

Registration number: 04776218

CNC Group Holdings Limited

Annual Report and Consolidated Financial Statements

for the Period from 30 April 2019 to 29 October 2020

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
Company secretary	Ms L Morris
Registered office	Shady Lane Great Barr 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 period from 30 April 2019 to 29 October 2020

The directors present their strategic report for the period from 30 April 2019 to 29 October 2020.

Principal activity

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.

Fair review of the business

In common with most businesses the 18 months to 29 October 2020 was a period of some considerable challenge for the group. The group's fortunes have been affected by four major events during the year.

During the first part of this period the group faced the fallout from the failure of a subcontractor fulfil their part of a major contract. As a result of this Coleman & Company Limited was left to complete the works resulting in losses of some £1.7m which were shared with its sister company, Coleman Remediation Limited. No provision has been made in the accounts for any monies potentially recoverable from the subcontractor for breach of contract.

The second event to have major consequences for the group, was the Covid 19 pandemic commencing in March 2020. Whilst work stopped in April and through most of May as a result of the government-imposed lockdown, costs continued to run. Losses on overhead expenses for this lockdown period amounted to c£400k, from which there was no contribution from ongoing work. This amount was limited thanks to the Government Job Retention Scheme which allowed the group to furlough non-working employees. In addition to overheads expended, other costs on contracts, which could not be recovered from clients under the contract terms, continued to mount. Examples include craneage, hired in propping and temporary works, which could not be dismantled or returned during the lockdown period. This was a particular issue on one of the major contracts, Broadmarsh Shopping Centre, mentioned below.

Thirdly, in May 2020, Intu, the ultimate client of the Broadmarsh Shopping Centre, went into receivership. This resulted in cancellation of the contract partway through. Major set up costs had been already incurred at this point, which normally would have been recovered over the life of the contract. This is in addition to the costs incurred during lockdown for certain hired in supplies, such as craneage, propping and temporary works. The final payment on this contract meant that the job broke even, with zero gross profit. Had the contract been completed a gross margin of 18% was expected. The lost contribution was in the region of £1.3m.

The overall effect of these issues was a gross loss before tax of £3m for this group before sale of Plant & Machinery.

The fourth major event arose as a result of the ongoing difficulties caused by the first three events. In early March the directors, with the advice of independent advisors, developed and have now successfully executed, a business plan to overhaul the business and group structure. This involved trimming labour and overhead requirements to successfully deliver £15-18m group turnover per annum at a profit, and to remove expensive capital funding from banks.

CNC Group Holdings Limited

Strategic Report for the period from 30 April 2019 to 29 October 2020

To achieve this the workforce was reduced by one third by August 2020, incurring £350k redundancy costs. All plant and machinery not being effectively utilised, was liquidated between April 2020 and November 2020. The group sale of equipment generated £2m of liquid funds with only a 0.5% loss on book value. However, timing has meant that plant sold prior to 31 October made a book loss of £260k, as shown in these financial statements and the remainder which was sold in November made a book gain of £166k.

The net effect of these changes has been to reduce overheads and depreciation by an annual equivalent of £1m. Furthermore, the group has been able to remove any requirement for overdraft facilities with the bank, repaid all HP finance, and has been able to retain sufficient funds to provide more than adequate working capital going forward.

In terms of the individual companies within the group, Coleman & Company Limited, the largest trading company within the group, had a loss before tax of £2,122K, having incurred the bulk of the aforementioned losses.

Coleman Specialist Cutting Limited made a loss before tax of £647k. As a result of the pandemic the company has been unable to capitalise on the strategy of focusing on lower risk, shorter duration work which should have the effect of reducing turnover but increasing profit margins.

Coleman Remediation Limited, returned a loss before tax of £686k for the year after bearing losses of £324k in connection with the major loss making contract it shared with sister company Coleman & Company Limited.

Coleman Engineering Services Limited was effectively dormant in the year.

Coleman & Company Plant Hire Limited did not trade and reported a loss before tax of £15k due to ongoing finance costs.

Outlook

The directors remain 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.

Going forward the group will be continuing to build a collaborative partnership relationship with our clients ensuring long term success based on respect, integrity, openness, and fairness, whilst looking to meet and exceed clients' expectations by continually improving the quality of our service. This will be achieved by supporting our clients from the earliest stages of project conception, identifying risk, developing innovative engineered solutions using smart digital technologies, and developing methods of working which mitigate the risk, delivering programme certainty, safety, and quality for clients.

Since the year end the directors have continued with the reorganisation program for the group. The company is continuing to develop good relationships with suppliers of sub-contract services. With the new slimmed down structure the directors are confident of a return to profit in 2021.

These changes will ensure that the company 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 company can continue to meet its liabilities, service the secured work and continue to trade profitably into the future.

