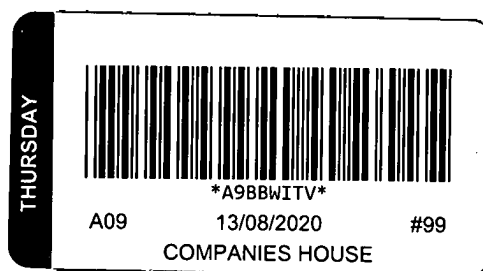


Registered number: 04776218

CNC GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 29 APRIL 2019



CNC GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors	M A Coleman M A Carless L Morris G Rowe
Company secretary	L Morris
Registered number	04776218
Registered office	Shady Lane Great Barr Birmingham B44 9ER
Independent auditors	BDO LLP Statutory Auditor Two Snowhill Birmingham B4 6GA
Bankers	Allied Irish Bank plc 63 Temple Row Birmingham B2 5LT
Solicitors	Gateley plc One Eleven Edmund Street Birmingham B3 2HJ

CNC GROUP HOLDINGS LIMITED

CONTENTS

	Page
Group Strategic Report	1 - 4
Directors' Report	5 - 8
Independent Auditors' Report	9 - 11
Consolidated Statement of Comprehensive Income	12
Consolidated Balance Sheet	13
Company Balance Sheet	14
Consolidated Statement of Changes in Equity	15
Company Statement of Changes in Equity	16
Consolidated Statement of Cash Flows	17 - 18
Consolidated Analysis of Net Debt	19
Notes to the Financial Statements	20 - 52

CNC GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 29 APRIL 2019

Introduction

As required by Financial Reporting Standards the directors present their strategic report for the year ended 29 April 2019.

Principal activities

CNC Group Holdings Limited is the parent company of four trading companies branded collectively as The Coleman Group. The group is fortunate to have a highly skilled and professional workforce that use latest technology and is a market leader in the provision of complex demolition, land redevelopment services, land and liquid remediation, specialised cutting and robotic demolition and engineering design. Group clients are typically high profile companies, public sector organisations and strategic partnerships.

Business review

Last year the directors reported that the financial year ending April 2018 had been a disappointing one for the company, representing uncertainty around Brexit, the deferral of major contracts, and some impact on business confidence arising from the tragic incident which was reported in 2016.

The directors are therefore cautiously pleased to report that there has been a substantial turnaround in the business this year. Whilst the company has still returned a post tax loss for the year of £660k, which is disappointing, this compares to a loss of £2,449k in the previous year. This turnaround has been achieved as a result of the planned restructure being implemented, the stabilisation of the overall number of contracts and a significant amount of repeat business being achieved.

In terms of the individual companies within the group, Coleman & Company limited, the largest trading company within the group, had a loss of £467k (2.4%), which again whilst disappointing, compares favourably to £1,370k loss in 2018. During the year the company managed successful reorganisation and cost cutting programme. However the company was unable to achieve the full reserve on a legacy contract, which contributed £255k to the loss, and suffered losses of £175k on one contract due to excessive unforeseen costs that could not be recovered from the client.

Coleman Specialist Cutting Limited made a loss of £275k, which was attributable to one major contract that has been a constant and on-going drain on the company for the last 2 years. This contract is now finally settled and complete. The directors are confident that the underlying health of the business is sound. They intend to refocus the company strategy to focus more on lower risk, shorter duration work which should have the effect of reducing turnover but increasing profit margins.

Coleman Remediation Limited, returned a loss of £216k for the year after an extensive overhaul including management reorganisation and implementation of cost efficiencies.

Coleman Engineering Services Limited returned a profit of £40k for the year over the year and the company will remain open as the prospects for future activity are encouraging.

Coleman & Company Plant Hire Limited did not trade and reported a loss before tax of £12k due to ongoing finance costs.

CNC GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2019

Financial key performance indicators

The group has developed an internal culture of key performance measures in order to monitor and continually improve management, objectivity and efficiencies at all levels. The directors consider the following to be key performance indicators:

	29 April 2019	30 April 2018
Turnover	£23,611,288	£21,007,856
Gross profit margin	15.5%	6.7%
Gross margin on continuing operations	15.5%	8.1%
(Loss) before tax ratio	(2.6%)	(13.3%)

Against a target of gross profit of 18% and profit before tax of 5% these results are disappointing. However if losses on settlement of historic accounts is removed the group achieve an underlying gross profit of 16.9% and loss before tax of 1.5%.

Outlook

Since the year end the directors have continued with the reorganisation programme for the business. Several post balance sheet events have had a significant impact, and these include:

- the resignation of the managing director;
- loss of work and closure of sites due to COVID-19; and
- losses on one contract whereby the major subcontractor quit prior to completion leaving the group with considerable costs.

The directors are of the opinion that the industry is suffering in an environment where work is won on price alone and that demolition contractors are expected to take on all risks for little reward. As a consequence, they have decided to refocus on clients who work in a more collaborative way, including long-standing clients of the group, and not to chase high risk, low margin opportunities. This will result in lower turnover going forward but will improve profitability.

With this strategy in mind the directors have thoroughly reviewed the entire business and have, with input from advisors, developed a plan to see the group continue into the future.

To raise capital, the group is divesting itself of excess plant and machinery to the value of £2m. At the time of writing some £400k had been achieved and a further £1.2m was agreed in principle.

The company is in the process of a redundancy exercise which will see some 40% of staff leave the business and unneeded business premises have been either disposed of or let to third parties.

These changes will ensure that the group has the correct resources to complete the solid and profitable work already secured for 2021. The directors are therefore of the opinion that with successful completion of these changes the group can continue to meet its liabilities, service the secured work and continue to trade profitably into the future.

CNC GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2019

Key strategies

The directors will continue to put investment in people's health and safety and wellbeing at the heart of its strategy for the business. There will be a renewed focus on environmental impact, working with partners across industry to ensure the company is the sector leader in environmental responsibility and innovation. New technologies will be adopted in order to improve the management of risk and KPIs. As part of their vision for the future, the directors will place a strong emphasis on simplifying ways of working, with a consistent and relentless focus on quality constantly at the heart of the group's offer.

Principal risks and uncertainties

The major risks to the group are considered to include:

Economic risk. Beyond Brexit and the uncertain nature of the UK's future trading relationships, the group is also exposed to state of the economy as a whole. Any recession would likely have an impact on overall profitability.

Safety. The health and safety of the group's employees is the directors' highest priority and there has been much innovation and investment in this area. However, while risks are minimised to the greatest possible extent it remains the case that some of the activity is by its nature high risk.

Environmental risks. The directors mitigate the risk of the group having an adverse effect on the environment through training for staff, carrying out assessments of environmental impact before making business decisions, and continuing with the group's ongoing commitment to replacing older plants with modern, cleaner and more efficient assets.

Competition. The sector is dynamic and in a state of constant evolution, but the directors believe that the group's focus on quality, innovation and on maintaining excellent stakeholder relationships are strong mitigating factors against the risks posed by competitors.

Contingent liabilities. The group experienced a tragic incident on a major contract in 2016. Investigations by external authorities are still underway, but as previously noted the directors do not believe the company is responsible for the cause of the incident. This is based on rigorous independent inquiries and on advice received from the company's professional advisers.

COVID-19. The group is unable to ascertain how long and to what extent, the COVID-19 outbreak will continue to have an impact on its own ability to continue to work or on the wider industry in which it operates. Whilst there is promising narrative of antiviral vaccines being developed, the group has no certainty as to the time line or that these will be successful in containing the outbreak and allowing business to return to normal.

Going concern

After making enquiries and preparing integrated profit and loss and cash flow forecasts for one year from the date the financial statements are signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a strong expectation that the Group and the Parent Company have adequate resources to continue in existence for the foreseeable future. However, there are certain uncertainties, as described in more detail below.

