

Registration number: 04776218

CNC Group Holdings Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 30 April 2022

Fruition Accountancy LLP
29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG



CNC Group Holdings Limited

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CNC Group Holdings Limited

Company Information

Directors Mr M A Coleman
Ms L Morris
Mr M A Carless
Mr G Rowe
Mr G Blaszcak
Mr Bradshaw

Company secretary Ms L Morris

Registered office Shady Lane
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Birmingham
B44 9ER

Solicitors Gateley Plc
One Eleven
Edmund Street
Birmingham
B3 2HJ

Bankers Allied Irish Bank Plc
63 Temple Row
Birmingham
B2 5LT

Auditors Fruition Accountancy LLP
29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG

CNC Group Holdings Limited

Strategic Report for the Year Ended 30 April 2022

The directors present their strategic report for the year ended 30 April 2022.

Principal activity

The principal activity of the group is CNC Group Holdings Limited is the parent group of four trading companies known collectively as Colemans.

A third-generation family business celebrating 60 years of trading, Colemans have been at the forefront of market-leading, innovative changes in the demolition and wider construction sector.

We combine a highly skilled, experienced team with innovative processes and the latest technology to deliver an integrated portfolio of services fit for the present and designed for the future.

These services span demolition and deconstruction, land remediation, specialist cutting and engineered solutions – delivered worldwide, all with a focus on safety, sustainability and quality. Customers include everyone from multinational companies to public sector organisations and individual developers, with a great emphasis on collaboration to make sure Colemans is successful in all activities.

Our specialist services are globally recognised by clients, competitors and others within the industry, including the wider construction sector. Thanks to a collaborative approach and integrated solutions, Colemans have built a reputation for delivering the most complex and challenging projects in some of the most high-risk environments.

Fair review of the business

Colemans is a resilient company, trading at a healthy profit margin. As the business approaches its 60th anniversary of incorporation in October 2022, we have had a successful trading period, returning a net profit before tax of £2.5m. Given the existing pipeline of work, the directors consider the current profit margin to be sustainable.

The business is financially stable with no borrowings, the lowest gearing (zero) of any demolition contractor in the UK.

This was made possible by a series of strategic decisions, notably a new approach to plant management, a commitment to support the environment and a continued focus on our people – all of which sets us apart from competitors and delivers significant benefits for customers.

Throughout challenging times, we have maintained focus on project delivery control, selective tendering, cash management and disciplined cost containment. We work closely with clients, partners, suppliers, communities, and other stakeholders to collaboratively deliver the best possible results on each individual project.

For example, moving away from the traditional model of owning heavy plant, we have built strong relationships with suppliers, and we now outsource heavy plant and equipment, working only with market leaders in their respective fields. This strategy means we can source the most up-to-date, environmentally friendly and technically advanced equipment for all projects.

CNC Group Holdings Limited

Strategic Report for the Year Ended 30 April 2022

Through genuine, industry collaboration, we are also developing a positive change in sustainable carbon engineered solutions - identifying genuine opportunities for reuse and recycling to enhance the environmental performance of our activities. We have built a strategy to reduce the environmental impact of our activities, incorporating a holistic approach across plant, travel, recycling and more. The Board have set a target to achieve net zero, we are confident that we will reach this target by 2025.

Underpinning all of this, Colemans firmly believe that putting people first is the key to successful business. We have worked hard to develop a culture where employees feel safe, empowered, and engaged to do the best possible job - putting the physical and mental wellbeing of its employees at the heart of the business.

As well as regulatory compliance, we continue our focus on operational compliance and audit through investment in our Integrated Management System and the tools and systems which allow it to be implemented across the business. We believe we remain uniquely positioned to deliver the most complex schemes to the highest standards.

Outlook

Our objective is to drive continuous improvement in delivering a better service for our clients and building stronger relationships for collaboration. In doing so, we have created a business that can better withstand economic headwinds.

Colemans continue to apply strong risk management procedures at a corporate and project level to ensure we select the right projects that will deliver the expectations of our clients and stakeholders.

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

Non-Financial KPI's

Targets are set to strive for continued reduction in health and safety incident rates. Incidents are reviewed at business board meeting level together with incident rate statistics, near misses and trend analysis to assist with prevention of future incidents.

Strategic plans, considered and implemented by the board, are designed to ensure the company maintains the highest standard of business conduct.

The company continues to advance training and professional development programmes for all grades of employees ensuring resilience from the industry skills shortage.

Financial Risk Management

	Target	30 April 2022	6m to 30 April 2021
Turnover		11,736,354	6,723,375
Gross profit margin	18%	30.4%	28.9%
Profit before tax ratio	5%	21.7%	9.3%

CNC Group Holdings Limited

Strategic Report for the Year Ended 30 April 2022

Principal risks and uncertainties

The major risks to the group are considered to include:

Economic Risk:

Market uncertainties, exacerbated by global socio-political, economic events and changes in the economic environment, government policy and regulatory developments, including how the UK economy responds and adapts to the global events like military conflicts or regional economic disruption, can have a significant impact on new projects and the company's profitability.

Act of force majeure, including COVID-19 pandemic and extreme weather events could have operational and financial impact on the business.

Safety Risk:

The safe delivery of services is of paramount importance to us, with project appraisals considering risk analysis, buildability, value engineering, programme and logistics. The company is embracing digital technologies to drive continuous improvements in sustainability, efficiency and quality. We use the latest interactive technology in a common data environment to design detailed methodologies, reduce the risk of design errors and enhance project communication. 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:

As a responsible contractor, Colemans' focus is on using innovative technologies and developing new ways of working that can reduce the environmental risk of our operations.

