of the remaining resources.
- **Recoverable value of receivables** - the recoverability of trade and other receivables (specifically retention debtors) are regularly reviewed in light of available information specific to each receivable and provisions are recognised for balances considered irrecoverable.
- **Impairment of investments** - investments held by the company are tested annually for impairment and adjusted as required.
- **Fair value estimate of investment property** - the fair value of investment property reflects the actual market state and circumstances as of the balance sheet date.

2 Revenue

The analysis of the group's turnover for the year by class of business is as follows:

	2023 £	2022 £
Construction contracts	43,177,230	16,964,252
Rent receivable	27,749	-
	<u>43,204,979</u>	<u>16,964,252</u>

The analysis of the group's turnover for the year by market is as follows:

	2023 £	2022 £
United Kingdom	<u>43,204,979</u>	<u>16,964,252</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

3 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2023 £	2022 £
Other income	<u>8,444</u>	<u>2,896</u>

4 Operating profit

Arrived at after charging/(crediting)

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Hire of plant and machinery	971,533	497,934
Depreciation expense	1,041,414	277,115
Amortisation expense	23,658	7,886
Operating lease expense - plant and machinery	52,500	17,500
Profit on disposal of property, plant and equipment	<u>(162,090)</u>	<u>(1,586)</u>

5 Other interest receivable and similar income

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Interest income on bank deposits	<u>38,813</u>	<u>-</u>

6 Interest payable and similar expenses

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Interest on obligations under finance leases and hire purchase contracts	<u>89,907</u>	<u>36,094</u>

7 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	Year ended 30 June 2023 £	1 March to 30 June 2022 £
Wages and salaries	4,005,782	1,410,689
Social security costs	479,880	53,726
Pension costs, defined contribution scheme	215,794	87,414
Redundancy costs	<u>16,000</u>	<u>-</u>
	<u>4,717,456</u>	<u>1,551,829</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

7 Staff costs (continued)

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	Year ended 30 June 2023 No.	1 March 2022 to 30 June 2022 No.
Production	43	38
Administration and support	20	22
	<u>63</u>	<u>60</u>

8 Directors' remuneration

The directors' remuneration for the year was as follows:

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Remuneration	247,184	84,361
Contributions paid to money purchase schemes	150,791	66,597
	<u>397,975</u>	<u>150,958</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	Year ended 30 June 2023 No.	1 March 2022 to 30 June 2022 No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>3</u>

In respect of the highest paid director:

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Remuneration	<u>170,000</u>	<u>56,667</u>

9 Auditors' remuneration

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Audit of the financial statements	20,000	18,000
Non audit services	3,900	-
Taxation	2,700	-
	<u>26,600</u>	<u>18,000</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

10 Taxation

Tax charged/(credited) in the income statement

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Current taxation		
UK corporation tax	13,313	-
UK corporation tax adjustment to prior periods	(109,578)	-
	(96,265)	-
Deferred taxation		
Arising from origination and reversal of timing differences	459,800	284,860
Tax expense in the income statement	363,535	284,860

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2022 - higher than the standard rate of corporation tax in the UK) of 25% (2022 - 19%).

An increase in the UK corporation tax rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax liability at 30 June 2023 has been calculated based on management's consideration of these rates, reflecting the expected timing of reversal of the related temporary differences.

The differences are reconciled below:

	Year ended 30 June 2023 £	1 March 2022 to 30 June 2022 £
Profit before tax	3,136,701	1,402,627
Corporation tax at standard rate	784,175	266,499
Effect of expense not deductible in determining taxable profit (tax loss)	9,248	751
Deferred tax credit relating to changes in tax rates or laws	(2,986)	-
Deferred tax credit from unrecognised temporary difference from a prior period	(109,578)	-
Tax decrease from effect of capital allowances and depreciation	(570,022)	(295,562)
Tax increase from other short-term timing differences	459,800	284,860
Tax (decrease)/increase from effect of unrelieved tax losses carried forward	(207,102)	28,312
Total tax charge	363,535	284,860

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2023	
Difference between accumulated depreciation and amortisation and capital allowances	1,729,500