CNC GROUP HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2019

Going concern (continued)

The Board of Directors has undertaken a thorough review of the Group's and individual company budgets and forecasts and has produced detailed and realistic cash flow projections. Various scenarios have been run on the potential impact of COVID 19, including the modelling of worst case scenarios. The group has existing cash resources at 30 July 2020 of £897k and an unused bank overdraft facility of £500k. This level of cash is considered enough to meet managements best estimate, whereby trading cash flows only include revenues of work carried out that are currently still in operation and an estimate of pipeline projects. Sensitivities have been applied to the non secured pipeline revenue and this would need to fall by 50% for the banking facilities to be breached. These forecasts take account of a number of cost saving initiatives, to deal with the impact of COVID 19, in the year.

These cash flow projections, when considered in conjunction with the group's existing cash balances and current facilities, demonstrate that the group has sufficient working capital for the foreseeable future. However, there are material uncertainties, as the Directors acknowledge that the existing banking facilities are due to expire on 30 November 2020 and the directors are currently in negotiations to find alternative funding. At the date of signing the accounts the directors are hopeful that these facilities will be refinanced and have prepared the accounts on a going concern basis. In order to mitigate reliance on bank support for working capital, the company has decided to sell surplus plant and equipment with an estimated value of £2m. At the time of writing £400k of this had been achieved and a further £1.2m was in advanced negotiation.

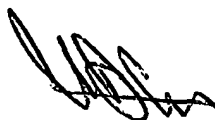
In the current business climate, Management acknowledge the COVID 19 pandemic and have implemented logistical and organisational changes to underpin the Group's resilience to COVID 19, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity. COVID 19 may impact the Group in varying ways leading to potential impairments of assets held which could have a direct bearing on the Group's ability to generate sufficient cash flows for working capital purposes. Management are closely monitoring commercial and technical aspects of the Group's operations to mitigate the impact from the COVID 19 pandemic. The inability to gauge the length of such disruption further adds to this uncertainty. For these reasons the generation of sufficient operating cash flows remain a risk. Management believes the Group will generate sufficient working capital and cash flows to continue in operational existence.

In light of the forecast prepared, the directors remain of the view that the forecast is achievable (despite external factors such as COVID 19) and that the headroom within the forecast should be sufficient to enable the group and company to operate and meets its liabilities as they fall due for payment throughout the year, and the financial statements have accordingly been prepared on a going concern basis.

However, the uncertainties around the refinancing of the current bank facilities or raising alternative funding, along with the potential impact on the Parent Company and the Group of COVID 19, represent material uncertainties, which may cast doubt on the ability of the Parent Company and the Group to continue as a going concern, albeit that plant and equipment sales will remove the need for reliance on the bank for working capital funding before those facilities expire. The financial statements do not include the adjustments that would be necessary if the group and parent company is not able to achieve its forecasts or is unable to continue as a going concern.

This report was approved by the board and signed on its behalf.

M A Coleman
Director



Date: 7 August 2020

CNC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE PERIOD ENDED 29 APRIL 2019

The directors present their report and the financial statements for the year ended 29 April 2019.

Results and dividends

The loss for the year, after taxation, amounted to £659,915 (2018 - loss £2,449,207).

The directors do not propose a dividend (2018 - £Nil).

Interim dividends of £69,834 (2018 - £145,004) were paid during the year. Dividends of £26,250 (2018 - £26,250) were paid on preference shares treated as debt during the year.

Directors

The directors who served during the year and up to the date of this report were:

M A Coleman
M R Garner FCA CTA (resigned 15 January 2019)
J Howard (resigned 1 December 2019)

M A Carless, L Morris and G Rowe were appointed as directors of the company on 7 January 2020.

Qualifying third party indemnity provisions

The group has put in place qualifying third party indemnity provisions for all directors of the group.

Matters covered in the strategic report

Information relating to future events is not shown in the Directors Report because it is shown in the Strategic Report instead under Section 414C (11) of Companies Act 2006.

Post balance sheet events

In January 2020, an outbreak of a corona virus, now classified as COVID 19, was detected in China's Hubei province. During the following months, COVID 19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic. In order to stem the spread of the virus, Governments around the World are taking drastic steps which include compulsory closure of various businesses, shops and schools and are also heavily restricting of movement of people with lock down.

At the time of writing, we are waiting to see how great an impact the COVID 19 crisis will have on the current year's trading. Our thoughts and sympathies go out to all that have been affected by the virus, either directly or indirectly.

Due to the rapid development of COVID 19, the degree of uncertainty involved and the unprecedented nature of the challenges posed by the coronavirus situation. The Directors' are of the opinion that it is too soon to quantify what financial impact that the COVID 19 pandemic will be, but are monitoring the situation closely and believe will overall have a negative impact on trading results as outlined below:

COVID-19 has impacted most companies within the group, and the board has taken swift action to mitigate the effects on the business. This includes, first and foremost, protection of our employees, partners and the public by implementing, together with our clients and partners, quarantine and social distancing policies in accordance with government guidelines and, where necessary, closing sites when adequate employee protection could not be achieved. Our risk assessments have not only included working conditions on site but also included welfare, accommodation for remote workers and transport requirements to and from sites. Most sites were closed for at least three weeks during lockdown. Several sites re-opened in June 2020.

CNC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2019

Post balance sheet events (continued)

The group has permitted any employee who is able to work from home to do so, and we have provided technology to enable them to do this. Fortunately, recent investment in up-to date IT systems and infrastructure has meant that this was achieved quickly and efficiently, and with relatively little additional outlay.

Where necessary, employees were furloughed, and the company has utilised the Coronavirus Job Retention Grant. The company has also taken advantage of the governments schemes to defer VAT and PAYE/NIC. It is envisaged that all delayed payments to HMRC will be repaid by July 2021.

As a direct result of the COVID-19 pandemic, the group's largest contract, redevelopment of Broadmarsh Shopping Centre, Nottingham, was cancelled, mid-contract, by the ultimate client Intu. The group has also seen other future work cancelled or put on hold indefinitely. However, other projects have been won and substantial major works, including Euston Station, Coventry Point Tower and work for National Grid have successfully resumed. In response to a forecast downturn in turnover for 2020-2021, the group is looking to restructure and make itself fit to continue to trade in a post COVID recession. To that end the group is embarking on tailoring our workforce requirements accordingly.

Since the year end the group has suffered losses of £1.3m as a result of a major sub-contractor defaulting on and failing to complete a contract for the group.

As already referred to in the directors' report, the group is undergoing a major restructuring programme which includes liquidating an estimated £2m of excess plant & machinery, review and of property holdings, and a major redundancy programme. This is to bring all holding to a level required to fit the secured work force going forward.

Financial risk management objectives and policies

The directors of the group continually monitor the risks and uncertainties facing the Group with particular reference to price, liquidity and credit risks. They are confident that there are suitable policies in place and there are no material risks and uncertainties which have not been considered.

The Group uses various financial instruments which include cash, trade debtors and trade creditors that arise from its operations. The main purpose of these financial instruments is to manage the Group's daily operations.

Currency risk

The Group makes very few transactions in foreign currencies so the exposure to translation and foreign exchange currency risk and do not consider this to have a significant impact on its operations.

Liquidity risk

The Group manages its financial risk by closely monitoring its working capital requirements and ensuring sufficient liquidity is available to meet foreseeable needs. When managing its working capital the Group has utilised its agreed bank overdraft facility where this is considered necessary.

Credit risk

The Group's principal credit risk arises around trade debts. In order to manage credit risk the directors review debt aging on a regular basis to ensure debts are collected are received in line with agreed credit terms.

