

Registered number: 11168787

CHARTWAY GROUP HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2023

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COMPANIES HOUSE

CHARTWAY GROUP HOLDINGS LIMITED

COMPANY INFORMATION

Directors

P Safa
I Savage
S Cresswell
K Madden
T Onslow

Registered number

11168787

Registered office

Orchard House
Westerhill Road
Coxheath
Maidstone
Kent
ME17 4DH

Independent auditor

Crowe U.K. LLP
Riverside House
40 - 46 High Street
Maidstone
Kent
ME14 1JH

CHARTWAY GROUP HOLDINGS LIMITED

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CHARTWAY GROUP HOLDINGS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MAY 2023

Introduction

The principal activity of the Company was that of a holding company for Chartway Group Limited. The principal activity of the Group during the year was that of house building and general construction.

Business review

The Company acts solely as a holding company for Chartway Group Limited and does not have any trade of its own. A review of the Group's activities is included in the consolidated accounts of the immediate parent company, Chartway CleanCo Limited.

Principal risks and uncertainties

The Company acts solely as a holding company for Chartway Group Limited and does not have any trade of its own. As such, there are no principal risks and certainties for the Company.

Financial key performance indicators

The Company acts solely as a holding company for Chartway Group Limited and does not have any trade of its own. As such, there are no financial KPIs for the Company.

Financial risk management

The Company's financial instruments are disclosed in note 13. The Group regularly reviews its exposure to counterparty risk and reviews working capital requirements.

Exposure to price, credit liquidity and cashflow risk

The Company does not have any financial instruments that are subject to material price risk.

The Company does not have any external financing.

The Group manages liquidity risk and cashflow risk by managing cash generation through ensuring timely collection of debtors. The Group is cash generative and holds significant cash balances. The Group has one lender through Chartway BidCo Limited with regular reporting in place to report against agreed banking covenant tests which are closely monitored.

CHARTWAY GROUP HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2023

Directors' statement of compliance with duty to promote the success of the company

The success of the Company is reliant on the success of Chartway Group Limited and its subsidiaries. As such, the statement of compliance relates to the activities of Chartway Group.

Section 172 (1) Statement

The board of directors of Chartway Group Ltd consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its shareholders. In doing so, the Directors must have regard, amongst other matters, to the following issues:

- look at the long-term consequences of any decisions;
- factor the interests of all the Company's employees;
- manage the Company's business relationships with suppliers/sub-contractors/customers and others;
- appreciate the impact of the Company's working on the community and environment
- maintain the Company's reputation for high standards of business conduct and
- the requirement to act fairly between members of the Company.

Culture

A fast-paced business with a strong focus on customer service we have always pushed the boundaries of delivering a quality product on time and price. Our values and leadership styles are a vital part of our culture to ensure that through good governance, our conduct and decision making we do the right thing for the business and stakeholders. ISO accreditation work is already underway with a target of achieving this within 18 months. We have invested in technology to improve the communication around the group and providing direct feedback to all employees with the first all team conference held in May 2023.

Employees

A key to the Group's continued success and growth has been the fully engaged workforce. The Directors are committed to promoting a healthy workforce comprising both physical and mental wellbeing. The Directors keep staff informed of key issues through structured communication channels, promote inclusion in the workplace and provide training and development opportunities where they are considered of benefit to the Company and employees. The Directors seek to attract and retain talented staff. The senior management team worked together to formulate the Vision and Values of the Group – Quality, Respect, Integrity, Innovate, Sustainable – Stronger Together. The group has carried out a BCI Best Companies Index Survey which will be conducted annually for all employees.

Customers

Understanding the requirements of our customers is vitally important to the business and the Directors commit considerable time, effort and resources into understanding and responding to the needs of our customers with a view to fostering long term mutually beneficial partnerships. We act to service our customers' needs to the highest standards and work quickly to resolve any isolated issues that may arise from time to time. Working with customers to gather Continuous Quality Scores to enable the business to calculate its Net Promoter Score and develop regular feedback from customers.