CNC Group Holdings Limited

Strategic Report for the period from 30 April 2019 to 29 October 2020

The Company continues to operate in an environmentally responsible manner, operating green construction activities. We are promoting energy and carbon reduction initiatives arising from our business activities, utilising digital innovations, modern efficient plant and equipment, and migrating the company car fleet to hybrid and electric vehicles.

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

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:

	Target	29 October 2020	29 April 2019
Turnover		£25,829,289	£23,611,288
Gross profit margin	18%	10.5%	15.5%
Profit before tax ratio	5%	(12.8%)	(6.2%)

Principal risks and uncertainties

Going concern

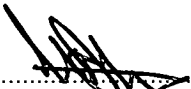
The group monitors WIP, trade debtors and trade creditors as part of its day to day operations.

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.

The group will not require any external funding such as overdrafts to meet its day to day working capital requirements which will be adequately funded from its operating activities. This highlights the group's resilience and financial position.

In light of the forecasts prepared, the directors remain of the view that the forecasts are achievable (despite external factors such as COVID 19) and that the headroom within the forecast will be more than 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.

Approved by the Board on 23 July 2021 and signed on its behalf by:


.....
Mr M A Coleman
Director

CNC Group Holdings Limited

Directors' Report for the Period from 30 April 2019 to 29 October 2020

The directors present their report and the for the period from 30 April 2019 to 29 October 2020.

Directors of the group

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

Mr M A Coleman

Ms L Morris (appointed 7 January 2020)

Mr J M Howard (Resigned 1 December 2019)

Mr M A Carless (appointed 7 January 2020)

Mr G Rowe (appointed 7 January 2020)

Financial instruments

Objectives and policies

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.

Cost control is a major theme within the business, looking to be efficient and effective driving cost savings throughout the business to increase gross margin and net profitability.

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

CNC Group Holdings Limited

Directors' Report for the Period from 30 April 2019 to 29 October 2020

Price risk, credit risk, liquidity risk and cash flow risk

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.

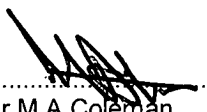
Contingent liabilities. The group experienced a tragic incident on a major contract in 2016. Investigations by external authorities are still underway, but as previously noted the directors do not believe the company is responsible for the cause of the incident. This is based on rigorous independent 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. At present however, the progress with the vaccine programme nationally, is continuing to reduce the risk of further disruption.

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 by the Board on 23 July 2021 and signed on its behalf by:


.....
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 period from 30 April 2019 to 29 October 2020, 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 the parent company's affairs as at 29 October 2020 and of the group's loss for the period 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's 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

CNC Group Holdings Limited

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

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

Matters on which we are required to report by exception

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

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

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 auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

23 July 2021

CNC Group Holdings Limited

Consolidated Profit and Loss Account for the Period from 30 April 2019 to 29 October 2020

	Note	29 October 2020 £	29 April 2019 £
Turnover	3	25,829,289	23,611,248
Cost of sales		<u>(23,112,643)</u>	<u>(19,949,459)</u>
Gross profit		2,716,646	3,661,789
Administrative expenses		(6,322,640)	(4,267,864)
Other operating income		<u>536,761</u>	<u>-</u>
Operating loss	4	<u>(3,069,233)</u>	<u>(606,075)</u>
Gain on financial assets at fair value through profit and loss account		20,150	154,920
Other interest receivable and similar income	5	16,410	8,048
Interest payable and similar expenses	6	<u>(271,655)</u>	<u>(172,650)</u>
		<u>(235,095)</u>	<u>(9,682)</u>
Loss before tax		(3,304,328)	(615,757)
Tax on loss	10	<u>128,130</u>	<u>(44,162)</u>
Loss for the financial period		<u>(3,176,198)</u>	<u>(659,919)</u>
Profit/(loss) attributable to:			
Owners of the company		<u>(3,176,198)</u>	<u>(659,919)</u>

The group has no recognised gains or losses for the period other than the results above.

CNC Group Holdings Limited

**Consolidated Statement of Comprehensive Income for the Period from 30 April
2019 to 29 October 2020**

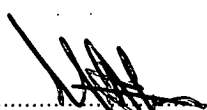
	29 October 2020 £	29 April 2019 £
Loss for the period	<u>(3,176,198)</u>	<u>(659,919)</u>
Total comprehensive income for the period	<u><u>(3,176,198)</u></u>	<u><u>(659,919)</u></u>
Total comprehensive income attributable to:		
Owners of the company	<u><u>(3,176,198)</u></u>	<u><u>(659,919)</u></u>

