

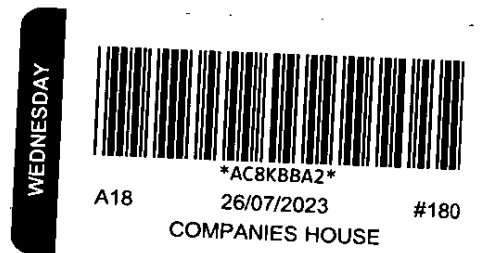
Company registration number: 12713294

**ANNUAL REPORT AND FINANCIAL
STATEMENTS**

FOR THE YEAR ENDED

31 MARCH 2023

CEAL HOLDINGS LIMITED



MENZIES

CEAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P Mott R Mott M Palmer (appointed 5 April 2022, resigned 26 October 2022) G Price S Price
Registered number	12713294
Registered office	13 Oakmount Road Chandler's Ford Eastleigh Hampshire SO53 2LG
Independent auditors	Menzies LLP Chartered Accountants & Statutory Auditor 3000a Parkway Whiteley Hampshire PO15 7FX

CEAL HOLDINGS LIMITED

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CEAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Introduction

CEAL Holdings Limited ("Charters") is a private limited company incorporated in England & Wales with registered number 12713294.

The Charters group of companies combines residential sales and lettings expertise with a range of consumer and corporate services including land and new homes, mortgage services, residential and building surveying, valuation and architectural services.

Business review

The overall outlook for 2023 is expected to be more challenging than 2022, due to the highly uncertain macroeconomic backdrop, including significantly higher interest rates and inflation levels than in prior years impacting the sales market.

Lettings is expected to remain resilient in 2023, with demand for rental properties expected to continue to outstrip supply over the near term, with rental price growth likely to normalise over the course of 2023.

The relatively buoyant sales market seen in 2021/22 carried forward into the first half of 2022/23 with high levels of buyer activity keeping exchange volumes up. Pricing also remained strong.

However, Q4 2022 saw a reduction in new buyer activity which is expected to impact transaction volumes in 2023. Increasing interest rates, particularly after the September mini-budget, have significantly increased the mortgage rates available to prospective buyers and impacted their affordability. In addition, cost of living pressures and the closure of the Help to Buy scheme to new purchasers from October 2022 has removed a substantial support programme for first time buyers, with no new significant government or developer-led scheme unveiled to take its place. Taken together with a generally worsening economic backdrop, the sales market in 2023 is more likely to resemble that seen in 2018/2019 as buyer and seller pricing expectations find a new equilibrium to reflect changed buyer affordability.

Despite tougher market conditions in the 2nd half of the year, the group still delivered a strong trading performance with turnover at £15.228m (2022 £14.932m) and profit before tax of £2.097m (2022 £2.669m). During the year Charters made a number of acquisitions to help deliver future growth, particularly in the residential lettings market.

CEAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

Housing Market

The UK housing market is cyclical and its strength correlates closely with the general strength of the UK economy. Changes in house prices and the volume of properties sold impact the results of the business. The present geo-political uncertainty and rising interest rates are impacting market sentiment and transaction levels. However, the Board believes that the medium to long term outlook for the UK housing market remains positive.

The Board continues to review leading indicator KPIs and other macro-economic data regularly to enable appropriate action to be taken to manage short term market uncertainties whilst ensuring that the group is well positioned to capitalise when market conditions improve. The Board, through regular stress testing, also ensures that the group maintains sufficient resources to withstand a severe downturn in the UK housing market.

Regulatory Compliance

The group's businesses operate across a number of regulatory environments which regularly change and evolve. Failure to comply with current or future regulatory requirements could result in regulatory censure, fines or enforcement action which would impact on the groups abilities to carry out certain activities.

The business continually develops its focus on conduct risk, customer outcomes and compliance within the regulated part of its business to reflect industry best practice. The Group provides extensive training to and supervision of its operational teams, supported by a centralised compliance and risk team. A robust complaints handling process exists with feed back into operational activities.

Financial misstatement and fraud

Material financial misstatement arising due to an error or fraud could cause reputational damage, financial loss or lead to inappropriate decision making.