CNC GROUP HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE PERIOD ENDED 29 APRIL 2019

Directors' responsibilities statement

The directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 and of the profit or loss of the Group for that year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Research and development activities

The group continues to develop new and innovative ways to approach our projects.

Auditors

On 1 February 2019 Moore Stephens LLP merged its business with BDO LLP. As a result, Moore Stephens LLP has resigned as auditor and the directors have appointed BDO LLP as auditor in their place. BDO LLP has indicated its willingness to continue in office.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company and the Group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the Group's auditors are aware of that information.

CNC GROUP HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE PERIOD ENDED 29 APRIL 2019**

This report was approved by the board and signed on its behalf.



M A Coleman
Director

Date: 7 August 2020

CNC GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CNC GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of CNC Group Holdings Limited (the 'parent company') and its subsidiaries (the 'Group') for the year ended 29 April 2019, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, Company Balance Sheet, the Consolidated Statement of Cash Flows, the Consolidated Analysis of Net Debt, the Consolidated Statement of Changes in Equity and the Company Statement of Changes in Equity and the related notes, 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 of the parent company's affairs as at 29 April 2019 and of the Group's loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Group and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3, in the accounting policies which indicates the Group and the parent company's current banking agreements are due to expire on 30 November 2020 and an extension or alternative funding to these facilities has not been agreed. As stated in note 2.3, these conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's and parent company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

CNC GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CNC GROUP HOLDINGS LIMITED (CONTINUED)

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Opinion on other matters 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 Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the 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 the 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 Group Strategic Report or 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 parent company, or returns adequate for our audit have not been received from branches not visited by us; 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.

CNC GROUP HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CNC GROUP HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 7, 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 Group's and the parent 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 Group or the parent company or to cease operations, or have no realistic alternative but to do so.

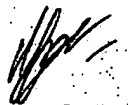
Auditors' responsibilities for the audit of the financial statements

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 Auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the company's shareholders 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 shareholders those matters we are required to state to them in an Auditors' 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 shareholders for our audit work, for this report, or for the opinions we have formed.



Paul Fenner (Senior Statutory Auditor)

for and on behalf of
BDO LLP

Statutory Auditor

Two Snowhill
Birmingham
B4 6GA

11 August 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

CNC GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 29 APRIL 2019**

	Note	Continuing operations 2019 £	Discontinued operations 2019 £	Total 2019 £	Continuing operations 2018 £	Discontinued operations 2018 £	Total 2018 £
Turnover	4	23,611,248	-	23,611,248	20,739,824	268,032	21,007,856
Cost of sales		(19,949,457)	-	(19,949,457)	(19,068,122)	(532,384)	(19,600,506)
Gross profit/(loss)		3,661,791	-	3,661,791	1,671,702	(264,352)	1,407,350
Administrative expenses		(4,268,365)	-	(4,268,365)	(4,351,994)	(113,000)	(4,464,994)
Other operating income	5	-	-	-	-	482,750	482,750
Operating loss	6	(606,574)	-	(606,574)	(2,680,292)	105,398	(2,574,894)
Operating (loss) / profit analysis							
Attributable to ordinary activities		(606,574)	-	(606,574)	(2,331,292)	(377,352)	(2,708,644)
Fair value movements		-	-	-	-	-	-
Attributable to exceptional items		-	-	-	(349,000)	482,750	133,750
Operating (loss) / profit		(606,574)	-	(606,574)	(2,680,292)	105,398	(2,574,894)
Fair value movements	18	154,920	-	154,920	-	-	-
Interest receivable	11	8,049	-	8,049	6,140	-	6,140
Interest payable	12	(172,148)	-	(172,148)	(219,178)	-	(219,178)
Loss before taxation		(615,753)	-	(615,753)	(2,893,330)	105,398	(2,787,932)
Tax on loss	13	(44,162)	-	(44,162)	358,750	(20,025)	338,725
(Loss)/profit for the year		(659,915)	-	(659,915)	(2,534,580)	85,373	(2,449,207)

There were no recognised gains and losses for 2019 or 2018 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2019 (2018 - £Nil).

The notes on pages 20 to 52 form part of these financial statements.

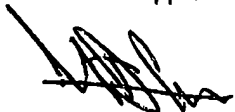
CNC GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 04776218

CONSOLIDATED BALANCE SHEET
AS AT 29 APRIL 2019

	Note	29 April 2019 £	29 April 2019 £	30 April 2018 £	30 April 2018 £
Fixed assets					
Intangible assets	15		36,024		72,048
Tangible assets	16		7,052,923		8,863,228
Investment property	18		1,000,000		-
			<u>8,088,947</u>		<u>8,935,276</u>
Current assets					
Stocks	19	111,747		186,479	
Debtors: due within one year	20	5,828,130		6,914,835	
Cash at bank and in hand	21	1,777,178		366,764	
		<u>7,717,055</u>		<u>7,468,078</u>	
Creditors: due within one year	22	(6,104,564)		(5,827,000)	
Net current assets			<u>1,612,491</u>		<u>1,641,078</u>
Total assets less current liabilities			<u>9,701,438</u>		<u>10,576,354</u>
Creditors: due after one year	23		(2,914,689)		(3,043,933)
Provisions for liabilities					
Deferred taxation	27	(362,439)		(278,362)	
Other provisions	28	-		(100,000)	
			<u>(362,439)</u>		<u>(378,362)</u>
Net assets			<u><u>6,424,310</u></u>		<u><u>7,154,059</u></u>
Capital and reserves					
Called up share capital	29		1,932		1,932
Merger reserve	30		(873,024)		(873,024)
Profit and loss account	30		7,295,402		8,025,151
			<u><u>6,424,310</u></u>		<u><u>7,154,059</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 August 2020.

M A Coleman
Director



The notes on pages 20 to 52 form part of these financial statements.

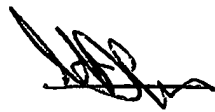
CNC GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 04776218

COMPANY BALANCE SHEET
AS AT 29 APRIL 2019

	Note	29 April 2019 £	29 April 2019 £	30 April 2018 £	30 April 2018 £
Fixed assets					
Tangible assets	16		3,121,800		4,082,259
Investments	17		1,249,749		1,499,815
Investment property	18		1,000,000		-
			<u>5,371,549</u>		<u>5,582,074</u>
Current assets					
Debtors: due after one year	20	82,000		1,312,000	
Debtors: due within one year	20	273,764		98,554	
Cash at bank and in hand	21	144,473		51,845	
		<u>500,237</u>		<u>1,462,399</u>	
Creditors: due within one year	22	(538,542)		(373,156)	
Net current (liabilities)/assets			<u>(38,305)</u>		<u>1,089,243</u>
Total assets less current liabilities			<u>5,333,244</u>		<u>6,671,317</u>
Creditors: due after one year	23		(4,865,151)		(4,809,890)
Provisions for liabilities					
Deferred taxation	27		(27,168)		(10,900)
Net assets			<u>440,925</u>		<u>1,850,527</u>
Capital and reserves					
Called up share capital			1,932		1,932
Profit and loss account brought forward		1,848,595		1,927,591	
(Loss)/profit for the year		(1,339,768)		66,008	
Equity dividends paid		(69,834)		(145,004)	
		<u></u>	<u></u>	<u></u>	<u></u>
Profit and loss account carried forward			438,993		1,848,595
			<u>440,925</u>		<u>1,850,527</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 August 2020.

M A Coleman
Director



The notes on pages 20 to 52 form part of these financial statements.