Suppliers/Sub-Contractors

We have long standing relationships with most of our suppliers and sub-contractors who are based locally in the South East. We work closely with them to secure the right quality materials at competitive rates. Over the years we have built up a strong relationship with all the sub-contractors that we engage with on every site. We have procedures in place to ensure that external suppliers and sub-contractors are individually verified to ensure they meet with the health and safety, regulatory and financial security standards required by the Company. The Company seeks to pay all suppliers and sub-contractors any undisputed amounts due and that conform with the Company's billing requirements within agreed terms. The Company has established procedures for dispute

CHARTWAY GROUP HOLDINGS LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MAY 2023**

resolution in a timely and fair manner.

Shareholders

The share structure of the Group changed on 27th June 22, with Cabot Square Capital investing into the Group and taking a controlling 75% shareholding. Management continues to have a 25% investment in the Group.

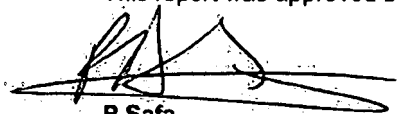
Community and Environment

We work closely with several local charities and engage with the local community at several levels from donating a contribution for every private sale to meeting with residents at future proposed developments to gather feedback on their local needs and wishes. The business has established its ESG and Social Value Strategy. The business now has an ED&I (Equality, Diversity, and Inclusion) Champion with awareness being raised internally and externally. Our vision is to develop homes for everyone and by putting ED&I at the forefront of our thinking, we will be better placed to deliver homes for all communities and build a team that represents and understands our customers and clients. Our sustainability strategy has been written through to 2031 and launched in Sept 2023. The Group's sustainability strategy which has now been launched with the objective to reach net zero and the commitment to minimising our impact on the environment.

This report was approved by the board on

5/12/23

and signed on its behalf.



P Safa
Director

CHARTWAY GROUP HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2023

The Directors present their report and the financial statements for the year ended 31 May 2023.

Directors' responsibilities statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with 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 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 for the company's financial statements and then apply them consistently;
- make judgments 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;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the year, after taxation, amounted to £2,080,556 (2022 - profit £3,215,218).

During the year the company paid total dividends of £Nil (2022 - £3,750,000). The directors do not recommend payment of a final dividend.

Directors

The Directors who served during the year were:

P Safa
S Mitchell (resigned 27 June 2022)
I Savage
S Cresswell (appointed 27 June 2022)
D R Lock (appointed 27 June 2022, resigned 29 March 2023)
K Madden (appointed 27 June 2022)
T Onslow (appointed 27 June 2022)

CHARTWAY GROUP HOLDINGS LIMITED

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

Going concern

The Directors have reviewed financial forecasts and considered the general economic position of the construction sector and continuing future contracts. Based upon this review, they consider that the Group will be continuing to be profitable and be able to finance its operations and meet its financial obligations as they fall due for the foreseeable future.

The Directors continue to closely monitor the developing situation in the market with the risk of disruption to supplies, labour resources and productivity. In these uncertain times the Directors have modelled several different scenarios to ensure we have a robust plan in place for the likely disruptive period ahead.

The forecasting and forward planning of the Group is now aligned with a model which is in place to enable management to regularly review all future metrics and KPI's as well as forecasting turnover/costs/cashflow. The model enables us to factor in all future sites and review any sensitivities required. Various scenarios have been run through the model and presented to the board – specifically reviewing all Bank (Pricoa) Covenants looking ahead. The board are satisfied that the Group can meet its bank covenants moving forward. On 31st October 2023 Cabot Square Capital injected further capital into the Group to allow for further land purchases to take place securing future workload for the Group.

Furthermore, the Directors have considered the sensitivity of their forecasts and how headroom could be managed, along with mitigation plans. They concluded that the group has sufficient financial resources and therefore, believe that it is well placed to manage its business risks and cash flows successfully. Therefore, the financial statements have been prepared on a going concern basis.

Chartway Group Holdings Limited is the sole shareholder of Chartway Group Limited. As a result of its shareholding in Chartway Group Limited and ability to extract cash from the group, the Directors believe the company is a going concern.

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

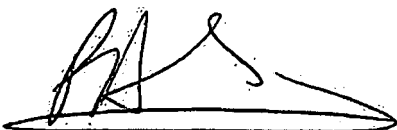
Post balance sheet events

There are no post balance sheet events.

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 5/12/23 and signed on its behalf.