The group's financial controls, including segregation of duties, are designed to operate throughout the business to manage this risk. These controls are supplemented by monitoring of financial performance to budget and expectations at divisional level.

Capital

In common with other businesses in the sector trading performance is sensitive to transaction volumes in the UK residential housing market. In the short term, certain costs are fixed so that when income falls there is a direct and adverse impact on profits and cash flows.

The group's policy is to retain sufficient cash reserves and capital resources to allow it to withstand market volatility and achieve its corporate objectives.

Financial key performance indicators

The group generated revenues of £15.228m (2022 £14.932m) resulting in profit before tax of £2.097m (2022 £2.669m). During the year net assets have grown from £5.946m to £7.24m. The group monitors its performance through several operational indicators including volume and value of transactions.

Other key performance indicators

The group will continue to seek opportunities to develop the business through both organic growth and acquisition.

CEAL HOLDINGS LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

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

DocuSigned by:

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R Mott
Director

Date: 24-Jul-2023

CEAL HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The directors present their report and the financial statements for the year ended 31 March 2023.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

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

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

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

Results and dividends

The profit for the year, after taxation, amounted to £1,525,945 (2022 - £2,089,442).

Details of dividends paid during the year can be found in note 13.

Directors

The directors who served during the year were:

P Mott
R Mott
M Palmer (appointed 5 April 2022, resigned 26 October 2022)
G Price
S Price

Future developments

Please refer to the Strategic Report.

Disclosure of information to auditors

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

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

CEAL HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

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

DocuSigned by:

EF86F318DA3C484
R Mott
Director

Date: 24-Jul-2023

CEAL HOLDINGS LIMITED

MENZIES

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CEAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of CEAL Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of Income and Retained Earnings, the Group and Company Statements of Financial Position, the Group Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 March 2023 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

CEAL HOLDINGS LIMITED

MENZIES

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

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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.

CEAL HOLDINGS LIMITED

MENZIES

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

Auditors' responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- The Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety, general data protection regulation and copyright law. There are no industry specific laws and regulations which would be deemed to have a significant impact on the financial statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Group is complying with those legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of Board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Group's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - o Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - o Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - o Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - o Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - o Posting of unusual journals and complex transactions;
 - o Misappropriation of funds through fraudulent supplier ledger and payroll activity; and
 - o Manipulation of amounts subject to significant judgement or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading:

- o a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

This report is made solely to the Company's 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 Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

CEAL HOLDINGS LIMITED

MENZIES

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

DocuSigned by:

James Hadfield

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James Hadfield FCA (Senior Statutory Auditor)

for and on behalf of
Menzies LLP

Chartered Accountants
Statutory Auditor

3000a Parkway
Whiteley
Hampshire
PO15 7FX
Date: 24-Jul-2023

CEAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	15,227,787	14,932,160
Cost of sales		(9,019,253)	(8,252,268)
Gross profit		6,208,534	6,679,892
Administrative expenses		(4,038,108)	(3,975,062)
Other operating income	5	19,004	21,803
Operating profit	6	2,189,430	2,726,633
Interest receivable and similar income	10	5,097	163
Interest payable and similar expenses	11	(97,042)	(57,702)
Profit before tax		2,097,485	2,669,094
Tax on profit	12	(571,540)	(579,652)
Profit after tax		1,525,945	2,089,442
Retained earnings at the beginning of the year		2,866,295	959,453
		2,866,295	959,453
Profit for the year attributable to the owners of the parent		1,525,945	2,089,442
Dividends declared and paid		(232,600)	(182,600)
Retained earnings at the end of the year		4,159,640	2,866,295

The notes on pages 16 to 33 form part of these financial statements.