CNC Group Holdings Limited

(Registration number: 04776218)
Consolidated Balance Sheet as at 29 October 2020

	Note	29 October 2020 £	29 April 2019 £
Fixed assets			
Intangible assets	11	-	36,024
Tangible assets	12	4,680,309	7,052,918
Investment property	13	<u>1,020,150</u>	<u>1,000,000</u>
		<u>5,700,459</u>	<u>8,088,942</u>
Current assets			
Stocks	15	111,597	111,747
Debtors	16	3,368,598	5,828,132
Cash at bank and in hand		<u>1,562,277</u>	<u>1,777,178</u>
		5,042,472	7,717,057
Creditors: Amounts falling due within one year	18	<u>(4,979,223)</u>	<u>(6,104,563)</u>
Net current assets		<u>63,249</u>	<u>1,612,494</u>
Total assets less current liabilities		5,763,708	9,701,436
Creditors: Amounts falling due after more than one year	18	(2,330,982)	(2,914,689)
Provisions for liabilities	19	<u>(220,616)</u>	<u>(362,439)</u>
Net assets		<u>3,212,110</u>	<u>6,424,308</u>
Capital and reserves			
Called up share capital	21	1,932	1,932
Other reserves		(731,218)	(873,024)
Profit and loss account		<u>3,941,396</u>	<u>7,295,400</u>
Equity attributable to owners of the company		<u>3,212,110</u>	<u>6,424,308</u>
Shareholders' funds		<u>3,212,110</u>	<u>6,424,308</u>

Approved and authorised by the Board on 23 July 2021 and signed on its behalf by:


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Mr M A Coleman
Director


CNC Group Holdings Limited

(Registration number: 04776218)
Balance Sheet as at 29 October 2020

	Note	29 October 2020 £	29 April 2019 £
Fixed assets			
Tangible assets	12	3,028,184	3,121,800
Investment property	13	1,020,150	1,000,000
Investments	14	<u>1,249,749</u>	<u>1,249,749</u>
		<u>5,298,083</u>	<u>5,371,549</u>
Current assets			
Debtors	16	1,564,527	355,764
Cash at bank and in hand		<u>100,642</u>	<u>144,473</u>
		1,665,169	500,237
Creditors: Amounts falling due within one year	18	<u>(1,752,823)</u>	<u>(538,542)</u>
Net current liabilities		<u>(87,654)</u>	<u>(38,305)</u>
Total assets less current liabilities		5,210,429	5,333,244
Creditors: Amounts falling due after more than one year	18	(4,551,141)	(4,865,151)
Provisions for liabilities	19	<u>(31,373)</u>	<u>(27,168)</u>
Net assets		<u>627,915</u>	<u>440,925</u>
Capital and reserves			
Called up share capital	21	1,932	1,932
Other reserves		141,806	-
Profit and loss account		<u>484,177</u>	<u>438,993</u>
Shareholders' funds		<u>627,915</u>	<u>440,925</u>

The company made a profit after tax for the financial period of £222,990 (2019 - loss of £1,339,768).

Approved and authorised by the Board on 23 July 2021 and signed on its behalf by:


.....
Mr M A Coleman
Director

CNC Group Holdings Limited

Consolidated Statement of Changes in Equity for the Period from 30 April 2019 to 29 October 2020

Equity attributable to the parent company

	Share capital £	Merger reserve £	Other reserves £	Profit and loss account £	Total £	Total equity £
At 30 April 2019	1,932	(873,024)	-	7,295,400	6,424,308	6,424,308
Loss for the period	-	-	-	(3,176,198)	(3,176,198)	(3,176,198)
Total comprehensive income	-	-	-	(3,176,198)	(3,176,198)	(3,176,198)
Dividends	-	-	-	(36,000)	(36,000)	(36,000)
Transfers	-	-	141,806	(141,806)	-	-
At 29 October 2020	<u>1,932</u>	<u>(873,024)</u>	<u>141,806</u>	<u>3,941,396</u>	<u>3,212,110</u>	<u>3,212,110</u>

	Share capital £	Merger reserve £	Profit and loss account £	Total £	Total equity £
At 1 May 2018	1,932	(873,024)	8,025,153	7,154,061	7,154,061
Loss for the period	-	-	(659,919)	(659,919)	(659,919)
Total comprehensive income	-	-	(659,919)	(659,919)	(659,919)
Dividends	-	-	(69,834)	(69,834)	(69,834)
At 29 April 2019	<u>1,932</u>	<u>(873,024)</u>	<u>7,295,400</u>	<u>6,424,308</u>	<u>6,424,308</u>

The notes on pages 21 to 47 form an integral part of these financial statements.