P Safa
Director

CHARTWAY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY GROUP HOLDINGS LIMITED

Opinion

We have audited the financial statements of Chartway Group Holdings Limited (the 'company') for the year ended 31 May 2023, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

CHARTWAY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY GROUP HOLDINGS LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

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 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 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

CHARTWAY GROUP HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY GROUP HOLDINGS LIMITED (CONTINUED)

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.

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and Taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals and reviewing accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

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.

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.

CHARTWAY GROUP HOLDINGS LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CHARTWAY GROUP HOLDINGS LIMITED
(CONTINUED)**

Mark Sisson

Mark Sisson (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Riverside House
40 - 46 High Street
Maidstone

Kent

ME14 1JH

Date: 11 December 2023

CHARTWAY GROUP HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MAY 2023

	Note	2023 £	2022 £
Cost of sales		-	85,000
Gross profit		-	85,000
Administrative expenses		(147,330)	(419,782)
Exceptional items	8	(1,933,226)	-
Operating loss		(2,080,556)	(334,782)
Income from fixed assets investments		-	3,550,000
(Loss)/profit before tax		(2,080,556)	3,215,218
(Loss)/profit for the financial year		(2,080,556)	3,215,218

There was no other comprehensive income for 2023 (2022:£NIL).

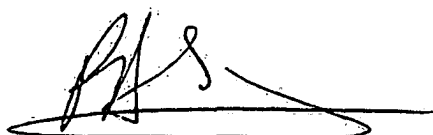
The notes on pages 14 to 21 form part of these financial statements.

CHARTWAY GROUP HOLDINGS LIMITED
REGISTERED NUMBER: 11168787

BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Investments	9	31,375,650	29,475,650
		<u>31,375,650</u>	<u>29,475,650</u>
Current assets			
Debtors: amounts falling due within one year	10	19,225,372	85,001
Cash at bank and in hand	11	2,601	5,044
		<u>19,227,973</u>	<u>90,045</u>
Creditors: amounts falling due within one year	12	(13,510,411)	(636,390)
Net current assets/(liabilities)		<u>5,717,562</u>	<u>(546,345)</u>
Total assets less current liabilities		<u>37,093,212</u>	<u>28,929,305</u>
Net assets		<u>37,093,212</u>	<u>28,929,305</u>
Capital and reserves			
Called up share capital	14	1,184	1,000
Share premium account	15	10,244,279	-
Merger reserve	15	22,278,978	22,278,978
Profit and loss account	15	4,568,771	6,649,327
		<u>37,093,212</u>	<u>28,929,305</u>

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



P Safa
Director

5/12/23

The notes on pages 14 to 21 form part of these financial statements.

CHARTWAY GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2023**

	Called up share capital	Share premium account	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 June 2022	1,000	-	22,278,978	6,649,327	28,929,305
Comprehensive income for the year					
Loss for the year	-	-	-	(2,080,556)	(2,080,556)
Total comprehensive income for the year	-	-	-	(2,080,556)	(2,080,556)
Contributions by and distributions to owners					
Shares issued during the year	184	10,244,279	-	-	10,244,463
At 31 May 2023	1,184	10,244,279	22,278,978	4,568,771	37,093,212

The notes on pages 14 to 21 form part of these financial statements.

CHARTWAY GROUP HOLDINGS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	<u>Called up</u> <u>share capital</u>	<u>Merger</u> <u>reserve</u>	<u>Profit and</u> <u>loss account</u>	<u>Total equity</u>
	£	£	£	£
At 1 June 2021	1,000	22,278,978	6,984,109	29,264,087
Comprehensive income for the year				
Profit for the year	-	-	3,215,218	3,215,218
Total comprehensive income for the year	-	-	3,215,218	3,215,218
Dividends: Equity capital	-	-	(3,550,000)	(3,550,000)
At 31 May 2022	1,000	22,278,978	6,649,327	28,929,305

The notes on pages 14 to 21 form part of these financial statements.

CHARTWAY GROUP HOLDINGS LIMITED

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

1. **General information**

The principal activity of the company is that of a holding company for Chartway Group Limited.

Chartway Group Holdings Limited is a private limited company, which is incorporated and registered in England and Wales (11168787). The address of the registered office and principal place of business is:

Orchard House
Westerhill Road
Coxheath
Kent
ME17 4DH

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 management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 **Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Chartway CleanCo Limited as at 31 May 2023 and these financial statements may be obtained from Companies House.