CEAL HOLDINGS LIMITED

REGISTERED NUMBER:12713294

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	14	6,220,692	5,514,415
Tangible assets	15	674,760	861,292
		<u>6,895,452</u>	<u>6,375,707</u>
Current assets			
Debtors: amounts falling due within one year	17	1,470,634	2,272,933
Cash at bank and in hand		2,845,587	2,467,172
		<u>4,316,221</u>	<u>4,740,105</u>
Creditors: amounts falling due within one year	18	(2,544,897)	(3,118,347)
Net current assets		<u>1,771,324</u>	<u>1,621,758</u>
Total assets less current liabilities		<u>8,666,776</u>	<u>7,997,465</u>
Creditors: amounts falling due after more than one year	19	(1,285,252)	(1,984,865)
Provisions for liabilities			
Deferred taxation	22	(141,814)	(66,235)
		<u>(141,814)</u>	<u>(66,235)</u>
Net assets excluding pension asset		<u>7,239,710</u>	<u>5,946,365</u>
Net assets		<u>7,239,710</u>	<u>5,946,365</u>
Capital and reserves			
Called up share capital	23	70	70
Share premium account	24	3,080,000	3,080,000
Profit and loss account	24	4,159,640	2,866,295
Equity attributable to owners of the parent Company		<u>7,239,710</u>	<u>5,946,365</u>
		<u>7,239,710</u>	<u>5,946,365</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:

 EF86F318DA3C484...
R Mott
 Director

Date: 24-Jul-2023

The notes on pages 16 to 33 form part of these financial statements.

CEAL HOLDINGS LIMITED

REGISTERED NUMBER:12713294

COMPANY STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	16	4,400,002	4,400,002
		<u>4,400,002</u>	<u>4,400,002</u>
Current assets			
Debtors: amounts falling due within one year	17	70	70
		<u>70</u>	<u>70</u>
Creditors: amounts falling due within one year	18	(1,320,002)	(1,320,002)
Net current liabilities		<u>(1,319,932)</u>	<u>(1,319,932)</u>
Total assets less current liabilities		<u>3,080,070</u>	<u>3,080,070</u>
Net assets excluding pension asset		<u>3,080,070</u>	<u>3,080,070</u>
Net assets		<u>3,080,070</u>	<u>3,080,070</u>
Capital and reserves			
Called up share capital	23	70	70
Share premium account	24	3,080,000	3,080,000
Profit for the year		232,600	182,600
Other changes in the profit and loss account		(232,600)	(182,600)
		<u>3,080,070</u>	<u>3,080,070</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

DocuSigned by:
Robert Mott
R Mott
Director

Date: 24-Jul-2023

The notes on pages 16 to 33 form part of these financial statements.

CEAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from operating activities		
Profit for the financial year	1,525,945	2,089,442
Adjustments for:		
Amortisation of intangible assets	666,813	498,426
Depreciation of tangible assets	163,690	167,557
Loss on disposal of tangible assets	45,468	7
Government grants	-	(664)
Interest paid	97,042	57,702
Interest received	(5,097)	(163)
Taxation charge	571,540	579,652
Decrease/(increase) in debtors	834,520	(1,036,794)
(Decrease)/increase in creditors	(777,633)	16,531
Corporation tax (paid)	(873,994)	(839,424)
Net cash generated from operating activities	2,248,294	1,532,272
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,364,253)	(2,958,663)
Purchase of tangible fixed assets	(68,402)	(611,227)
Sale of tangible fixed assets	45,776	-
Government grants received	-	664
Interest received	5,097	163
HP interest paid	(799)	(872)
Cash transferred into group on acquisition	511,974	915,490
Net cash from investing activities	(870,607)	(2,654,445)

CEAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

	2023 £	2022 £
Cash flows from financing activities		
<i>Repayment of loans</i>	(656,614)	(429,891)
<i>Repayment of/new finance leases</i>	(13,815)	(4,497)
<i>Dividends paid</i>	(232,600)	(182,600)
<i>Interest paid</i>	(96,243)	(56,830)
Net cash used in financing activities	(999,272)	(673,818)
Net increase/(decrease) in cash and cash equivalents	378,415	(1,795,991)
Cash and cash equivalents at beginning of year	2,467,172	4,263,163
Cash and cash equivalents at the end of year	2,845,587	2,467,172
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,845,587	2,467,172
	2,845,587	2,467,172

The notes on pages 16 to 33 form part of these financial statements.