CNC Group Holdings Limited

Statement of Changes in Equity for the Period from 30 April 2019 to 29 October 2020

	Share capital £	Other reserves £	Profit and loss account £	Total £
At 30 April 2019	1,932	-	438,993	440,925
Profit for the period	-	-	222,990	222,990
Total comprehensive income	-	-	222,990	222,990
Dividends	-	-	(36,000)	(36,000)
Transfers	-	141,806	(141,806)	-
At 29 October 2020	<u>1,932</u>	<u>141,806</u>	<u>484,177</u>	<u>627,915</u>

	Share capital £	Profit and loss account £	Total £
At 1 May 2018	1,932	1,848,595	1,850,527
Loss for the period	-	(1,339,768)	(1,339,768)
Total comprehensive income	-	(1,339,768)	(1,339,768)
Dividends	-	(69,834)	(69,834)
At 29 April 2019	<u>1,932</u>	<u>438,993</u>	<u>440,925</u>

CNC Group Holdings Limited

Consolidated Statement of Cash Flows for the Period from 30 April 2019 to 29 October 2020

	Note	29 October 2020 £	29 April 2019 £
Cash flows from operating activities			
Loss for the period		(3,176,198)	(659,919)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	996,456	859,735
Changes in fair value of investment property	13	(20,150)	(154,920)
Loss/(profit) on disposal of tangible assets		256,057	(27,705)
Finance income	5	(16,410)	(8,048)
Finance costs	6	272,998	172,149
Income tax expense	10	(128,130)	44,162
Gain (loss) from changes in provisions		-	(100,000)
Grants received		(1)	(12,719)
		(1,815,378)	112,735
Working capital adjustments			
Decrease in stocks	15	150	74,732
Decrease in trade debtors	16	2,205,788	1,236,651
(Decrease)/increase in trade creditors	18	(498,018)	923,233
Cash generated from operations		(107,458)	2,347,351
Income taxes received	10	220,053	-
Net cash flow from operating activities		112,595	2,347,351
Cash flows from investing activities			
Interest received		16,410	8,048
Acquisitions of tangible assets		(87,137)	(63,343)
Proceeds from sale of tangible assets		1,243,255	232,562
Net cash flows from investing activities		1,172,528	177,267
Cash flows from financing activities			
Interest paid	6	(233,631)	(145,883)
Proceeds from bank borrowing draw downs		(30,000)	-
Repayment of bank borrowing		(268,355)	(578,555)
Repayment of other borrowing		(176,265)	(127,336)
Payments to finance lease creditors		(425,199)	(457,537)
Interest on preference shares		(39,367)	(26,266)
Dividends paid		(36,000)	(69,834)
Net cash flows from financing activities		(1,208,817)	(1,405,411)
Net increase in cash and cash equivalents		76,306	1,119,207
Cash and cash equivalents at 30 April		1,485,971	366,764

The notes on pages 21 to 47 form an integral part of these financial statements.

CNC Group Holdings Limited

Consolidated Statement of Cash Flows for the Period from 30 April 2019 to 29 October 2020

	29 October 2020	29 April 2019
Note	£	£
Cash and cash equivalents at 29 October	<u>1,562,277</u>	<u>1,485,971</u>

CNC Group Holdings Limited

Statement of Cash Flows for the Period from 30 April 2019 to 29 October 2020

	Note	29 October 2020 £	29 April 2019 £
Cash flows from operating activities			
Profit/(loss) for the period		222,990	(1,339,768)
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	93,616	69,421
Changes in fair value of investment property	13	(20,150)	(154,920)
Loss on disposal of tangible assets		-	45,958
Finance income		(143,158)	(108,050)
Finance costs		287,725	201,547
Income tax expense	10	4,205	(13,792)
Amounts written off investments		-	250,066
		<u>445,228</u>	<u>(1,049,538)</u>
Working capital adjustments			
(Increase)/decrease in trade debtors	16	(1,208,763)	1,054,790
Increase in trade creditors	18	<u>1,314,891</u>	<u>320,199</u>
Cash generated from operations		551,356	325,451
Income taxes paid	10	-	(39,775)
Net cash flow from operating activities		<u>551,356</u>	<u>285,676</u>
Cash flows from investing activities			
Interest received		143,158	108,050
Cash flows from financing activities			
Interest paid		(274,600)	(192,793)
Proceeds from bank borrowing draw downs		(268,355)	135,613
Repayment of other borrowing		(146,265)	(165,330)
Interest on preference shares		(13,125)	(8,754)
Dividends paid		<u>(36,000)</u>	<u>(69,834)</u>
Net cash flows from financing activities		<u>(738,345)</u>	<u>(301,098)</u>
Net (decrease)/increase in cash and cash equivalents		(43,831)	92,628
Cash and cash equivalents at 30 April		<u>144,473</u>	<u>51,845</u>
Cash and cash equivalents at 29 October		<u><u>100,642</u></u>	<u><u>144,473</u></u>

The notes on pages 21 to 47 form an integral part of these financial statements.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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 23 July 2021.

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 29 October 2020.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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.

Disclosure of long or short period

The financial year end of the company was changed from 29 April 2019 to 29 October 2020.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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 Period from 30 April 2019 to 29 October 2020

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 Period from 30 April 2019 to 29 October 2020

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.

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	10 - 20% straight line

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.

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

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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.

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.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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 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.

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 company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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.