CNC GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 APRIL 2019**

	Called up share capital	Merger reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2017	1,932	(873,024)	10,619,362	9,748,270
Comprehensive income for the year				
Loss for the year	-	-	(2,449,207)	(2,449,207)
Total comprehensive income for the year	-	-	(2,449,207)	(2,449,207)
Dividends: Equity capital	-	-	(145,004)	(145,004)
Total transactions with owners	-	-	(145,004)	(145,004)
At 1 May 2018	1,932	(873,024)	8,025,151	7,154,059
Comprehensive income for the year				
Loss for the year	-	-	(659,915)	(659,915)
Total comprehensive income for the year	-	-	(659,915)	(659,915)
Dividends: Equity capital	-	-	(69,834)	(69,834)
Total transactions with owners	-	-	(69,834)	(69,834)
At 29 April 2019	1,932	(873,024)	7,295,402	6,424,310

The notes on pages 20 to 52 form part of these financial statements.

CNC GROUP HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 29 APRIL 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 May 2017	1,932	1,927,591	1,929,523
Comprehensive Income for the year			
Profit for the year	-	66,008	66,008
	-	66,008	66,008
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity	-	(145,004)	(145,004)
Total transactions with owners	-	(145,004)	(145,004)
At 1 May 2018	1,932	1,848,595	1,850,527
Comprehensive Income for the year			
Loss for the year	-	(1,339,768)	(1,339,768)
	-	(1,339,768)	(1,339,768)
Total comprehensive income for the year			
Contributions by and distributions to owners			
Dividends: Equity	-	(69,834)	(69,834)
Total transactions with owners	-	(69,834)	(69,834)
At 29 April 2019	1,932	438,993	440,925

The notes on pages 20 to 52 form part of these financial statements.

CNC GROUP HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 29 APRIL 2019**

	Note	29 April 2019 £	30 April 2018 £
Cash flows from operating activities			
Loss for the financial year		(659,915)	(2,449,207)
Adjustments for:			
Amortisation of intangible assets	15	36,024	36,024
Depreciation of tangible assets	16	823,711	1,009,115
Impairments of fixed assets		-	42,558
Profit on disposal of tangible assets	6	(27,705)	(60,600)
Government grants	6	(12,719)	(107,520)
Interest paid	12	145,898	192,928
Preference share dividends paid	12	26,250	26,250
Interest received	11	(8,049)	(6,140)
Taxation charge	13	44,162	(338,725)
Decrease in stocks	19	74,732	2,535,263
Decrease in debtors		1,236,651	1,966,548
Increase/(decrease) in creditors		923,228	(4,021,004)
(Decrease) in provisions	28	(100,000)	(500,000)
Fair value movements on investment property	18	(154,920)	-
Corporation tax (paid)		-	(80,196)
Net cash generated from/(used) in operating activities		2,347,348	(1,754,706)
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(62,777)
Purchase of tangible fixed assets	16	(63,343)	(43,475)
Sale of tangible fixed assets		232,562	920,925
Interest received	11	8,049	6,140
Net cash generated from investing activities		177,268	820,813

CNC GROUP HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE PERIOD ENDED 29 APRIL 2019

	Note	29 April 2019 £	30 April 2018 £
Cash flows from financing activities			
Movements on bank loans		(578,555)	136,084
Movements on directors loan accounts		(127,336)	2,279
Repayment of other loans		-	(45,000)
Repayment of finance leases		(457,537)	(2,006,569)
Dividends paid	14	(69,834)	(145,004)
Interest paid	12	(136,263)	(143,652)
Hire purchase interest paid	12	(9,635)	(49,276)
Preference share dividends paid	12	(26,250)	(26,250)
Net cash used in financing activities		(1,405,410)	(2,277,388)
Net increase/(decrease) in cash and cash equivalents		1,119,206	(3,211,281)
Cash and cash equivalents at beginning of the year		366,764	3,578,045
Cash and cash equivalents at the end of the year		1,485,970	366,764
Cash and cash equivalents at the end of period comprise:			
Cash at bank and in hand		1,777,178	366,764
Bank overdrafts		(291,208)	-
	21	1,485,970	366,764

The notes on pages 20 to 52 form part of these financial statements.

CNC GROUP HOLDINGS LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 29 APRIL 2019**

	At 1 May 2018 £	Cash flows £	Other non- cash changes £	At 29 April 2019 £
Cash at bank and in hand	366,764	1,410,414	-	1,777,178
Bank overdrafts	-	(291,208)	-	(291,208)
Debt due after 1 year	(2,489,533)	-	(140,742)	(2,630,275)
Debt due within 1 year	(928,450)	578,555	140,742	(209,153)
Finance leases	(909,577)	457,537	-	(452,040)
	<u>(3,960,796)</u>	<u>2,155,298</u>	<u>-</u>	<u>(1,805,498)</u>

The notes on pages 20 to 52 form part of these financial statements.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

1. General Information

CNC Group Holdings Limited is a private limited company, limited by shares, incorporated in England and Wales and domiciled in England.

The registered office is Shady Lane, Great Barr, Birmingham, West Midlands, B44 9ER and the company number 04776218.

CNC Group Holdings Limited is the parent company of three trading companies branded collectively as The Coleman Group. The Coleman Group are market leaders in the provision of: complex demolition; land redevelopment services; land and liquid remediation; specialised cutting and robotic demolition; and engineering design; servicing high profile companies, public sector organisations and strategic partnerships, by employing a highly skilled experienced team using latest technology.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 (March 2018), the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. In the prior year the group elected to apply all amendments to FRS102 as set out in the triennial review published in December 2017, prior to the mandatory adoption for accounting periods beginning on or after 1 January 2019.

The financial statements are prepared in sterling which is the functional currency of the group and company, and are rounded to the nearest £1.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial year end of the company was changed from 30 April to 29 April.

The following principal accounting policies have been applied:

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.2 Basis of consolidation

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

CNC Group Holdings Limited issued shares credited as fully paid as consideration for the acquisition of Coleman & Company Limited. The acquisition has been accounted for as a merger.

The group financial statements merge the financial statements of CNC Group Holdings Limited and its subsidiary undertaking, Coleman & Company Limited, as if it had always been owned. Accordingly the whole results, assets, liabilities and shareholders' funds of the merged companies are consolidated regardless of the actual merger date.

Therefore, the group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.3 Going concern

After making enquiries and preparing integrated profit and loss and cash flow forecasts for one year from the date the financial statements are signed, the Directors have formed a judgement that, as at the date of approving the financial statements, there is a strong expectation that the Group and the Parent Company have adequate resources to continue in existence for the foreseeable future. However, there are certain uncertainties, as described in more detail below.

The Board of Directors has undertaken a thorough review of the Group's and individual company budgets and forecasts and has produced detailed and realistic cash flow projections. Various scenarios have been run on the potential impact of COVID 19, including the modelling of worst case scenarios. The group has existing cash resources at 30 July 2020 of £897k and an unused bank overdraft facility of £500k. This level of cash is considered enough to meet managements best estimate, whereby trading cash flows only include revenues of work carried out that are currently still in operation and an estimate of pipeline projects. Sensitivities have been applied to the non secured pipeline revenue and this would need to fall by 50% for the banking facilities to be breached. These forecasts take account of a number of cost saving initiatives, to deal with the impact of COVID 19, in the year.

These cash flow projections, when considered in conjunction with the group's existing cash balances and current facilities, demonstrate that the group has sufficient working capital for the foreseeable future. However, there are material uncertainties, as the Directors acknowledge that the existing banking facilities are due to expire on 30 November 2020 and the directors are currently in negotiations to find alternative funding. At the date of signing the accounts the directors are hopeful that these facilities will be refinanced and have prepared the accounts on a going concern basis. In order to mitigate reliance on bank support for working capital, the company has decided to sell surplus plant and equipment with an estimated value of £2m. At the time of writing £400k of this had been achieved and a further £1.2m was in advanced negotiation.