We are committed to progress and transparency, working safely and in collaboration with clients to help them on their net zero journey as we pursue our own. This includes developing environmentally friendly and less aggressive alternatives to the traditional methods of demolition, supported by outsourcing plant and equipment to enable the most appropriate and energy efficient plant and equipment for each individual project (e.g. electric powered).

Colemans is a proud member of the SME Climate Hub, a global initiative that empowers small to medium sized companies to take climate action and build more resilient businesses. We have also committed to PAS 2060 accreditation which will be in place by 2025.

We have invested heavily in market leading initiatives and are working with specialist Carbon Reduction Accountants to support our ambitious focus. As a result, we are confident of achieving net zero by 2025, well ahead of our target.

We recognise the need to educate our people and build strategies to deliver our ambitions, which must be well thought through, clear and enabled by effective communication along with external auditing.

Legislation:

The business has a strong focus on organisational design and accountabilities, which has supported the development of consistent processes and procedures, clear governance around key business decisions and the evolution of a strong compliance culture.

CNC Group Holdings Limited

Strategic Report for the Year Ended 30 April 2022

Competition Risk:

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. The business has a number of framework agreements which reduces competition. The company has robust procedures in place to eliminate anti-competitive practices.

Contingent liabilities:

In 2016 a tragic incident occurred. 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.

Data security risk:

A loss of our key systems through a lack of resilience or an information break or attack threat would impact the successful delivery of projects and lead to loss of confidential data, damaging our reputation and brand. The company invests in appropriate IT solutions to combat this. Penetration tests have been carried out with an assessment of our data security which found that our data security is secure. Although we recognise continual investment in this area to ensure we maintain this high standard.

Financial risks:

The directors of the group continually monitor the risks and uncertainties facing the company 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.

Interest rate risk:

The company is not directly affected by interest rate rises as it has eliminated borrowings from financial institutions from its business model. However, this may have an indirect effect upon the business if this impacts activity in the construction industry as a whole.

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.

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.

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.

CNC Group Holdings Limited

Strategic Report for the Year Ended 30 April 2022

Objectives & Policies

The company has robust business ethics, regulatory compliance, training for all staff on modern slavery, anti-bribery and corruption, and competition law, with enhanced training for those who fulfil high-risk roles.

The company's policy is to establish and maintain long term strategic relationships where both parties' interests are aligned to deliver mutual benefit.

With a focus on physical and mental wellbeing across the entire organisation, Colemans are committed to our people. We have developed a structured programme of training and development together with wellbeing, reward and recruitment initiatives that give our teams the platform to succeed.

The company continues to invest in our highly experienced and qualified staff and to engage with our professional subcontract supply chain to provide the services to all our clients.

By virtue of our breadth of activities we are well placed to recover, or harvest reusable materials, and have done so extensively, and have engaged with partners on take-back schemes to increase re-use and reduce waste of building materials from fixtures, fittings and structural steel work and precast concrete sections.

Initiatives such as using electric-powered plant, new methodologies that reduce water usage, increased use of digital resources to minimise travel and a continued commitment to recycling across all sites and offices. This approach forms part of our ESG (Environmental, Social and Governance) activity.

Against a backdrop of macroeconomic uncertainty, we are focused on maintaining a strong cash position, low gearing - no debt, controlling costs and securing margin enhancing work in target markets to deliver greater certainty and value to all our stakeholders.

We are concentrating on delivering projects throughout the Midlands and London geographical areas and beyond, driving certainty for clients through value-led solutions rather than the race to the bottom, characterised by low margins and high-risk contracting, where understanding how to deliver on contracted commitments is an afterthought. These behaviours continue to plague our industry and remain entirely unsustainable.

Our objectives, however, are driven firstly by delivering a profitable performance and then focused on the scale of the turnover. We focus on being value-led, efficient and dependable rather than with an obsession for scale. We can do this because we understand our own value proposition and strive to deliver projects that are aligned with it.

Approved and authorised by the Board on 11 November 2022 and signed on its behalf by:



Mr M A Coleman
Director

CNC Group Holdings Limited

Directors' Report for the Year Ended 30 April 2022

The directors present their report and the for the year ended 30 April 2022.

Director of the group

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

Mr M A Coleman

Ms L Morris

Mr M A Carless

Mr G Rowe

The following directors were appointed after the year end:

Mr G Blaszczyk (appointed 14 October 2022)

Mr Bradshaw (appointed 14 October 2022)

Dividends

Particulars of dividends are detailed in Note XX of the financial statements.

Information included in the Strategic Report


Strategic plans, considered and implemented by the board, are designed to ensure the company maintains the highest standard of business conduct.

Please refer to the strategic report on Page 2 regarding the financial overview, key performance indicators and principal risks and uncertainties.

Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 11 November 2022 and signed on its behalf by:


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Mr M A Coleman
Director

CNC Group Holdings Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

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

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

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

CNC Group Holdings Limited

Independent Auditor's 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 30 April 2022, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 30 April 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The 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 auditor's 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.

CNC Group Holdings Limited

Independent Auditor's Report to the Members of CNC Group Holdings Limited

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities (set out 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 the 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.