3 Revenue

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

	29 October 2020 £	29 April 2019 £
Sale of goods	25,375,779	23,569,173
Rental income from investment property	137,236	42,075
Other revenue	316,274	-
	<u>25,829,289</u>	<u>23,611,248</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

4 Operating loss

Arrived at after charging/(crediting)

	29 October 2020 £	29 April 2019 £
Depreciation expense	960,432	824,515
Amortisation expense	36,024	36,024
Research and development cost	-	(50,000)
Loss/(profit) on disposal of property, plant and equipment	<u>256,057</u>	<u>(27,705)</u>

5 Other interest receivable and similar income

	29 October 2020 £	29 April 2019 £
Interest income on financial assets	6,250	-
Interest income on bank deposits	9,717	5,372
Other finance income	<u>443</u>	<u>2,676</u>
	<u>16,410</u>	<u>8,048</u>

6 Interest payable and similar expenses

	29 October 2020 £	29 April 2019 £
Interest on bank overdrafts and borrowings	193,942	118,996
Interest on preference shares	39,367	26,266
Interest on obligations under finance leases and hire purchase contracts	6,678	9,635
Interest expense on other finance liabilities	33,011	17,252
Foreign exchange (gains) / losses	<u>(1,343)</u>	<u>501</u>
	<u>271,655</u>	<u>172,650</u>

7 Staff costs

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

	29 October 2020 £	29 April 2019 £
Wages and salaries	7,094,206	4,788,561
Social security costs	818,153	539,795
Pension costs, defined contribution scheme	<u>177,001</u>	<u>123,431</u>
	<u>8,089,360</u>	<u>5,451,787</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

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

	29 October 2020 No.	29 April 2019 No.
Administration and support	28	28
Sales	97	109
	<u>125</u>	<u>137</u>

8 Directors' remuneration

The directors' remuneration for the period was as follows:

	29 October 2020 £	29 April 2019 £
Remuneration	766,810	410,130
Contributions paid to money purchase schemes	44,521	47,390
	<u>811,331</u>	<u>457,520</u>

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

	29 October 2020 No.	29 April 2019 No.
Received or were entitled to receive shares under long term incentive schemes	4	4

In respect of the highest paid director:

	29 October 2020 £	29 April 2019 £
Remuneration	253,500	112,648
Company contributions to money purchase pension schemes	1,972	849

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

9 Auditors' remuneration

	29 October 2020 £	29 April 2019 £
Audit of these financial statements	6,000	7,000
Audit of the financial statements of subsidiaries of the company pursuant to legislation	56,335	47,000
	<u>62,335</u>	<u>54,000</u>
Other fees to auditors		
Taxation compliance services	-	5,500

10 Taxation

Tax charged/(credited) in the income statement

	29 October 2020 £	29 April 2019 £
Current taxation		
UK corporation tax	-	(39,915)
UK corporation tax adjustment to prior periods	13,693	-
	<u>13,693</u>	<u>(39,915)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(141,823)	84,077
Tax (receipt)/expense in the income statement	<u>(128,130)</u>	<u>44,162</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	29 October 2020 £	29 April 2019 £
Loss before tax	<u>(3,304,328)</u>	<u>(615,757)</u>
Corporation tax at standard rate	(627,822)	(116,994)

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

	29 October 2020 £	29 April 2019 £
Effect of revenues exempt from taxation	-	(9,500)
Effect of expense not deductible in determining taxable profit (tax loss)	36,558	2,925
Effect of tax losses	-	(7,695)
Deferred tax expense relating to changes in tax rates or laws	48,497	-
Deferred tax expense from unrecognised tax loss or credit	3,829	-
Increase/(decrease) in UK and foreign current tax from adjustment for prior periods	13,693	(39,915)
Tax increase from effect of capital allowances and depreciation	6,772	58,609
Tax increase from other short-term timing differences	-	77,056
Tax increase from effect of unrelieved tax losses carried forward	409,755	79,676
Tax decrease from effect of dividends from UK companies	(7,127)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	(12,285)	-
Total tax (credit)/charge	<u>(128,130)</u>	<u>44,162</u>

Deferred tax

Group

Deferred tax assets and liabilities

29 October
2020

Liability
£

Accelerated capital allowances
Fair value gains on investment properties

187,352
33,264

-
220,616

29 April
2019

Liability
£

Accelerated capital allowances
Fair value gains on investment properties

333,004
29,435

-
362,439

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Company

Deferred tax assets and liabilities

29 October 2020	Asset £	Liability £
Accelerated capital allowances	1,891	-
Fair value gains on investment properties	-	33,264
	<u>1,891</u>	<u>33,264</u>

29 April 2019	Asset £	Liability £
Accelerated capital allowances	2,267	-
Fair value gains on investment properties	-	29,435
	<u>2,267</u>	<u>29,435</u>