In the current business climate, Management acknowledge the COVID 19 pandemic and have implemented logistical and organisational changes to underpin the Group's resilience to COVID 19, with the key focus being protecting all personnel, minimising the impact on critical work streams and ensuring business continuity. COVID 19 may impact the Group in varying ways leading to potential impairments of assets held which could have a direct bearing on the Group's ability to generate sufficient cash flows for working capital purposes. Management are closely monitoring commercial and technical aspects of the Group's operations to mitigate the impact from the COVID 19 pandemic. The inability to gauge the length of such disruption further adds to this uncertainty. For these reasons the generation of sufficient operating cash flows remain a risk. Management believes the Group will generate sufficient working capital and cash flows to continue in operational existence.

In light of the forecast prepared, the directors remain of the view that the forecast is achievable (despite external factors such as COVID 19) and that the headroom within the forecast should be sufficient to enable the group and company to operate and meets its liabilities as they fall due for payment throughout the year, and the financial statements have accordingly been prepared on a going concern basis.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.3 Going concern (continued)

However, the uncertainties around the refinancing of the current bank facilities or raising alternative funding, along with the potential impact on the Parent Company and the Group of COVID 19, represent material uncertainties, which may cast doubt on the ability of the Parent Company and the Group to continue as a going concern and may therefore be unable to realise its assets and discharge its liabilities in the normal course of business. The financial statements do not include the adjustments that would be necessary if the group and parent company is not able to achieve its forecasts or is unable to continue as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Long term contracts

The Group enters into long term contracts and projects and recognises revenue and costs associated with the contract using the percentage of completion method.

Percentage of completion is determined by comparing the proportion of costs incurred for work performed to date against the estimated total costs. Costs incurred for work performed to date do not include costs relating to future activity, such as prepayments. Costs relating to such future activity are recognised as an asset only if it is probable that such costs will be recovered. Where the recovery of such costs is not probable then an expense is recognised immediately.

Management recognise revenue and profits from the start of the project. Costs are included based on best estimate.

Regular contract reviews are performed by senior and project management support the process.

Where it is probable that contract costs will exceed total contract revenue the expected loss is recognised immediately.

Scrap Income

Revenue from scrap income is recognised at the point of sale.

Retention income

Revenue from retentions is recognised as they are paid.

Rental income

Rental income is recognised on a straight line bases over the life of the contract.

2.5 Operating leases: the Group as lessor

Rentals income from operating leases are credited to the Consolidated Statement of Comprehensive Income on a straight line basis over the term of the relevant lease.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

2. Accounting policies (continued)

2.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.7 Leased assets: the Group as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated Statement of Comprehensive Income as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Research and development

Research and development expenditure is written off in the year in which it is incurred, unless it meets the criteria for capitalisation.

Where corporation tax losses have been surrendered, research and development credits are treated as grant income and are included in administrative expenses.

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Consolidated Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in the Consolidated Statement of Comprehensive Income using the effective interest method.

2.11 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Borrowing costs

All borrowing costs are recognised in the Consolidated Statement of Comprehensive Income in the year in which they are incurred.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Intangible assets

Intangible assets relating to software development are recognised at cost. After recognition, intangible assets are measured at cost less any accumulated amortisation. Intangible assets are amortised over three years.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.16 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line and reducing balance basis of depreciation.

The principal rates of depreciation provided are as follows:

Freehold property	- 2% straight line basis
Improvements to leasehold property	- straight line basis over the life of the lease
Plant and machinery	- 10 - 20% straight line basis

The residual values, useful lives and depreciation methods of assets are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Where the company's own labour is utilised in the construction of fixed assets, this is capitalised at costs plus attributable overheads. Repairs and maintenance costs are charged to the Consolidated Statement of Comprehensive Income during the period in which they are incurred.

2.17 Impairment of fixed assets and software development costs

Assets that are subject to depreciation or amortisation are assessed at each balance sheet date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each balance sheet date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.18 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated Statement of Comprehensive Income.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

2. Accounting policies (continued)

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.20 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Consolidated Statement of Comprehensive Income.

2.21 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value.

2.22 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.23 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.24 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to Consolidated Statement of Comprehensive Income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

2. Accounting policies (continued)

2.25 Financial instruments

The group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and loans to and from related parties.

Preference shares are measured at fair value with changes recognised in the Consolidated Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

2.26 Dividends

Equity dividends are recognised when they become legally payable.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Long term contracts

Income is recognised based on costs incurred to date as a percentage of the total expected costs on a the contract, which is deemed best estimate of the stage of completion of each project. Provisions have been made on contracts where there are disputes, damages or foreseeable losses. Losses are provided in full in the period the contract is forecast to make a loss.

Research and development provisions

Provision has been made in the financial statements for the total claim expected to be received relating to research and development expenditure during the year. Actual qualifying expenditure for 2016/17 has been used in arriving at this estimation.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

4. Turnover

Turnover represents the value, excluding value added tax, of goods sold and services provided to customers. The turnover and profit before taxation is attributable to the principal activities of the group, being demolition, transportation, site clearance, bulk excavation, site remediation, production of recovered aggregates and related work for the construction industry. Turnover relates wholly to the United Kingdom.

5. Other operating income

	2019 £	2018 £
Compensation for termination of lease	-	527,125
Lease termination costs	-	(44,375)
	<u>-</u>	<u>482,750</u>

6. Operating loss

The operating (loss) is stated after charging/(crediting):

	2019 £	2018 £
Research & development charged as an expense	300,000	645,000
Research and development tax credit	(100,000)	(200,000)
Exchange differences	501	(795)
Operating lease rentals	296,736	351,579
Depreciation of tangible assets	823,711	1,009,115
Amortisation of intangible assets	36,024	36,024
Impairment of tangible assets	-	42,558
Capital grants released	(12,719)	(107,520)
Defined contribution pension costs	123,431	135,625
(Profit) on sales of fixed assets	<u>(27,705)</u>	<u>(60,600)</u>

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

7. Auditors' remuneration

	2019 £	2018 £
Fees payable to the group's auditor for the audit of the group's annual accounts	7,000	3,750
	<u>7,000</u>	<u>3,750</u>
Fees payable to the group's auditor in respect of:		
The auditing of accounts of subsidiaries of the group pursuant to legislation	47,000	39,750
Tax compliance	5,500	3,500
	<u>52,500</u>	<u>43,250</u>

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Wages and salaries	4,792,823	5,827,427	190,088	198,079
Social security costs	537,299	655,612	26,394	27,754
Cost of defined contribution scheme	123,431	135,625	9,639	30,428
	<u>5,453,553</u>	<u>6,618,664</u>	<u>226,121</u>	<u>256,261</u>

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

Employees (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2019 No.	Group 2018 No.	Company 2019 No.	Company 2018 No.
Sales and production	109	146	-	-
Administration	28	22	3	4
	<u>137</u>	<u>168</u>	<u>3</u>	<u>4</u>

9. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	351,954	201,189
Company contributions to defined contribution pension schemes	46,541	7,622
Director fees	11,750	12,500
	<u>410,245</u>	<u>221,311</u>

During the year retirement benefits were accruing to 4 directors (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £112,646 (2018 - £93,033).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £849 (2018 - £7,196).

All directors of CNC Group Holdings Limited are considered to be the key management personnel of the group.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

10. Exceptional items

	29 April 2019 £	30 April 2018 £
Exceptional profit on disposal of discontinued operations	-	(482,750)
Major contract exceptional costs	-	349,000
	<u>-</u>	<u>(133,750)</u>

In the prior year, exceptional items relate to the profit made on disposal of the discontinued operations and costs incurred relating to the Didcot powerstation demolition contract.