CNC Group Holdings Limited

Independent Auditor's Report to the Members of CNC Group Holdings Limited

Auditor Responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to the applicable laws and regulations including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give risk to material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our test included agreeing the financial statements disclosures to underlying supporting documentation, enquiries with management and enquiries of legal counsel where considered necessary. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing of journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

CNC Group Holdings Limited

Independent Auditor's Report to the Members of CNC Group Holdings Limited

Use of our report

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



Michelle Vincent (Senior Statutory Auditor)

For and on behalf of Fruition Accountancy LLP, Statutory Auditor

29 Wood Street
Stratford-Upon-Avon
Warwickshire
CV37 6JG

11 November 2022

CNC Group Holdings Limited

Consolidated Profit and Loss Account for the Year Ended 30 April 2022

		(As restated)	
	Note	30 April 2022 £	30 April 2021 £
Turnover	3	11,736,354	6,723,375
Cost of sales		<u>(8,054,727)</u>	<u>(4,780,174)</u>
Gross profit		3,681,627	1,943,201
Administrative expenses		(2,490,422)	(1,304,825)
Exceptional income	4, 6	<u>1,446,145</u>	<u>43,515</u>
Operating profit	5	<u>2,637,350</u>	<u>681,891</u>
Other interest receivable and similar income	7	59,305	-
Interest payable and similar expenses	8	<u>(153,629)</u>	<u>(57,491)</u>
		<u>(94,324)</u>	<u>(57,491)</u>
Profit before tax		2,543,026	624,400
Tax on profit	12	<u>172,963</u>	<u>123,401</u>
Profit for the financial year		<u>2,715,989</u>	<u>747,801</u>
Profit/(loss) attributable to:			
Owners of the company		<u>2,715,989</u>	<u>747,801</u>

The notes on pages 22 to 49 form an integral part of these financial statements.

CNC Group Holdings Limited

Consolidated Statement of Comprehensive Income for the Year Ended 30 April 2022

	(As restated)	
	30 April 2022 £	30 April 2021 £
Profit for the year	2,715,989	747,801
Surplus on property, plant and equipment revaluation	256,491	-
Total comprehensive income for the year	<u>2,972,480</u>	<u>747,801</u>
Total comprehensive income attributable to:		
Owners of the company	<u>2,972,480</u>	<u>747,801</u>

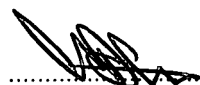
CNC Group Holdings Limited

(Registration number: 04776218)

Consolidated Balance Sheet as at 30 April 2022

			(As restated)
	Note	30 April 2022 £	30 April 2021 £
Fixed assets			
Intangible assets	13	5,584	-
Tangible assets	14	1,343,896	3,765,448
Investment property	15	553,747	1,020,150
Other financial assets	17	31,409	31,409
		<u>1,934,636</u>	<u>4,817,007</u>
Current assets			
Stocks	18	107,293	88,677
Debtors	19	2,126,095	2,732,187
Cash at bank and in hand		4,728,109	2,386,431
		<u>6,961,497</u>	<u>5,207,295</u>
Creditors: Amounts falling due within one year	21	<u>(2,195,038)</u>	<u>(3,826,058)</u>
Net current assets		<u>4,766,459</u>	<u>1,381,237</u>
Total assets less current liabilities		6,701,095	6,198,244
Creditors: Amounts falling due after more than one year	21	(2,692)	(2,197,795)
Provisions for liabilities	22	<u>(90,012)</u>	<u>(60,538)</u>
Net assets		<u>6,608,391</u>	<u>3,939,911</u>
Capital and reserves			
Called up share capital	24	1,932	1,932
Revaluation reserve		256,491	-
Other reserves		(873,024)	(731,218)
Profit and loss account		<u>7,222,992</u>	<u>4,669,197</u>
Equity attributable to owners of the company		<u>6,608,391</u>	<u>3,939,911</u>
Shareholders' funds		<u>6,608,391</u>	<u>3,939,911</u>

Approved and authorised by the Board on 11 November 2022 and signed on its behalf by:



Mr M A Coleman
Director

The notes on pages 22 to 49 form an integral part of these financial statements.


CNC Group Holdings Limited

(Registration number: 04776218)
Balance Sheet as at 30 April 2022

	Note	30 April 2022 £	30 April 2021 £
Fixed assets			
Intangible assets	13	5,584	-
Tangible assets	14	1,003,420	2,996,558
Investment property	15	553,747	1,020,150
Investments	16	1,249,749	1,249,749
		<u>2,812,500</u>	<u>5,266,457</u>
Current assets			
Debtors	19	1,452,818	2,877,299
Cash at bank and in hand		2,317,810	333,359
		<u>3,770,628</u>	<u>3,210,658</u>
Creditors: Amounts falling due within one year	21	<u>(2,707,720)</u>	<u>(1,780,111)</u>
Net current assets		<u>1,062,908</u>	<u>1,430,547</u>
Total assets less current liabilities		3,875,408	6,697,004
Creditors: Amounts falling due after more than one year	21	-	(5,847,796)
Provisions for liabilities	22	<u>(61,014)</u>	<u>(31,540)</u>
Net assets		<u>3,814,394</u>	<u>817,668</u>
Capital and reserves			
Called up share capital	24	1,932	1,932
Revaluation reserve		256,491	-
Other reserves		-	141,806
Profit and loss account		3,555,971	673,930
Shareholders' funds		<u>3,814,394</u>	<u>817,668</u>

The company made a profit after tax for the financial year of £3,044,235 (2021 - profit of £209,753).