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

10 Taxation (continued)

2022	Liability £
Difference between accumulated depreciation and amortisation and capital allowances	<u>1,269,700</u>

11 Intangible assets

Group	Goodwill £
Cost or valuation	
At 1 July 2022	<u>236,575</u>
At 30 June 2023	<u>236,575</u>
Amortisation	
At 1 July 2022	31,544
Amortisation charge	<u>23,658</u>
At 30 June 2023	<u>55,202</u>
Carrying amount	
At 30 June 2023	<u>181,373</u>
At 30 June 2022	<u>205,031</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

12 Property, Plant and Equipment

Group

	Office equipment £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation				
At 1 July 2022	25,156	650,645	5,474,859	6,150,660
Additions	11,318	46,578	2,774,727	2,832,623
Disposals	-	(231,075)	(251,850)	(482,925)
At 30 June 2023	36,474	466,148	7,997,736	8,500,358
Depreciation				
At 1 July 2022	10,811	136,297	680,779	827,887
Charge for the period	10,331	124,576	906,507	1,041,414
Eliminated on disposal	-	(189,427)	(132,848)	(322,275)
At 30 June 2023	21,142	71,446	1,454,438	1,547,026
Carrying amount				
At 30 June 2023	15,332	394,702	6,543,298	6,953,332
At 30 June 2022	14,345	514,348	4,794,080	5,322,773

Assets held under finance leases and hire purchase contracts

The net carrying amount of property, plant and equipment includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2023 £	2022 £
Plant and machinery	5,203,198	3,657,896

The depreciation charge in respect of assets held under finance leases and hire purchase contracts was £730,093 (period ended 30 June 2022: £221,415).

13 Investment properties

Group

	2023 £
Additions	2,106,253
At 30 June 2023	2,106,253

Company

	2023 £
Additions	2,106,253
At 30 June 2023	2,106,253

The historical cost of the investment property is £2,106,253 and the company purchased the investment property in February 2023. The directors do not consider the fair value at the year end to be materially different to the carrying value.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

14 Investments

Company

	2023 £	2022 £
Investments in subsidiaries	<u>6,355,553</u>	<u>6,355,553</u>

Subsidiaries

Cost or valuation

At 1 July 2022 and 30 June 2023		<u>6,355,553</u>
---------------------------------	--	------------------

Carrying amount

At 30 June 2023		<u>6,355,553</u>
At 30 June 2022		<u>6,355,553</u>

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2023	2022
Subsidiary undertakings				
Carmac (Building & Civil Engineering) Limited	Burton Road, Finedon, Northamptonshire, NN9 5HX	Ordinary	100%	100%

The principal activity of Carmac (Building & Civil Engineering) Limited is civil engineering work.

The profit for the financial period of Carmac (Building & Civil Engineering) Limited was £2,803,028 and the company had net assets at the year end of £11,590,945.

15 Receivables

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Trade receivables		16,795	35,326	2,775	-
Other receivables		2,493,171	3,269,458	100	100
Prepayments		5	2,754	-	-
Gross amount due from customers for contract work		7,709,322	7,105,052	-	-
Income tax asset	10	<u>79,927</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total current trade and other receivables		<u>10,299,220</u>	<u>10,412,590</u>	<u>2,875</u>	<u>100</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

16 Cash and cash equivalents

	2023 £	Group 2022 £	2023 £	Company 2022 £
Cash on hand	441	318	-	-
Cash at bank	4,189,990	4,211,601	1,971	-
	<u>4,190,431</u>	<u>4,211,919</u>	<u>1,971</u>	<u>-</u>

17 Creditors

	Note	2023 £	Group 2022 £	2023 £	Company 2022 £
Due within one year					
Loans and borrowings	21	1,491,579	975,570	-	-
Trade payables		5,872,083	5,326,813	7,866	-
Amounts due to related parties	24	-	-	6,638,806	3,882,553
Social security and other taxes		175,156	151,438	-	-
Other payables		744,626	751,025	650,000	650,000
Accrued expenses		5,728,484	5,240,909	-	-
Income tax liability	10	13,313	109,578	3,084	-
		<u>14,025,241</u>	<u>12,555,333</u>	<u>7,299,756</u>	<u>4,532,553</u>
Due after one year					
Loans and borrowings	21	1,392,207	1,586,118	-	-
Other payables		541,000	1,191,000	541,000	1,191,000
		<u>1,933,207</u>	<u>2,777,118</u>	<u>541,000</u>	<u>1,191,000</u>

18 Deferred tax and other provisions

Group

	Deferred tax £
At 1 July 2022	1,269,700
Charge to the statement of comprehensive income	<u>459,800</u>
At 30 June 2023	<u>1,729,500</u>

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £215,794 (period ended 30 June 2022 - £87,414).