11. Interest receivable

	2019 £	2018 £
Bank interest receivable	<u>8,049</u>	<u>6,140</u>

12. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	118,996	119,424
Preference share dividends	26,250	26,250
Finance leases and hire purchase contracts	9,635	49,276
Other interest payable	17,267	24,228
	<u>172,148</u>	<u>219,178</u>

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

13. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on loss for the year	-	(153,450)
Adjustments in respect of previous periods	(39,915)	(34,532)
Total current tax (credit)	(39,915)	(187,982)
Deferred tax		
Origination and reversal of timing differences	84,077	(150,743)
Total deferred tax	84,077	(150,743)
Taxation on loss	44,162	(338,725)

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(615,753)</u>	<u>(2,787,932)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(116,993)	(529,707)
Effects of:		
Expenses not deductible for tax purposes	5,341	12,306
Capital allowances for year in excess of depreciation	58,609	80,290
Utilisation of tax losses	(7,695)	-
Adjustments to tax charge in respect of prior periods	(39,915)	(34,532)
Other timing differences leading to an increase in taxation	77,056	69,261
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(9,500)	76,000
Impairment losses	-	8,086
Unrelieved tax losses carried forward	79,676	-
Grant amortisation	(2,417)	(20,429)
Total tax charge/(credit)	<u><u>44,162</u></u>	<u><u>(338,725)</u></u>

Factors that may affect future tax charges

The Finance Act 2016, enacted on 15 September 2016, reduced the main rate of corporation tax to 17% for the year commencing 1 April 2020. These changes have been reflected in the carrying value of the deferred tax liability at the balance sheet date.

A resolution to retain the corporation tax rate from 1 April 2020 at 19% was passed on 17 March 2020, and is enacted from this date.

The group has tax losses of £2,710,779 (2018 - £2,027,651) carried forward.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

14. Dividends

	29 April 2019 £	30 April 2018 £
Equity dividends		
Ordinary A shares - £10.26 per share (2018 - £61.55)	6,668	40,008
Ordinary B shares - £97.33 per share (2018 - £84.74)	63,166	54,996
Ordinary C shares - £Nil per share (2018 - £78.99)	-	50,000
	<hr/> 69,834	<hr/> 145,004
Preference shares		
Dividends on preference shares treated as debt	26,250	26,250
	<hr/> 96,084	<hr/> 171,254

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019

15. Intangible assets

Group

	Software development £
Cost	
At 1 May 2018	108,072
At 29 April 2019	108,072
Amortisation	
At 1 May 2018	36,024
Charge for the year	36,024
At 29 April 2019	72,048
Net book value	
At 29 April 2019	36,024
At 30 April 2018	72,048

Company

The parent company does not have any intangible fixed assets.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

16. Tangible fixed assets

Group

	Freehold land and buildings £	Improvements to leasehold property £	Plant and machinery £	Total £
Cost				
At 1 May 2018	4,158,000	671,337	12,054,137	16,883,474
Additions	-	-	63,343	63,343
Disposals	-	(36,952)	(1,404,719)	(1,441,671)
Transfer to investment property	(845,080)	-	-	(845,080)
At 29 April 2019	3,312,920	634,385	10,712,761	14,660,066
Depreciation				
At 1 May 2018	134,320	241,337	7,644,589	8,020,246
Charge for the year	56,800	12,932	753,979	823,711
Disposals	-	(45,048)	(1,191,766)	(1,236,814)
At 29 April 2019	191,120	209,221	7,206,802	7,607,143
Net book value				
At 29 April 2019	3,121,800	425,164	3,505,959	7,052,923
At 30 April 2018	4,023,680	430,000	4,409,548	8,863,228

Included within freehold land and buildings is land of £800,000 (2018 - £800,000) that is not depreciated.

During the year the group rented out part of the freehold land and buildings to a third party. The portion of the freehold land and buildings attributable to the unit rented has been transferred to investment property based on the valuation provided by Neil Allison RICS on behalf of Aitchison Rafferty on 21 December 2018.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

16. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	29 April 2019 £	30 April 2018 £
Plant and machinery	1,097,421	2,005,158
Motor vehicles	-	128,548
	<u>1,097,421</u>	<u>2,133,706</u>

Company

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 May 2018	4,158,000	308,384	4,464,384
Disposals	-	(45,958)	(45,958)
Transfer to investment property	(845,080)	-	(845,080)
At 29 April 2019	<u>3,312,920</u>	<u>260,426</u>	<u>3,573,346</u>
Depreciation			
At 1 May 2018	134,320	247,805	382,125
Charge for the year	56,800	12,621	69,421
At 29 April 2019	<u>191,120</u>	<u>260,426</u>	<u>451,546</u>
Net book value			
At 29 April 2019	<u>3,121,800</u>	<u>-</u>	<u>3,121,800</u>
At 30 April 2018	<u>4,023,680</u>	<u>58,579</u>	<u>4,082,259</u>

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019

16. Tangible fixed assets (continued)

Included within freehold land and buildings is land of £800,000 (2018 - £800,000) that is not depreciated.

During the year the company rented out part of the freehold land and buildings to a third party. The portion of the freehold land and buildings attributable to the unit rented has been transferred to investment property based on the valuation provided by Neil Allison RICS on behalf of Aitchison Rafferty on 21 December 2018.

17. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost	
At 1 May 2018	1,499,815
At 29 April 2019	1,499,815
Impairment	
Charge for the year	250,066
At 29 April 2019	250,066
Net book value	
At 29 April 2019	1,249,749
At 30 April 2018	1,499,815

The directors of the company have reviewed the forecast future cashflows of its subsidiary Coleman Remediation Limited and have recognised impairment losses of £250,066 against the value of this investment.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

17. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Coleman & Company Limited	Provision of complex demolition and specialised land redevelopment services	Ordinary	100%
Coleman Remediation Services Limited	Remedial engineering work, landfill restoration and construction, and industrial hazardous waste treatment	Ordinary A Ordinary B	100%
Coleman & Company Specialist Cutting Services Limited	Diamond drilling, concrete cutting and related works for the construction industry	Ordinary	100%
Coleman & Company Plant Hire Limited	Active company with no trading activity	Ordinary	100%
Coleman Regeneration Limited	Dormant company	Ordinary	100%
Coleman Engineering Services Limited	Dormant company	Ordinary	100%
Completely Engineered Solutions Limited	Dormant company	Ordinary	100%

The registered office of Coleman & Company Specialist Cutting Services Limited is Selecta Avenue, Great Barr, Birmingham, B44 9EH.

The registered office for all other subsidiary companies is Shady Lane, Great Barr, Birmingham, B44 9ER.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

18. Investment property

Group and Company

	Freehold investment property £
Valuation	
Surplus on revaluation	154,920
Transfers between classes	845,080
At 29 April 2019	1,000,000

The investment property was revalued on 29 April 2019 by the directors using the investment valuation prepared by Neil Allison RICS on behalf of Aitchison Rafferty on 21 December 2018.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	29 April 2019 £	30 April 2018 £
Historic cost	828,179	-

19. Stocks

	Group 29 April 2019 £	Group 30 April 2018 £
Raw materials and consumables	111,747	186,479

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

20. Debtors

	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Amounts falling due after more than one year				
Amounts owed by group undertakings	-	-	52,000	1,252,000
Other debtors	-	-	30,000	60,000
	<u>-</u>	<u>-</u>	<u>82,000</u>	<u>1,312,000</u>
	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Amounts falling due within one year				
Trade debtors	1,268,217	1,174,625	-	-
Amounts recoverable on long term contracts	3,522,043	4,126,998	147,690	-
Amounts owed by group undertakings	-	-	55,748	32,163
Directors' loans	99,168	-	-	-
Other debtors	192,026	897,608	23,567	36,391
Prepayments and accrued income	334,018	387,230	16,759	-
Tax recoverable	412,658	328,374	-	-
3% loan notes	-	-	30,000	30,000
	<u>5,828,130</u>	<u>6,914,835</u>	<u>273,764</u>	<u>98,554</u>