Approved and authorised by the Board on 11 November 2022 and signed on its behalf by:


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Mr M A Coleman
Director

CNC Group Holdings Limited

Consolidated Statement of Changes in Equity for the Year Ended 30 April 2022
Equity attributable to the parent company

	Share capital £	Revaluation reserve £	Merger reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 1 May 2021	1,932	-	(873,024)	141,806	4,663,360	3,934,074	3,934,074
Prior period adjustment	-	-	-	-	5,837	5,837	5,837
At 1 May 2021 (As restated)	1,932	-	(873,024)	141,806	4,669,197	3,939,911	3,939,911
Profit for the year	-	-	-	-	2,715,989	2,715,989	2,715,989
Other comprehensive income	-	256,491	-	-	-	256,491	256,491
Total comprehensive income	-	256,491	-	-	2,715,989	2,972,480	2,972,480
Dividends	-	-	-	-	(304,000)	(304,000)	(304,000)
Transfers	-	-	-	(141,806)	141,806	-	-
At 30 April 2022	1,932	256,491	(873,024)	-	7,222,992	6,608,391	6,608,391
	Share capital £	Revaluation reserve £	Merger reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 30 October 2020	1,932	-	(873,024)	141,806	3,941,396	3,212,110	3,212,110
Profit for the year	-	-	-	-	747,801	747,801	747,801
Total comprehensive income	-	-	-	-	747,801	747,801	747,801
Dividends	-	-	-	-	(20,000)	(20,000)	(20,000)
At 30 April 2021	1,932	-	(873,024)	141,806	4,669,197	3,939,911	3,939,911

The notes on pages 22 to 49 form an integral part of these financial statements.

CNC Group Holdings Limited

Statement of Changes in Equity for the Year Ended 30 April 2022

	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 1 May 2021	1,932	-	141,806	673,930	817,668
Profit for the year	-	-	-	3,044,235	3,044,235
Other comprehensive income	-	256,491	-	-	256,491
Total comprehensive income	-	256,491	-	3,044,235	3,300,726
Dividends	-	-	-	(304,000)	(304,000)
Transfers	-	-	(141,806)	141,806	-
At 30 April 2022	<u>1,932</u>	<u>256,491</u>	<u>-</u>	<u>3,555,971</u>	<u>3,814,394</u>
	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss account £	Total £
At 30 October 2020	1,932	-	141,806	484,177	627,915
Profit for the year	-	-	-	209,753	209,753
Total comprehensive income	-	-	-	209,753	209,753
Dividends	-	-	-	(20,000)	(20,000)
At 30 April 2021	<u>1,932</u>	<u>-</u>	<u>141,806</u>	<u>673,930</u>	<u>817,668</u>

The notes on pages 22 to 49 form an integral part of these financial statements.

CNC Group Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 30 April 2022

		(As restated)	
	Note	30 April 2022 £	30 April 2021 £
Cash flows from operating activities			
Profit for the year		2,715,989	747,801
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	134,693	85,965
Profit on disposal of tangible assets		(1,784,304)	(166,296)
Finance income	7	(59,305)	-
Finance costs	8	150,697	57,093
Income tax expense	12	(172,963)	(123,401)
		984,807	601,162
Working capital adjustments			
(Increase)/decrease in stocks	18	(18,616)	22,920
Decrease in trade debtors	19	694,325	534,950
Decrease in trade creditors	21	(1,368,326)	(1,179,330)
Cash generated from operations		292,190	(20,298)
Income taxes received	12	47,767	101,460
Net cash flow from operating activities		339,957	81,162
Cash flows from investing activities			
Interest received		59,305	-
Acquisitions of tangible assets		(831,917)	(68,902)
Proceeds from sale of tangible assets		5,219,735	1,032,685
Acquisition of intangible assets	13	(5,584)	-
Acquisition of investment properties	15	(553,747)	-
Proceeds from sale of investment properties		1,020,150	-
Net cash flows from investing activities		4,907,942	963,783
Cash flows from financing activities			
Interest paid	8	(117,153)	(43,968)
Repayment of bank borrowing		(1,925,334)	(90,739)
Repayment of other borrowing		-	(30,000)
Redemption of shares classified as liabilities		(522,308)	-
Payments to finance lease creditors		(3,882)	(22,959)
Interest on preference shares		(33,544)	(13,125)
Dividends paid		(304,000)	(20,000)
Net cash flows from financing activities		(2,906,221)	(220,791)
Net increase in cash and cash equivalents		2,341,678	824,154

The notes on pages 22 to 49 form an integral part of these financial statements.

CNC Group Holdings Limited

Consolidated Statement of Cash Flows for the Year Ended 30 April 2022

		(As restated)	
	Note	30 April 2022 £	30 April 2021 £
Cash and cash equivalents at 1 May		<u>2,386,431</u>	<u>1,562,277</u>
Cash and cash equivalents at 30 April		<u>4,728,109</u>	<u>2,386,431</u>