11 Intangible assets

Group

	Other intangible assets £	Total £
Cost or valuation		
At 30 April 2019	<u>108,072</u>	<u>108,072</u>
At 29 October 2020	<u>108,072</u>	<u>108,072</u>
Amortisation		
At 30 April 2019	72,048	72,048
Amortisation charge	<u>36,024</u>	<u>36,024</u>
At 29 October 2020	<u>108,072</u>	<u>108,072</u>
Carrying amount		
At 29 October 2020	<u>-</u>	<u>-</u>
At 29 April 2019	<u>36,024</u>	<u>36,024</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

12 Tangible assets

Group

	Land and buildings £	Long leasehold land and buildings £	Fixtures and fittings £	Plant and machinery £	Office equipment £	Total £
Cost or valuation						
At 30 April 2019	3,312,920	634,785	399,099	9,771,472	154,918	14,273,194
Additions	-	-	-	40,286	46,851	87,137
Disposals	-	-	(23,879)	(4,125,826)	-	(4,149,705)
At 29 October 2020	<u>3,312,920</u>	<u>634,785</u>	<u>375,220</u>	<u>5,685,932</u>	<u>201,769</u>	<u>10,210,626</u>
Depreciation						
At 30 April 2019	191,120	209,221	365,348	6,351,667	102,920	7,220,276
Charge for the period	93,616	15,958	10,884	801,489	38,487	960,434
Eliminated on disposal	-	-	(21,118)	(2,629,275)	-	(2,650,393)
At 29 October 2020	<u>284,736</u>	<u>225,179</u>	<u>355,114</u>	<u>4,523,881</u>	<u>141,407</u>	<u>5,530,317</u>
Carrying amount						
At 29 October 2020	<u>3,028,184</u>	<u>409,606</u>	<u>20,106</u>	<u>1,162,051</u>	<u>60,362</u>	<u>4,680,309</u>
At 29 April 2019	<u>3,121,800</u>	<u>425,564</u>	<u>33,750</u>	<u>3,419,805</u>	<u>51,999</u>	<u>7,052,918</u>

Included within the net book value of land and buildings above is £3,028,184 (2019 - £3,121,800) in respect of freehold land and buildings and £409,605 (2019 - £425,564) in respect of long leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

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

	29 October 2020 £	29 April 2019 £
Plant and machinery	<u>-</u>	<u>1,097,421</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Company

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 30 April 2019	3,312,920	260,426	3,573,346
At 29 October 2020	3,312,920	260,426	3,573,346
Depreciation			
At 30 April 2019	191,120	260,426	451,546
Charge for the period	93,616	-	93,616
At 29 October 2020	284,736	260,426	545,162
Carrying amount			
At 29 October 2020	3,028,184	-	3,028,184
At 29 April 2019	3,121,800	-	3,121,800

Included within the net book value of land and buildings above is £3,028,184 (2019 - £3,121,800) in respect of freehold land and buildings.

13 Investment properties

Group

	29 October 2020 £
At 30 April	1,000,000
Fair value adjustments	20,150
At 29 October	1,020,150

The investment property was valued on 10 June 2020 by Neil Allison RICS on behalf of Atchinson Rafferty.

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

	29 October 2020	29 April 2019
Historical cost	828,179	828,179

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Company

	29 October 2020 £
At 30 April	1,000,000
Fair value adjustments	<u>20,150</u>
At 29 October	<u><u>1,020,150</u></u>

The investment property was valued on 10 June 2020 by Neil Allison RICS on behalf of Atchinson Rafferty.

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

	29 October 2020	29 April 2019
Historical cost	<u>828,179</u>	<u>828,179</u>

14 Investments

Company

	29 October 2020 £	29 April 2019 £
Investments in subsidiaries	<u>1,249,749</u>	<u>1,249,749</u>

Subsidiaries

Cost or valuation

At 30 April 2019	1,499,815
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Provision

At 30 April 2019	<u>250,066</u>
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Carrying amount

At 29 October 2020	<u><u>1,249,749</u></u>
At 29 April 2019	<u><u>1,249,749</u></u>

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:

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
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 Ordinary B	100% 100%	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 Period from 30 April 2019 to 29 October 2020

Subsidiary undertakings

Coleman & Company Limited

The principal activity of Coleman & Company Limited is the provision of complex demolition and specialised land redevelopment services. The loss for the financial period of Coleman & Company Limited was £1,976,040 and the aggregate amount of capital and reserves at the end of the period was £5,193,000.

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. The loss for the financial period of Coleman Remediation Services Limited was £692,150 and the aggregate amount of capital and reserves at the end of the period was £(2,309,594).

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. The loss for the financial period of Coleman & Company Specialist Cutting Services Limited was £659,918 and the aggregate amount of capital and reserves at the end of the period was £(818,005).

Coleman & Company Plant Hire Limited

The principal activity of Coleman & Company Plant Hire Limited is an active company with no trading activity. The loss for the financial period of Coleman & Company Plant Hire Limited was £15,375 and the aggregate amount of capital and reserves at the end of the period was £(36,996).

Coleman Regeneration Limited

The principal activity of Coleman Regeneration Limited is dormant. The profit for the financial period of Coleman Regeneration Limited was £- and the aggregate amount of capital and reserves at the end of the period was £45.