Contributions totalling £2,355 (period ended 30 June 2022 - £2,463) were payable to the scheme at the end of the year and are included in creditors.

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

20 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £0.01 each	10,000	100.00	10,000	100.00
Capital share of £0.01 each	1	0.01	1	0.01
	<u>10,001</u>	<u>100</u>	<u>10,001</u>	<u>100</u>

21 Loans and borrowings

	2023	Group 2022	2023	Company 2022
	£	£	£	£
Non-current loans and borrowings				
Finance lease liabilities	1,392,207	1,586,118	-	-
Other borrowings	<u>541,000</u>	<u>1,191,000</u>	<u>541,000</u>	<u>1,191,000</u>
	<u>1,933,207</u>	<u>2,777,118</u>	<u>541,000</u>	<u>1,191,000</u>
	2023	Group 2022	2023	Company 2022
	£	£	£	£
Current loans and borrowings				
Finance lease liabilities	<u>1,491,579</u>	<u>975,570</u>	<u>-</u>	<u>-</u>

22 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2023	2022
	£	£
Not later than one year	52,697	54,865
Later than one year and not later than five years	<u>-</u>	<u>1,774</u>
	<u>52,697</u>	<u>56,639</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £52,500 (period ended 30 June 2022 - £17,500).

23 Dividends

	2023	2022
Dividends paid	<u>280,667</u>	<u>98,083</u>

Carmac Holdings Limited

Notes to the Financial Statements for the Year Ended 30 June 2023

24 Related party transactions

The group has taken advantage of the exemptions available under FRS102 not to disclose related party transactions with qualifying group companies.

Rent of £46,750 (period ended 30 June 2022 - £17,500) was paid to the Carmac (Building & Civil Engineering) Limited Directors' Pension Scheme. T J McGowan and Mrs M McGowan are both trustees of the pension scheme and are the parents of T McGowan, a director of the company.

At the Statement of Financial Position date the group was owed £218,279 (period ended 30 June 2022 - £218,279) from TT&C Developments Limited, a company under the control of C F Kilroy and T McGowan. The loan is repayable on demand and no interest was charged on the loan balance.

During the year the group loaned £100,000 to Platinum Plant Solutions Limited, a company under the control of C F Kilroy and T McGowan. £113,124 was outstanding at the Statement of Financial Position date, including a trade debtor balance of £13,124.

At the Statement of Financial Position date the group owed £8,988 (period ended 30 June 2022 - £Nil) to Platinum Plant Solutions Limited, a company under the control of C F Kilroy and T McGowan.

Directors' loan accounts

The following balances owed by the directors were outstanding at the period end:

	Maximum balance	2023	2022
	£	£	£
A Morris	288	288	288
	<u>288</u>	<u>288</u>	<u>288</u>

No interest is charged in respect of these balances.

25 Control

The company is controlled by T McGowan and C F Kilroy, by virtue of their share ownership.

26 Analysis of net debt

	As at 1 July 2022	Cashflows	New finance leases	As at 30 June 2023
	£	£	£	£
Net cash				
Cash on hand and at bank	4,211,919	(21,488)	-	4,190,431
	<u>4,211,919</u>	<u>(21,488)</u>	<u>-</u>	<u>4,190,431</u>
Net debt				
Finance leases	(2,561,688)	952,967	(1,275,065)	(2,883,786)
	<u>(2,561,688)</u>	<u>952,967</u>	<u>(1,275,065)</u>	<u>(2,883,786)</u>
Total	<u>1,650,231</u>	<u>931,479</u>	<u>(1,275,065)</u>	<u>1,306,645</u>