CNC Group Holdings Limited

Statement of Cash Flows for the Year Ended 30 April 2022

	Note	30 April 2022 £	30 April 2021 £
Cash flows from operating activities			
Profit for the year		3,044,235	209,753
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	40,514	31,626
Profit on disposal of tangible assets		(1,438,022)	-
Finance income		(1,560,805)	(14,586)
Finance costs		213,815	86,018
Income tax expense	12	(36,963)	36,844
		<u>262,774</u>	<u>349,655</u>
Working capital adjustments			
Decrease/(increase) in trade debtors	19	1,424,481	(1,312,772)
Increase in trade creditors	21	1,186,419	1,408,005
Net cash flow from operating activities		<u>2,873,674</u>	<u>444,888</u>
Cash flows from investing activities			
Interest received		1,560,805	14,586
Acquisitions of tangible assets		(695,354)	-
Proceeds from sale of tangible assets		4,402,657	-
Acquisition of intangible assets	13	(5,584)	-
Acquisition of investment properties		(553,747)	-
Proceeds from sale of investment properties		1,020,150	-
Net cash flows from investing activities		<u>5,728,927</u>	<u>14,586</u>
Cash flows from financing activities			
Interest paid		(188,293)	(81,643)
Repayment of bank borrowing		(1,925,334)	(120,739)
Repayment of other borrowing		(4,000,000)	-
Redemption of shares classified as liabilities		(175,000)	-
Interest on preference shares		(25,523)	(4,375)
Dividends paid		(304,000)	(20,000)
Net cash flows from financing activities		<u>(6,618,150)</u>	<u>(226,757)</u>
Net increase in cash and cash equivalents		1,984,451	232,717
Cash and cash equivalents at 1 May		<u>333,359</u>	<u>100,642</u>
Cash and cash equivalents at 30 April		<u>2,317,810</u>	<u>333,359</u>

The notes on pages 22 to 49 form an integral part of these financial statements.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

1 General information

The company is a private company limited by share capital, incorporated in England & Wales.

The address of its registered office is:

Shady Lane
Great Barr
Birmingham
B44 9ER

These financial statements were authorised for issue by the Board on 11 November 2022.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

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

Basis of preparation

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

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

Summary of disclosure exemptions

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..

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 30 April 2022.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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

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

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

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

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

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

CNC Group Holdings Limited issued shares credited as fully paid as consideration for the acquisition of 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 Year Ended 30 April 2022

Judgements

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 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.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing the 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.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the group's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The group recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the group's activities.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Contract revenue recognition

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 staff, management support the process.

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

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 basis over the life of the contract.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible 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 on the Consolidated Statement of Comprehensive Income in the same period as the related expenditure.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

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

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the consolidated financial statements.

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

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference, except for revalued land and investment property where the tax rate that applies to the sale of the asset is used.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

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

Asset class	Depreciation method and rate
Freehold property	2% straight line
Improvements to leasehold property	straight line basis over the life of the lease
Plant and machinery	Straight line of 10 - 20% to a residual value of 15%, followed by straight line depreciation of the residual NBV over the lower of remaining life and 5 years.

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Business combinations

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

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

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

Asset class	Amortisation method and rate
Computer software	3 years straight line

Investments

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

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

Cash and cash equivalents

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

Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the group does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

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

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

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

Provisions

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

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

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

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

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

Financial instruments

Classification

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 flow and subsequently at amortised costs 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 if 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.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	30 April 2022 £	30 April 2021 £
Sale of goods	11,633,296	6,607,964
Rental income from investment property	83,562	46,719
Other revenue	19,496	68,692
	<u>11,736,354</u>	<u>6,723,375</u>

4 Exceptional income

	30 April 2022 £	30 April 2021 £
Profit from tangible asset disposal	<u>1,438,022</u>	<u>-</u>

5 Operating profit

Arrived at after charging/(crediting)

	30 April 2022 £	30 April 2021 £
Depreciation expense	134,693	85,965
Operating lease expense - plant and machinery	39,420	-
Profit on disposal of property, plant and equipment	<u>(1,784,304)</u>	<u>(166,296)</u>

6 Government grants

Government grants received represent receipts of the Coronavirus Job Retention Scheme (CJRS).

The amount of grants recognised in the financial statements was £8,123 (2021 - £43,515).

7 Other interest receivable and similar income

	30 April 2022 £	30 April 2021 £
Interest income on bank deposits	49,499	-
Other finance income	9,806	-
	<u>59,305</u>	<u>-</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

8 Interest payable and similar expenses

	(As restated)	
	30 April 2022	30 April 2021
	£	£
Interest on bank overdrafts and borrowings	35,955	41,361
Interest on preference shares	33,544	13,125
Interest on obligations under finance leases and hire purchase contracts	-	378
Interest expense on other finance liabilities	81,198	2,229
Foreign exchange gains	2,932	398
	<u>153,629</u>	<u>57,491</u>

9 Staff costs

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

	30 April 2022	30 April 2021
	£	£
Wages and salaries	2,401,033	1,383,598
Social security costs	267,952	164,852
Pension costs, defined contribution scheme	110,377	21,272
	<u>2,779,362</u>	<u>1,569,722</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

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

	30 April 2022 No.	30 April 2021 No.
Administration and support	18	16
Sales	39	51
	<u>57</u>	<u>67</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	30 April 2022 £	30 April 2021 £
Remuneration	593,688	318,829
Contributions paid to money purchase schemes	54,939	9,709
	<u>648,627</u>	<u>328,538</u>

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

	30 April 2022 No.	30 April 2021 No.
Accruing benefits under money purchase pension scheme	<u>4</u>	<u>4</u>

In respect of the highest paid director:

	30 April 2022 £	30 April 2021 £
Remuneration	185,830	93,002
Company contributions to money purchase pension schemes	<u>1,321</u>	<u>506</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

11 Auditors' remuneration

	30 April 2022 £	30 April 2021 £
Audit of these financial statements	5,775	4,500
Audit of the financial statements of subsidiaries of the company pursuant to legislation	32,215	23,450
	<u>37,990</u>	<u>27,950</u>