CEAL HOLDINGS LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT FOR THE YEAR ENDED 31 MARCH 2023

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	2,467,172	378,415	2,845,587
Debt due after 1 year	(1,853,684)	584,932	(1,268,752)
Debt due within 1 year	(600,502)	(6,092)	(606,594)
Finance leases	(13,815)	13,815	-
	<u>(829)</u>	<u>971,070</u>	<u>970,241</u>

The notes on pages 16 to 33 form part of these financial statements.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

CEAL Holdings Limited is a private company, limited by shares and incorporated and domiciled in England & Wales within the United Kingdom. The registered office address is disclosed on the Company Information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 3).

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 Income and Retained Earnings in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

2.3 Revenue

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

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

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

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

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

2.8 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.10 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated Statement of Income and Retained Earnings over its useful economic life, being ten years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

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

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following bases:

Depreciation is provided on the following basis:

Leasehold improvements	-	10% straight line
Plant and machinery	-	25% reducing balance
Fixtures and fittings	-	25% straight line
Office equipment	-	25% straight line
Computer equipment	-	25% straight line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.12 Impairment of fixed assets and goodwill

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

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

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

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.16 Creditors

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

2.17 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Useful life of goodwill

On acquisition and subsequent hive up of the trade & assets of subsidiaries, management forecast the expected performance of the brand acquired over a number of years. The directors have assessed that acquired brands will have a useful life of 10 years and so amortise related goodwill over this period.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	2022 £
Property sales fees	7,988,159	8,967,025
Lettings management fees	3,036,014	1,932,242
Surveyance and architecture fees	2,157,507	2,316,839
Brokerage commissions	2,046,107	1,716,054
	<u>15,227,787</u>	<u>14,932,160</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	-	2,731
Net rents receivable	19,004	18,408
Government grants receivable	-	664
	<u>19,004</u>	<u>21,803</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Operating lease rentals	<u>496,238</u>	<u>448,526</u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	29,278	30,900
Taxation compliance services	3,405	2,500
All other services	<u>2,888</u>	<u>14,250</u>

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Employees

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	7,773,501	7,327,978	-	-
Social security costs	900,394	717,373	-	-
Cost of defined contribution scheme	217,564	399,047	-	-
	8,891,459	8,444,398	-	-

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

	2023 No.	2022 No.
Employees	186	181

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	14,400	14,400
Group contributions to defined contribution pension schemes	79,635	290,000
	94,035	304,400

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

10. Interest receivable

	2023 £	2022 £
Other interest receivable	5,097	163
	5,097	163

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	84,080	46,890
Other loan interest payable	12,163	9,940
Finance leases and hire purchase contracts	799	872
	<u>97,042</u>	<u>57,702</u>

12. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	550,420	543,064
Adjustments in respect of previous periods	(53,952)	(26)
	<u>496,468</u>	<u>543,038</u>
Total current tax	<u>496,468</u>	<u>543,038</u>
Deferred tax		
Origination and reversal of timing differences	(336)	29,532
Changes to tax rates	-	8,809
Adjustment in estimate	75,408	(1,727)
Total deferred tax	<u>75,072</u>	<u>36,614</u>
Taxation on profit on ordinary activities	<u>571,540</u>	<u>579,652</u>

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - *higher than*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	2,097,485	2,669,094
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	398,522	506,556
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,116	2,379
Group income	(10,309)	(204,824)
Adjustments to tax charge in respect of prior periods	21,456	-
Non-taxable income	(199)	(31)
Permanent differences	153,954	259,676
Changes in tax rates	-	15,896
Total tax charge for the year	571,540	579,652

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

13. Dividends

	2023 £	2022 £
Dividends	232,600	182,600
	232,600	182,600

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

14. Intangible assets

Group and Company

	Trademarks £	Goodwill £	Total £
Cost			
At 1 April 2022	52,000	8,043,609	8,095,609
Additions	580	1,372,511	1,373,091
On acquisition of subsidiaries	-	253,475	253,475
Disposals	-	(253,475)	(253,475)
At 31 March 2023	52,580	9,416,120	9,468,700
Amortisation			
At 1 April 2022	3,033	2,578,161	2,581,194
Charge for the year on owned assets	5,292	661,521	666,813
On acquisition of subsidiaries	-	253,475	253,475
On disposals	-	(253,475)	(253,475)
At 31 March 2023	8,325	3,239,682	3,248,007
Net book value			
At 31 March 2023	44,255	6,176,438	6,220,693
At 31 March 2022	48,967	5,465,448	5,514,415