Coleman Engineering Services Limited

The principal activity of Coleman Engineering Services Limited is the provision of engineering services. Its financial period end is 29 April. The loss for the financial period of Coleman Engineering Services Limited was £55,705 and the aggregate amount of capital and reserves at the end of the period was £(81,411).

Completely Engineered Solutions Limited

The principal activity of Completely Engineered Solutions Limited is dormant. Its financial period end is 30 April. The profit for the financial period of Completely Engineered Solutions Limited was £- and the aggregate amount of capital and reserves at the end of the period was £1.

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

15 Stocks

	Group		Company	
	29 October 2020	29 April 2019	29 October 2020	29 April 2019
	£	£	£	£
Other inventories	<u>111,597</u>	<u>111,747</u>	<u>-</u>	<u>-</u>

Group

16 Debtors

		Group		Company	
		29 October 2020	29 April 2019	29 October 2020	29 April 2019
	Note	£	£	£	£
Trade debtors		316,425	1,268,217	-	-
Amounts owed by related parties	27	125,114	-	536,422	107,748
Other debtors		212,909	291,196	106,148	83,567
Prepayments		492,809	334,018	17,271	16,759
Gross amount due from customers for contract work		2,062,429	3,522,043	904,686	147,690
Income tax asset	10	<u>158,912</u>	<u>412,658</u>	<u>-</u>	<u>-</u>
		<u>3,368,598</u>	<u>5,828,132</u>	<u>1,564,527</u>	<u>355,764</u>

17 Cash and cash equivalents

		Group		Company	
		29 October 2020	29 April 2019	29 October 2020	29 April 2019
		£	£	£	£
Cash on hand	62	1,112	-	-	-
Cash at bank	761,341	1,204,631	100,642	144,473	
Short-term deposits	<u>800,874</u>	<u>571,435</u>	<u>-</u>	<u>-</u>	
		1,562,277	1,777,178	100,642	144,473
Bank overdrafts	<u>-</u>	<u>(291,207)</u>	<u>-</u>	<u>-</u>	
Cash and cash equivalents in statement of cash flows		<u>1,562,277</u>	<u>1,485,971</u>	<u>100,642</u>	<u>144,473</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

18 Creditors

		Group		Company	
		29 October 2020	29 April 2019	29 October 2020	29 April 2019
	Note	£	£	£	£
Due within one year					
Loans and borrowings	22	266,932	757,941	240,091	129,304
Trade creditors		1,770,954	3,607,087	137,897	-
Amounts due to related parties	27	-	-	625,995	15,300
Social security and other taxes		1,351,880	384,011	78,445	32,658
Outstanding defined contribution pension costs		14,829	25,367	-	-
Other payables		295,174	41,982	-	912
Accruals		1,122,113	1,113,049	670,395	360,368
Income tax liability	10	-	20,000	-	-
Gross amount due to customers for contract work		157,341	155,126	-	-
		<u>4,979,223</u>	<u>6,104,563</u>	<u>1,752,823</u>	<u>538,542</u>
Due after one year					
Loans and borrowings	22	2,330,982	2,824,734	1,980,982	2,360,124
Other non-current financial liabilities		-	89,955	2,570,159	2,505,027
		<u>2,330,982</u>	<u>2,914,689</u>	<u>4,551,141</u>	<u>4,865,151</u>

19 Provisions for liabilities

Group

	Deferred tax £	Total £
At 30 April 2019	362,439	362,439
Increase (decrease) in existing provisions	(141,823)	(141,823)
At 29 October 2020	<u>220,616</u>	<u>220,616</u>

Company

	Deferred tax £	Total £
At 30 April 2019	27,168	27,168
Increase (decrease) in existing provisions	4,205	4,205
At 29 October 2020	<u>31,373</u>	<u>31,373</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

20 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 period represents contributions payable by the group to the scheme and amounted to £177,001 (2019 - £123,431).

Contributions totalling £14,829 (2019 - £25,367) were payable to the scheme at the end of the period and are included in creditors.

21 Share capital

Allotted, called up and fully paid shares

	29 October 2020		29 April 2019	
	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	633	633	633	633
	<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.

22 Loans and borrowings

	Group		Company	
	29 October 2020	29 April 2019	29 October 2020	29 April 2019
	£	£	£	£
Non-current loans and borrowings				
Bank borrowings	1,805,982	2,185,124	1,805,982	2,185,124
Hire purchase contracts	-	114,610	-	-
Redeemable preference shares	525,000	525,000	175,000	175,000
	<u>2,330,982</u>	<u>2,824,734</u>	<u>1,980,982</u>	<u>2,360,124</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

	Group		Company	
	29 October 2020	29 April 2019	29 October 2020	29 April 2019
	£	£	£	£
Current loans and borrowings				
Bank borrowings	210,091	129,304	240,091	129,304
Bank overdrafts	-	291,207	-	-
Hire purchase contracts	26,841	337,430	-	-
Other borrowings	30,000	-	-	-
	<u>266,932</u>	<u>757,941</u>	<u>240,091</u>	<u>129,304</u>

Group

Bank borrowings

AIB loan is denominated in Sterling with a nominal interest rate of 4% above 3 month LIBOR and the final instalment is due on 31 August 2028. The carrying amount at period end is £2,046,073 (2019 - £2,314,428).