12 Taxation

Tax charged/(credited) in the income statement

	30 April 2022 £	30 April 2021 £
Current taxation		
UK corporation tax	(105,597)	36,674
UK corporation tax adjustment to prior periods	<u>(36,672)</u>	<u>-</u>
	(142,269)	36,674
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(30,694)</u>	<u>(160,075)</u>
Tax receipt in the income statement	<u>(172,963)</u>	<u>(123,401)</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	(As restated)	
	30 April 2022 £	30 April 2021 £
Profit before tax	<u>2,543,026</u>	<u>624,400</u>
Corporation tax at standard rate	483,175	118,636
Effect of revenues exempt from taxation	-	(912)
Effect of expense not deductible in determining taxable profit (tax loss)	4,447	2,382
Effect of tax losses	(147,612)	(236,293)
Deferred tax credit from unrecognised tax loss or credit	(33,264)	-
Decrease in UK and foreign current tax from adjustment for prior periods	(36,672)	-
Tax decrease from effect of capital allowances and depreciation	(80,060)	(26,238)
Tax decrease from other short-term timing differences	-	(7,759)
Tax increase from effect of unrelieved tax losses carried forward	15,842	26,783
Tax decrease from effect of adjustment in research and development tax credit	(136,000)	-
Tax decrease from effect of indexation allowance on capital gains	<u>(242,819)</u>	<u>-</u>
Total tax credit	<u>(172,963)</u>	<u>(123,401)</u>

Deferred tax

Group

Deferred tax assets and liabilities

30 April 2022	Liability £
Accelerated capital allowances	29,847
Fair value gains on investment properties	-
	<u>-</u>
	<u>29,847</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

30 April 2021	Liability £
Accelerated capital allowances	27,277
Fair value gains on investment properties	33,264
	-
	<u>60,541</u>

Company

Deferred tax assets and liabilities

30 April 2022	Liability £
Accelerated capital allowances	849
Fair value gains on investment properties	-
	<u>849</u>

30 April 2021	Asset £	Liability £
Accelerated capital allowances	1,721	-
Fair value gains on investment properties	-	33,264
	<u>1,721</u>	<u>33,264</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

13 Intangible assets

Group

	Trademarks, patents and licenses £	Other intangible assets £	Total £
Cost or valuation			
At 1 May 2021	-	108,072	108,072
Additions acquired separately	5,584	-	5,584
At 30 April 2022	5,584	108,072	113,656
Amortisation			
At 1 May 2021	-	108,072	108,072
At 30 April 2022	-	108,072	108,072
Carrying amount			
At 30 April 2022	5,584	-	5,584

Company

	Trademarks, patents and licenses £	Total £
Cost or valuation		
Additions acquired separately	5,584	5,584
At 30 April 2022	5,584	5,584
Amortisation		
Carrying amount		
At 30 April 2022	5,584	5,584

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

14 Tangible assets

Group

	Land and buildings £	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation						
At 1 May 2021	3,312,920	634,785	191,912	1,604,333	216,355	5,960,305
Revaluations	316,656	-	-	-	-	316,656
Additions	683,344	-	-	134,950	13,623	831,917
Disposals	<u>(3,312,920)</u>	<u>(634,785)</u>	<u>-</u>	<u>(496,415)</u>	<u>(2,962)</u>	<u>(4,447,082)</u>
At 30 April 2022	<u>1,000,000</u>	<u>-</u>	<u>191,912</u>	<u>1,242,868</u>	<u>227,016</u>	<u>2,661,796</u>
Depreciation						
At 1 May 2021	316,362	230,499	173,661	1,319,389	154,946	2,194,857
Charge for the year	40,390	5,320	5,408	62,257	21,319	134,694
Eliminated on disposal	<u>(348,285)</u>	<u>(235,819)</u>	<u>-</u>	<u>(427,547)</u>	<u>-</u>	<u>(1,011,651)</u>
At 30 April 2022	<u>8,467</u>	<u>-</u>	<u>179,069</u>	<u>954,099</u>	<u>176,265</u>	<u>1,317,900</u>
Carrying amount						
At 30 April 2022	<u>991,533</u>	<u>-</u>	<u>12,843</u>	<u>288,769</u>	<u>50,751</u>	<u>1,343,896</u>
At 30 April 2021	<u>2,996,558</u>	<u>404,286</u>	<u>18,251</u>	<u>284,944</u>	<u>61,409</u>	<u>3,765,448</u>

Included within the net book value of land and buildings above is £991,533 (2021 - £2,996,558) in respect of freehold land and buildings and £Nil (2021 - £404,285) in respect of long leasehold land and buildings.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Revaluation

The fair value of the group's land and buildings was revalued on 7 February 2022 by an independent valuer.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £991,533 (2021 - £2,996,558).

Company

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 May 2021	3,312,920	260,426	3,573,346
Revaluations	316,656	-	316,656
Additions	683,344	12,010	695,354
Disposals	<u>(3,312,920)</u>	<u>-</u>	<u>(3,312,920)</u>
At 30 April 2022	<u>1,000,000</u>	<u>272,436</u>	<u>1,272,436</u>
Depreciation			
At 1 May 2021	316,362	260,426	576,788
Charge for the year	40,390	123	40,513
Eliminated on disposal	<u>(348,285)</u>	<u>-</u>	<u>(348,285)</u>
At 30 April 2022	<u>8,467</u>	<u>260,549</u>	<u>269,016</u>
Carrying amount			
At 30 April 2022	<u>991,533</u>	<u>11,887</u>	<u>1,003,420</u>
At 30 April 2021	<u>2,996,558</u>	<u>-</u>	<u>2,996,558</u>

Included within the net book value of land and buildings above is £991,533 (2021 - £2,996,558) in respect of freehold land and buildings.