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Tangible fixed assets

Group

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 April 2022	926,008	495,331	-	15,700	1,437,039
Additions	-	57,278	-	11,124	68,402
Acquisition of subsidiary	-	-	23,720	16,504	40,224
Disposals	(194,849)	(162,853)	(23,720)	(9,803)	(391,225)
At 31 March 2023	731,159	389,756	-	33,525	1,154,440
Depreciation					
At 1 April 2022	278,943	289,152	-	7,653	575,748
Charge for the year on owned assets	92,601	63,056	1,922	3,793	161,372
Acquisition of subsidiary	-	-	21,798	5,955	27,753
Disposals	(134,245)	(126,696)	(23,720)	(532)	(285,193)
At 31 March 2023	237,299	225,512	-	16,869	479,680
Net book value					
At 31 March 2023	493,860	164,244	-	16,656	674,760
At 31 March 2022	647,065	206,179	-	8,048	861,292

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	4,400,002
At 31 March 2023	4,400,002
Net book value	
At 31 March 2023	4,400,002
At 31 March 2022	4,400,002

Direct subsidiary undertakings

The following were direct subsidiary undertakings of the Company:

Name	Class of shares	Holding
Charters Estate Agents Limited	Ordinary	100%
Trinity Rose Limited	Ordinary	100%
Trinity Rose Architecture Limited	Ordinary	100%

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments (continued)

Indirect subsidiary undertakings

The following were indirect subsidiary undertakings of the Company:

Name	Class of shares	Holding
Mortgage Decisions Limited (formerly Charters Financial Services Limited)	A Ordinary	100%
Knights Porter Limited	Ordinary A & B	100%
Charles Powell Estate Agents Limited	Ordinary	100%
Osmond Brookes Ltd	Ordinary	100%
Cliffe-Roberts Limited	Ordinary	100%
Charters Commercial Property Limited	Ordinary	100%
Bishops Independent Estate Agents Ltd	Ordinary	100%
Churchills Property Management Limited	Ordinary	100%
St. Moores Residential Letting & Property Management Limited	Ordinary	100%

The registered office of CEAL Holdings Limited and all its direct & indirect subsidiaries is 13 Oakmount Road, Chandler's Ford, Eastleigh, Hampshire, SO53 2LG.

Charters Estate Agents Limited is the immediate parent company of Charters Financial Services Limited, Knights Porter Limited, Charles Powell Estate Agents Limited, Charters Commercial Property Limited, Bishops Independent Estate Agents Limited, Churchills Property Management Limited and St. Moores Residential Letting & Property Management Limited by virtue of its 100% shareholding in these entities.

Trinity Rose Limited is the immediate parent company of Osmond Brookes Ltd and Cliffe-Roberts Limited by virtue of its 100% shareholding in these entities.

The following companies are exempt from Audit under the provisions of s479A of the Companies Act 2006:

- Trinity Rose Limited (company number: 09125265)
- Trinity Rose Architecture Limited (company number: 09684690)
- Knights Porter Limited (company number: 07031548)
- Cliffe-Roberts Limited (company number: 03067668)
- St. Moores Residential Letting & Property Management Limited (company number: 02769401)
- Churchills Property Management Limited (company number: 04385448)

All other non-audited subsidiaries were dormant throughout the year.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17. Debtors

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Trade debtors	749,646	1,432,152	-	-
Other debtors	398,942	499,049	70	70
Prepayments and accrued income	214,093	265,167	-	-
Tax recoverable	107,953	76,565	-	-
	1,470,634	2,272,933	70	70

18. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	601,295	596,425	-	-
Trade creditors	230,991	330,922	-	-
Amounts owed to group undertakings	-	-	1,050,000	775,000
Corporation tax	69,898	6,269	-	-
Other taxation and social security	688,493	764,910	-	-
Obligations under finance lease and hire purchase contracts	-	4,578	-	-
Other creditors	661,144	1,142,223	270,002	545,002
Accruals and deferred income	293,076	273,020	-	-
	2,544,897	3,118,347	1,320,002	1,320,002

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	1,268,752	1,853,684	-	-
Net obligations under finance leases and hire purchase contracts	-	9,237	-	-
Other creditors	16,500	121,944	-	-
	1,285,252	1,984,865	-	-

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20. Loans

Bank loans provided to the Group are secured by way of a fixed and floating charge over all assets and undertakings of the entities these loans are provided to, in favour of Natwest Bank PLC. All amounts are repayable in monthly instalments.