The loan is 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.

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 £525,000 (2019 - £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.

Included in the loans and borrowings are the following amounts due after more than five years:

	29 October 2020	29 April 2019
	£	£
After more than five years by instalments	740,060	1,243,267

Company

Bank borrowings

AIB loan is denominated in Sterling with a nominal interest rate of 4% above 3 month LIBOR and the final instalment is due on 31 August 2028. The carrying amount at period end is £2,046,073 (2019 - £2,314,428).

The loan is 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

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Other borrowings

Preference shares treated as debt is denominated in Sterling with a nominal interest rate of 5%. The carrying amount at year end is £175,000 (2019 - £175,000).

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.

Included in the loans and borrowings are the following amounts due after more than five years:

	29 October 2020 £	29 April 2019 £
After more than five years by instalments	740,060	1,243,267

23 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:

	29 October 2020 £	29 April 2019 £
Not later than one year	26,841	337,430
Later than one year and not later than five years	-	114,610
	26,841	452,040

Operating leases

The total of future minimum lease payments is as follows:

	29 October 2020 £	29 April 2019 £
Not later than one year	78,386	254,670
Later than one year and not later than five years	40,191	121,452
Later than five years	238	2,568
	118,815	378,690

The amount of non-cancellable operating lease payments recognised as an expense during the period was £193,807 (2019 - £296,736).

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Operating leases - lessor

The total of future minimum lease payments is as follows:

	29 October 2020 £	29 April 2019 £
Not later than one year	69,408	69,408
Later than one year and not later than five years	277,632	277,632
Later than five years	248,712	318,120
	<u>595,752</u>	<u>665,160</u>

Total contingent rents recognised as income in the period are £Nil (2019 - £Nil).

Company

Operating leases - lessor

The total of future minimum lease payments is as follows:

	29 October 2020 £	29 April 2019 £
Not later than one year	469,408	469,408
Later than one year and not later than five years	1,877,632	1,877,632
Later than five years	2,184,787	2,184,787
	<u>4,531,827</u>	<u>4,531,827</u>

Total contingent rents recognised as income in the period are £Nil (2019 - £Nil).

24 Dividends

Interim dividends paid

	29 October 2020 £	29 April 2019 £
Interim dividend of £55 (2019 - £10) per each Ordinary A shares	36,000	6,668
Interim dividend of £Nil (2019 - £97) per each Ordinary B shares	-	63,166
Interim dividend of £Nil per each Ordinary C shares	-	-
	<u>36,000</u>	<u>69,834</u>

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

25 Commitments

Company

Other financial commitments

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 has secured this debt with an unlimited debenture over the assets of the company.

The total amount of other financial commitments not provided in the financial statements was £Nil (2019 - £318,708).

26 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 £383,070 (2019 - £nil).

27 Related party transactions

Group

Transactions with directors

	At 30 April 2019 £	Advances to directors £	Repayments by director £	At 29 October 2020 £
2020				
Mr M A Coleman				
Directors loan	99,168	48,056	(125,115)	22,109
		At 1 May 2018 £	Advances to directors £	At 29 April 2019 £
2019				
Mr M A Coleman				
Directors loan		-	99,168	99,168

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

	29 October 2020 £	29 April 2019 £
Mr M A Coleman		
Dividends paid	<u>36,000</u>	<u>63,166</u>

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 £39,375 (2019 - £26,250).

Amounts of £49,020 (2019 - £22,930) are included in other debtors for payments made on behalf of the scheme at the balance sheet date.

Coleman Properties is a partnership in which M A Coleman is a partner. At the period end the group had recognised income of £nil (2019 - £2,700). No amounts were outstanding in relation to these transactions.

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. During the period the group purchased services totalling £55,832 (2019: £nil) from Skelligs Site Services Limited and Skelligs Retreat Limited. At the balance sheet date amounts of £125,115 (2019: £81,117) were owed to the group.

28 Financial instruments

Group

Categorisation of financial instruments

	29 October 2020 £	29 April 2019 £
Financial assets measured at fair value through profit or loss	1,562,277	1,777,178

CNC Group Holdings Limited

Notes to the Financial Statements for the Period from 30 April 2019 to 29 October 2020

Company

Categorisation of financial instruments

	29 October 2020 £	29 April 2019 £
Financial assets measured at fair value through profit or loss	100,642	144,473

29 Controlling party

The ultimate controlling party is M A Coleman.