Revaluation

The fair value of the company's land and buildings was revalued on 7 February 2022 by an independent valuer.

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £991,533 (2021 - £2,996,558).

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

15 Investment properties

Group and Company

	30 April 2022 £
At 1 May	1,020,150
Additions	553,747
Disposals	<u>(1,020,150)</u>
At 30 April	<u>553,747</u>

The investment property was acquired during the year and recorded at cost, which is considered by the directors to reflect the fair value at the balance sheet date.

16 Investments

Company

	30 April 2022 £	30 April 2021 £
Investments in subsidiaries	<u>1,249,749</u>	<u>1,249,749</u>
Subsidiaries		£
Cost or valuation		
At 1 May 2021		1,499,815
Provision		
At 1 May 2021		<u>250,066</u>
Carrying amount		
At 30 April 2022		<u>1,249,749</u>
At 30 April 2021		<u>1,249,749</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2022	2021
Subsidiary undertakings				
Coleman & Company Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary	100%	100%
Coleman Remediation Services Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary A	100%	100%
Coleman & Company Specialist Cutting Services Limited	Selecta Avenue Great Barr Birmingham B44 9EH England & Wales	Ordinary	100%	100%
Coleman & Company Plant Hire Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary	100%	100%
Coleman Regeneration Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary	100%	100%
Coleman Engineering Services Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary	100%	100%
Completely Engineered Solutions Limited	Shady Lane Great Barr Birmingham B44 9ER England & Wales	Ordinary	100%	100%

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

Subsidiary undertakings

Coleman & Company Limited

The principal activity of Coleman & Company Limited is the provision of complex demolition and specialised land redevelopment services.

Coleman Remediation Services Limited

The principal activity of Coleman Remediation Services Limited is remedial engineering work, landfill restoration and construction and industrial hazardous waste treatment.

Coleman & Company Specialist Cutting Services Limited

The principal activity of Coleman & Company Specialist Cutting Services Limited is diamond drilling, concrete cutting and related works for the construction industry.

Coleman & Company Plant Hire Limited

The principal activity of Coleman & Company Plant Hire Limited is an active company with no trading activity.

Coleman Regeneration Limited

The principal activity of Coleman Regeneration Limited is dormant.

Coleman Engineering Services Limited

The principal activity of Coleman Engineering Services Limited is the provision of engineering services.

Completely Engineered Solutions Limited

The principal activity of Completely Engineered Solutions Limited is dormant.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

17 Other financial assets

Group

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 May 2021	31,409	31,409
At 30 April 2022	31,409	31,409
Impairment		
Carrying amount		
At 30 April 2022	31,409	31,409

18 Stocks

	Group		Company	
	30 April 2022 £	30 April 2021 £	30 April 2022 £	30 April 2021 £
Other inventories	107,293	88,677	-	-

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

19 Debtors

		Group		Company	
			(As restated)		
	Note	30 April 2022 £	30 April 2021 £	30 April 2022 £	30 April 2021 £
Trade debtors		373,462	619,068	8,402	383,760
Amounts owed by related parties	29	80,506	132,112	978,099	1,561,510
Other debtors		134,389	101,182	65,067	40,253
Prepayments		286,766	271,354	12,810	25,625
Gross amount due from customers for contract work		1,105,287	1,551,019	388,441	866,151
Income tax asset	12	145,685	57,452	-	-
		<u>2,126,095</u>	<u>2,732,187</u>	<u>1,452,819</u>	<u>2,877,299</u>

20 Cash and cash equivalents

	Group		Company	
	30 April 2022 £	30 April 2021 £	30 April 2022 £	30 April 2021 £
Cash on hand	1,213	92	-	-
Cash at bank	2,926,983	1,185,485	2,317,810	333,359
Short-term deposits	1,799,913	1,200,854	-	-
	<u>4,728,109</u>	<u>2,386,431</u>	<u>2,317,810</u>	<u>333,359</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

21 Creditors

		Group		Company	
		30 April 2022 £	30 April 2021 £	30 April 2022 £	30 April 2021 £
	Note				
Due within one year					
Loans and borrowings	25	-	256,421	-	252,539
Trade creditors		795,607	1,921,836	80,496	67,665
Amounts due to related parties	29	207,525	-	2,273,807	728,824
Social security and other taxes		180,988	845,519	-	64,334
Outstanding defined contribution pension costs		16,032	12,014	-	-
Other payables		248,475	45,255	-	-
Accruals		716,006	451,769	323,012	621,365
Income tax liability	12	30,405	36,674	30,405	36,674
Gross amount due to customers for contract work		-	256,570	-	8,710
		<u>2,195,038</u>	<u>3,826,058</u>	<u>2,707,720</u>	<u>1,780,111</u>
Due after one year					
Loans and borrowings	25	2,692	2,197,795	-	1,847,795
Other non-current financial liabilities		-	-	-	4,000,001
		<u>2,692</u>	<u>2,197,795</u>	<u>-</u>	<u>5,847,796</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

22 Provisions for liabilities

Group

	Deferred tax £	Total £
At 1 May 2021	60,538	60,538
Increase (decrease) in existing provisions	<u>29,474</u>	<u>29,474</u>
At 30 April 2022	<u>90,012</u>	<u>90,012</u>

Company

	Deferred tax £	Total £
At 1 May 2021	31,543	31,543
Increase (decrease) in existing provisions	<u>29,471</u>	<u>29,471</u>
At 30 April 2022	<u>61,014</u>	<u>61,014</u>

23 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £110,377 (2021 - £21,272).