21. Cash and cash equivalents

	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Cash at bank and in hand	1,777,178	366,764	144,473	51,845
Less: bank overdraft (note 22)	(291,208)	-	-	-
	<u>1,485,970</u>	<u>366,764</u>	<u>144,473</u>	<u>51,845</u>

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

22. Creditors: Amounts falling due within one year

	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Bank overdrafts	291,208	-	-	-
Bank loans (note 24)	129,304	928,450	129,304	214,282
Payments received on account	155,126	-	-	-
Trade creditors	3,607,087	2,893,292	-	240
Amounts owed to group undertakings	-	-	15,300	-
Directors' loans	2,419	2,354	-	-
Corporation tax	20,000	37,035	-	69,835
Other taxation and social security	384,011	553,929	32,658	7,840
Obligations under finance lease and hire purchase contracts	337,430	445,469	-	-
Other creditors	52,214	208,528	912	848
Accruals and deferred income	1,113,049	745,227	360,368	80,111
Deferred grants	12,716	12,716	-	-
	6,104,564	5,827,000	538,542	373,156

23. Creditors: Amounts falling due after more than one year

	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Bank loans (note 24)	2,185,124	1,964,533	2,185,124	1,964,533
Net obligations under finance leases and hire purchase contracts	114,610	464,108	-	-
Trade creditors	33,211	20,829	-	-
Amounts owed to group undertakings	-	-	2,505,027	2,670,357
Government grants received	56,744	69,463	-	-
Share capital treated as debt	525,000	525,000	175,000	175,000
	2,914,689	3,043,933	4,865,151	4,809,890

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

24. Loans

The analysis of the maturity of loans is given as follows:

	Group 29 April 2019 £	<i>Group 30 April 2018 £</i>	Company 29 April 2019 £	<i>Company 30 April 2018 £</i>
Amounts falling due within one year				
Bank loans	129,304	928,450	129,304	214,282
Amounts falling due 1-2 years				
Bank loans	218,759	222,399	218,759	222,399
Amounts falling due 2-5 years				
Bank loans	723,098	719,090	723,098	719,090
Amounts falling due after 5 years				
Bank loans	1,243,267	1,023,044	1,243,267	1,023,044
	<u>2,314,428</u>	<u>2,892,983</u>	<u>2,314,428</u>	<u>2,178,815</u>

Bank loans are secured on freehold land and buildings and a floating charge over the assets of the group and company. The loan is repayable in quarterly instalments as follows and interest is charged at 4% above 3 month LIBOR, with the final instalment due in August 2028.

25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 29 April 2019 £	<i>Group 30 April 2018 £</i>
Within one year	337,430	445,469
Between 1-5 years	114,610	464,108
	<u>452,040</u>	<u>909,577</u>

The group use finance lease and hire purchase contracts to acquire plant and machinery and motor vehicles. These leases have fixed payment terms, terms of renewal and some assets have purchase options.

Obligations under finance lease and hire purchase contracts are secured on the assets for which the money was borrowed.

Company

The company does not use finance lease and hire purchase leases.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

26. Financial instruments

	Group 29 April 2019 £	Group 30 April 2018 £	Company 29 April 2019 £	Company 30 April 2018 £
Financial assets				
Financial assets measured at fair value through profit or loss	1,777,178	366,764	144,473	51,845
Financial assets measured at amortised cost	5,081,454	6,199,231	339,005	1,410,554
	<u>6,858,632</u>	<u>6,565,995</u>	<u>483,478</u>	<u>1,462,399</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(8,929,793)	(8,751,719)	(5,323,844)	(5,046,544)

Financial assets measured at fair value through profit or loss comprises of cash at bank.

Financial assets measured at amortised cost comprises of amounts owed by other group companies, trade debtors, amounts recoverable on contracts, directors loans and other debtors.

Financial liabilities measured at amortised cost comprise of bank loans, other loans, payments received on account, trade creditors, amounts owed to group undertakings, taxation and social security, obligations under finance lease and hire purchase, directors loans, accruals, redeemable preference shares and other creditors.

27. Deferred taxation

Group

	2019 £	2018 £
At beginning of year	(278,362)	(429,106)
Credited to profit or loss	(84,077)	150,744
At end of year	<u>(362,439)</u>	<u>(278,362)</u>

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

27. Deferred taxation (continued)

Company

	2019 £	2018 £
At beginning of year	(10,900)	(13,606)
Credited to profit or loss	(16,268)	2,706
At end of year	(27,168)	(10,900)

The provision for deferred taxation is made up as follows:

	Group 29 April 2019 £	<i>Group 30 April 2018 £</i>	Company 29 April 2019 £	<i>Company 30 April 2018 £</i>
Accelerated capital allowances	333,004	434,858	(2,267)	10,900
Fair value gains on investment properties	29,435	-	29,435	-
Tax losses carried forward	-	(156,496)	-	-
	362,439	<i>278,362</i>	27,168	<i>10,900</i>

28. Provisions

Group

	Contract provisions £
At 1 May 2018	100,000
Utilised in the year	(100,000)
At 29 April 2019	-

Provisions were for foreseeable losses and cost on certain contracts which the directors no longer consider to be required.

Company

The company has no provisions.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

29. Share capital

	29 April 2019 £	30 April 2018 £
Shares classified as equity		
Allotted, called up and fully paid		
650 Ordinary A shares of £1 each	650	650
649 Ordinary B shares of £1 each	649	649
633 Ordinary C shares of £1 each	633	633
	<u>1,932</u>	<u>1,932</u>

The "A", "B" and "C" shares rank pari passu for all purposes except that the directors may at any time resolve to declare a dividend on one or more classes of share and not one or other classes. In addition the directors shall apportion the distributable profits of the company at their discretion between the "A", "B" and "C" classes of shares.

	29 April 2019 £	30 April 2018 £
Shares classified as debt		
Company		
Allotted, called up and fully paid		
175,000 (2018 - 175,000) Preference shares of £1 each	<u>175,000</u>	<u>175,000</u>

In April 2017 the company issued 5% preference shares that the company is obliged to redeem between April 2024 but no later than April 2029. Shares are redeemable in minimum multiples of £35,000 at an amount equal to the issue price plus 10% of the issue price.

Preference shares carry no voting rights.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

	29 April 2019 £	30 April 2018 £
Group		
Allotted, called up and fully paid		
525,000 (2018 - 525,000) Preference shares of £1 each	525,000	525,000

In April 2017 the company issued 5% preference shares that the company is obliged to redeem between April 2024 but no later than April 2029. Shares are redeemable in minimum multiples of £35,000 at an amount equal to the issue price plus 10% of the issue price.

Preference shares carry no voting rights.

30. Reserves

Merger Reserve

Merger reserve relates acquisition of Coleman & Company Limited. Please refer to accounting policy 2.2 for further details.

Profit and loss account

Profit and loss account reserve relates to accumulated profits less distributions to shareholders.

31. Contingent liabilities

During 2017 financial statements the company experienced an incident on a major contract.

Causation of the incident is still not known and the matter continues to be investigated by the appropriate authorities. The company continues to co-operate fully with all involved.

Based upon rigorous inquiries undertaken by independent specialists and on professional advice, the directors do not believe the company is responsible for the cause of the incident.

It is totally impracticable for the directors to provide any estimate of the financial liability, if any, arising from the matter, and the likely timescale for it to be settled. However, the directors are confident that comprehensive insurance arrangements, with adequate limits of indemnity, exist to cover the financial consequences should any liability attach.

At the year end the company had committed to surety for performance bonds on contracts in the sum of £Nil (2018 - £218,942).

32. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £123,431 (2018 - £105,197). Contributions totalling £14,633 (2018 - £38,956) were payable to the fund at the balance sheet date.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

33. Commitments under operating leases

At 29 April 2019 the Group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 29 April 2019 £	<i>Group 30 April 2018 £</i>
Not later than 1 year	254,670	296,736
Later than 1 year and not later than 5 years	121,452	201,733
Later than 5 years	2,568	-
	<u>378,690</u>	<u>498,469</u>

The company has no commitments under non-cancellable operating leases as at the balance sheet date.

34. Operating lease commitments - lessor

At 29 April 2019 the group and Company had future minimum lease receivables under non-cancellable operating leases as follows:

	Group 29 April 2019 £	Company 29 April 2019 £	<i>Company 30 April 2018 £</i>
Not later than 1 year	69,408	469,408	400,000
Later than 1 year and not later than 5 years	277,632	1,877,632	1,600,000
Later than 5 years	318,120	2,184,787	2,266,667
	<u>665,160</u>	<u>3,531,827</u>	<u>3,266,667</u>

There were no group lessor commitments at 30 April 2018.

35. Other financial commitments

The total amount of guarantees not included in the balance sheet of the company is £318,708 (2018 - £714,168). The company has provided an unlimited guarantee in favour of Allied Irish Bank Plc covering liabilities of CNC Group Holdings Limited and Coleman Remediation Services Limited. The bank have secured this debt with an unlimited debenture over all assets of the company.

There are no other financial commitments for the group.

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

36. Related party transactions

Transactions with directors

During the year, dividends of £6,668 (2018 - £40,008) and £63,166 (2018 - £54,996) were paid to D J Coleman and M A Coleman respectively.

Included within creditors due in less than one year are directors loans. At the balance sheet date M A Coleman owed £18,050 to the group (2018 - £28,233 owed by the group) and £2,369 (2018 - £2,369) was owed to D J Coleman. Interest on these current accounts is paid at a rate of 3% above base rate and interest of £568 (2018 - £892) has been charged to the Consolidated Statement of Comprehensive Income.

Included within other debtors are amounts of £10,797 (2018 - £13,052) owed by directors to the group. During the year advances of £8,140 (2018 - £7,492) were given to the directors and repayments of £10,395 (2018 - £2,380) were made during the year. Amounts are repaid monthly with no interest charged on amounts outstanding.

Skelligs Site Services and Skelligs Retreat Limited are companies owned by M A Coleman, director. At the balance sheet date amounts of £81,117 (30 April 2018 - £Nil) were owed to the group and are included within directors loan accounts within debtors note 20.

Amounts of £20,000 (2018 - £Nil) have been recognised for the section 455 tax due on the overdrawn directors loan and a corporation tax debtor and creditor has been recognised.

Included within accruals are fees of £Nil (2018 - £34,375) payable by the group to M A Coleman, director.

M R Garner is a director and shareholder of Garner & Co Limited, Chartered Accountants. During the year the company provided consultancy and advisory services totalling £43,075 (2018 - £46,240) to the Coleman Group. At 29 April 2019 the amount due to Garner & Co Limited was £2,706 (2018 - £28,480).

Related party transactions

The group has contracts with CNC Group Holdings Limited Small Self Administered Pension Scheme, a scheme for which M A Coleman and D J Coleman are trustees. During the year, the group paid dividends on preference shares treated as debt of £26,250 (2018 - £26,250).

During the year sales of £Nil (2018 - £16,451) were made by the group to the scheme and amounts of £Nil (2018 - £6,178) were included within trade debtors at the balance sheet date. Amounts of £22,930 (2018 - £Nil) are included in other debtors for payments made on behalf of the scheme at the balance sheet date.

During the year rent of £Nil (2018 - £75,000) was paid to the scheme and amounts of £10,385 (2018 - £36,366) were included within other creditors at the balance sheet date.

In the prior year the group had entered into a binding agreement to terminate an existing lease with the pension scheme early. As part of the agreement to terminate the lease the group received consideration of £Nil (2018 - £651,125) from a third party relating to the termination of the lease and £Nil (2018 - £35,000) for the disposal of assets. At the balance sheet date amounts of £Nil (2018 - £686,125) were included within other debtors and accrued income and amounts of £Nil (2018 - £100,000) are included within other creditors that relate to the lease termination.

Related party transactions (continued)

CNC GROUP HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 29 APRIL 2019

36. Related party transactions (continued)

Coleman Properties is a partnership between M A Coleman and D J Coleman, directors. At the year end the group had recognised income of £2,700 (2018 - £1,843) and amounts of £Nil (2018 - £3,240) were due to the group at the balance sheet date.

37. Post balance sheet events

In January 2020, an outbreak of a corona virus, now classified as COVID 19, was detected in China's Hubei province. During the following months, COVID 19 has spread steadily throughout the World and on 11 March 2020, The World Health Organisation ("WHO") declared the outbreak a global pandemic. In order to stem the spread of the virus, Governments around the World are taking drastic steps which include compulsory closure of various businesses, shops and schools and are also heavily restricting of movement of people with lock down.

At the time of writing, we are waiting to see how great an impact the COVID 19 crisis will have on the current year's trading. Our thoughts and sympathies go out to all that have been affected by the virus, either directly or indirectly.

Due to the rapid development of COVID 19, the degree of uncertainty involved and the unprecedented nature of the challenges posed by the coronavirus situation. The Directors' are of the opinion that it is too soon to quantify what financial impact that the COVID 19 pandemic will be, but are monitoring the situation closely and believe will overall have a negative impact on trading results as outlined below:

COVID-19 has impacted most companies within the group, and the board has taken swift action to mitigate the effects on the business. This includes, first and foremost, protection of our employees, partners and the public by implementing, together with our clients and partners, quarantine and social distancing policies in accordance with government guidelines and, where necessary, closing sites when adequate employee protection could not be achieved. Our risk assessments have not only included working conditions on site but have also included welfare, accommodation for remote workers and transport requirements to and from sites, be it public or private transport. Most sites were closed for at least three weeks following the governments lockdown order. Several sites only re-started in June 2020.

The company has permitted any employee who is able to work from home to do so, and we have provided technology to enable them to do this. Fortunately, recent investment in up-to date IT systems and infrastructure has meant that that this was achieved quickly and efficiently, and with relatively little additional outlay.

Where necessary, employees were furloughed, and the company has utilised the Coronavirus Job Retention Grant. The company has also taken advantage of the governments schemes to defer VAT and PAYE/NIC. It is envisaged that all delayed payments to HMRC will be repaid by July 2021.

As a direct result of the COVID-19 pandemic, the group's largest contract, redevelopment of Broadmarsh Shopping Centre, Nottingham, was cancelled, mid-contract, by the ultimate client Intu. The group has also seen other future work cancelled or put on hold indefinitely. However, other projects have been won and substantial major works, including Euston Station, Coventry Point Tower and work for National Grid have successfully resumed. In response to a forecast downturn in turnover for 2020-2021, the group is looking to restructure and make itself fit to continue to trade in a post COVID recession. To that end the group is embarking on tailoring our workforce requirements accordingly.

Since the year end the group has suffered losses of £1.3m as a result of a major sub-contractor defaulting on and failing to complete a contract for the group.

CNC GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 29 APRIL 2019**

37. Post balance sheet events (continued)

As already referred to in the directors' report, the group is undergoing a major restructuring programme which includes liquidating approximately £2m of excess plant & machinery, review and of property holdings, and a major redundancy programme. This is to bring all holding to a level required to fit the secured work force going forward.

38. Controlling party

At the balance sheet date the company had no ultimate controlling party.

Post year end the ultimate controlling party of the company changed to M A Coleman by virtue of his shareholding in the company.