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £
Amounts falling due within one year		
Bank loans	601,295	596,425
	<u>601,295</u>	<u>596,425</u>
Amounts falling due 1-2 years		
Bank loans	1,045,829	1,494,998
	<u>1,045,829</u>	<u>1,494,998</u>
Amounts falling due 2-5 years		
Bank loans	222,923	358,686
	<u>222,923</u>	<u>358,686</u>
Amounts falling due after more than 5 years		
	<u>1,870,047</u>	<u>2,450,109</u>

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £	Group 2022 £
Within one year	-	4,578
Between 1-5 years	-	9,237
	<u>-</u>	<u>13,815</u>

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. Deferred taxation

Group

	2023 £	2022 £
At beginning of year	(66,235)	(32,629)
Charged to profit or loss	(75,072)	(33,606)
Arising on business combinations	(507)	-
At end of year	(141,814)	(66,235)
	Group 2023 £	Group 2022 £
Accelerated capital allowances	(144,369)	(70,349)
Pension surplus	2,555	4,114
	(141,814)	(66,235)

23. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
3,231 (2022 - 3,500) A Ordinary shares of £0.01 each	32	35
500 (2022 - 500) B Ordinary shares of £0.01 each	5	5
2,769 (2022 - 2,500) E Ordinary shares of £0.01 each	28	25
500 (2022 - 500) F Ordinary shares of £0.01 each	5	5
	70	70

24. Reserves

Share premium account

This reserve records the amount above the nominal value received for shares sold, both in actual & notional terms.

Profit and loss account

This reserve records retained earnings and accumulated losses.

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

25. Share-based payments

Options have been granted to certain employees of subsidiary entities over O Ordinary shares in CEAL Holdings Limited.

Options are exercisable at a price equal to the estimated fair value of the Company's shares on the date of grant. If the options remain unexercised after a period of ten years from the date of grant, the options expire. At the discretion of the Company, options may be forfeited if the employee leaves the company before the options vest. Per the scheme rules, the options are exercisable where the Company is listed or sold at a price above a stated benchmark.

	Weighted average exercise price (pence) 2023	Number 2023	Weighted average exercise price (pence) 2022	Number 2022
Outstanding at the beginning of the year	1	388	1	388
Granted during the year		-		-
Forfeited during the year		-		-
Outstanding at the end of the year		388		388

26. Prior year adjustment

The prior year figures have been adjusted for the re-classification within Mortgage Decisions Limited (formerly Charters Financial Services Limited) of staff salaries & related costs to cost of sales from administrative expenditure as the directors consider that this better represents the nature of these costs.

A summary of the changes made to the 2022 numbers are as follows:

Cost of sales increased by £999,579

Gross profit decreased by £999,579

Administrative expenses decreased by £999,579

This restatement has no impact on the prior period net profit or the statement of financial position.

27. Pension commitments

The group operates a defined contribution pension scheme for the benefit of its employees. At the balance sheet date, amounts due to defined contribution pension schemes amounted to £24,459 (2022 - £26,126).

CEAL HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

28. Commitments under operating leases

At 31 March 2023 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £	Group 2022 £
Not later than 1 year	457,006	490,505
Later than 1 year and not later than 5 years	1,375,028	1,357,142
Later than 5 years	665,636	929,092
	<u>2,497,670</u>	<u>2,776,739</u>

29. Related party transactions

The Group has taken advantage of the exemption permitted by Section 33 FRS 102 and not provided disclosures surrounding transactions entered into with wholly owned members of the group.

During the year, a member of the group made sales to Wykeham Homes Limited, a company under common control, of £17,810 (2022 - £3,773), they made purchases from this company of £nil (2022 - £nil), and included within aged debtors at the year end is £8,223 (2022 - £42) due from this company.