Contributions totalling £16,032 (2021 - £12,014) were payable to the scheme at the end of the year and are included in creditors.

24 Share capital

Allotted, called up and fully paid shares

	30 April 2022		30 April 2021	
	No.	£	No.	£
Ordinary A shares of £1 each	650	650	650	650
Ordinary B shares of £1 each	649	649	649	649
Ordinary C shares of £1 each	<u>633</u>	<u>633</u>	<u>633</u>	<u>633</u>
	<u>1,932</u>	<u>1,932</u>	<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.

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

25 Loans and borrowings

	Group		Company	
	30 April 2022	30 April 2021	30 April 2022	30 April 2021
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	-	1,672,795	-	1,672,795
Redeemable preference shares	2,692	525,000	-	175,000
	<u>2,692</u>	<u>2,197,795</u>	<u>-</u>	<u>1,847,795</u>

	Group		Company	
	30 April 2022	30 April 2021	30 April 2022	30 April 2021
	£	£	£	£
Current loans and borrowings				
Bank borrowings	-	252,539	-	252,539
Hire purchase contracts	-	3,882	-	-
	<u>-</u>	<u>256,421</u>	<u>-</u>	<u>252,539</u>

Group

Other borrowings

Preference shares classified as debt is denominated in Sterling with a nominal interest rate of 5%. The carrying amount at year end is £2,692 (2021 - £525,000).

In April 2017 the group issued 5% preference shares that the group are 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 Year Ended 30 April 2022

26 Obligations under leases and hire purchase contracts

Group

Finance leases

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

The total of future minimum lease payments is as follows:

	30 April 2022	30 April 2021
	£	£
Not later than one year	-	3,882

Operating leases

The total of future minimum lease payments is as follows:

	30 April 2022	30 April 2021
	£	£
Not later than one year	153,288	70,774
Later than one year and not later than five years	204,879	19,420
Later than five years	-	8,686
	<u>358,167</u>	<u>98,880</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £100,771 (2021 - £42,668).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	30 April 2022	30 April 2021
	£	£
Not later than one year	-	97,448
Later than one year and not later than five years	-	389,794
Later than five years	-	199,988
	<u>-</u>	<u>687,230</u>

Total contingent rents recognised as income in the period are £Nil (2021 - £Nil).

Company

Operating leases

The total of future minimum lease payments is as follows:

	30 April 2022	30 April 2021
	£	£
Not later than one year	10,000	-
Later than one year and not later than five years	10,000	-
	<u>20,000</u>	<u>-</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

The amount of non-cancellable operating lease payments recognised as an expense during the year was £Nil (2021 - £Nil).

Operating leases - lessor

The total of future minimum lease payments is as follows:

	30 April 2022 £	30 April 2021 £
Not later than one year	120,000	497,448
Later than one year and not later than five years	290,000	1,989,794
Later than five years	-	1,936,063
	<u>410,000</u>	<u>4,423,305</u>

Total contingent rents recognised as income in the period are £Nil (2021 - £Nil).

27 Dividends

Interim dividends paid

	30 April 2022 £	30 April 2021 £
Interim dividend of £468 (2021 - £31) per each Ordinary A shares	304,000	20,000
Interim dividend of £Nil per each Ordinary B shares	-	-
Interim dividend of £Nil per each Ordinary C shares	-	-
	<u>304,000</u>	<u>20,000</u>

28 Contingent liabilities

Group

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

Causation of the incident is still unknown, 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 period end the group had committed to surety for performance bonds on contracts in the sum of £80,000 (2021 - £137,804).

CNC Group Holdings Limited

Notes to the Financial Statements for the Year Ended 30 April 2022

29 Related party transactions

Group

Transactions with directors

	At 1 May 2021 £	Repayments by director £	At 30 April 2022 £
2022			
Mr M A Coleman			
Directors loan	33,357	(33,357)	-
	At 30 October 2020 £	Advances to directors £	At 30 April 2021 £
2021			
Mr M A Coleman			
Directors loan	22,109	11,248	33,357

Dividends paid to directors

	30 April 2022 £	30 April 2021 £
Mr M A Coleman		
Dividends paid	304,000	20,000

Summary of transactions with other related parties

The group has contracts with CNC Group Holdings Limited Small Self-Administered Pension Scheme, a scheme for which M A Coleman is a trustee. During the year, the group paid dividends on preference shares treated as debt of £33,543 (2021 - £8,750).

Amounts of £49,020 (2021 - £49,020) are included in other debtors for payments made on behalf of the scheme at the balance sheet date.

Skelligs Site Services Limited and Skelligs Retreat Limited

Skelligs Site Services Limited and Skelligs Retreat Limited are companies registered in the Republic of Ireland which are owned by M A Coleman, director. At the balance sheet date amounts of £115,507 (2021: £132,115) were owed to the group.

During the year, the group maintained a loan account with M A Coleman, director. At the balance sheet date amounts of £207,525 (2021: nil) were owed by the group.

30 Controlling party

The ultimate controlling party is M A Coleman.