2.3 **Exceptional items**

Exceptional Items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.5 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.

2.6 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.

2.7 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.

2.8 Financial instruments

The company 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 other third parties.

2.9 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.

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

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

The company may be required to make estimates and assumptions concerning the future. These estimates and judgements are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The principal areas where judgement was exercised are as follows:

The directors do not believe there are any significant judgements or estimates in the accounts.

4. Auditor's remuneration

During the year, the company obtained the following services from the company's auditor and its associates:

	2023 £	2022 £
Fees payable to the company's auditor and its associates for the audit of the company's financial statements	3,300	2,750

The company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent company.

5. Employees

Staff costs were as follows:

	2023 £
Wages and salaries	137,716
	<u>137,716</u>

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

	2023 No.	2022 No.
Directors	<u>5</u>	<u>6</u>

CHARTWAY GROUP HOLDINGS LIMITED

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

6. <u>Income from investments</u>	2023 £	2022 £
Dividends received from unlisted investments	-	3,550,000
	<u>-</u>	<u>3,550,000</u>
	<u><u>-</u></u>	<u><u>3,550,000</u></u>
7. Dividends	2023 £	2022 £
Ordinary dividends paid	-	3,550,000
	<u>-</u>	<u>3,550,000</u>
	<u><u>-</u></u>	<u><u>3,550,000</u></u>
8. Exceptional items	2023 £	2022 £
Exceptional items	1,933,226	-
	<u>1,933,226</u>	<u>-</u>
	<u><u>1,933,226</u></u>	<u><u>-</u></u>

Exceptional costs in the year are costs directly related to the sale of the company to Chartway BidCo Limited on 27 June 2022.

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 June 2022	29,475,650
Additions	1,900,000
At 31 May 2023	<u>31,375,650</u>

Additions relate to additional consideration payable to a former shareholder of Chartway Group Limited. This became payable on the sale of the business on 27 June 2022.

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Registered office	Class of shares	Holding
Chartway Group Limited	Coxheath	Ordinary	100%
Chartway Construction Limited (formerly BBS Construction Limited)	Coxheath	Ordinary	100%
Chartway Drylining Limited (formerly CGL Drylining Limited)	Coxheath	Ordinary	100%
Westerhill Homes Limited	Coxheath	Ordinary	100%
Chartway Civil Engineering Limited	Coxheath	Ordinary	100%
Chartway Property Management Limited (formerly Chartway Homes Limited)	Coxheath	Ordinary	100%
Chartway Partnerships Limited (formerly Chartway Construction Limited)	Coxheath	Ordinary	100%
Chartway Building Supplies Holdings Limited (formerly Swale Holdings Limited)	Coxheath	Ordinary	100%
Chartway Group Properties Limited (formerly Swale Properties Limited)	Coxheath	Ordinary	100%
Chartway Building Supplies Limited (formerly Swale Builders Supplies Limited)	Coxheath	Ordinary	100%

The registered office of all subsidiaries is the same as the address on the company information page.

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

10. Debtors

	2023	2022
	£	£
Amounts owed by group undertakings	19,225,371	-
Other debtors	1	1
Prepayments and accrued income	-	85,000
	19,225,372	85,001

11. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	2,601	5,044
	2,601	5,044

12. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	13,510,411	636,390
	13,510,411	636,390

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

13. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets at amortised cost	<u>19,225,372</u>	<u>85,001</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(13,510,411)</u>	<u>(636,390)</u>

Financial assets measured at amortised cost comprise trade and other debtors and amounts due from group companies, and amounts recoverable under long term contracts.

Financial liabilities measured at amortised cost comprise bank and other loans, amounts owing under hire purchase, trade and other creditors, and amounts owed to group companies.

14. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
115,951 (2022 -1,000 at £1.00 each) Ordinary shares of £0.01 each	1,160	1,000
2,400 (2022 - Nil) Ordinary B shares of £0.01 each	24	-
	<u>1,184</u>	<u>1,000</u>

During the year, the Ordinary £1 shares were divided into Ordinary £0.01 shares. 18,351 shares were then issued as part of the sale of the business to Chartway BidCo Limited.

CHARTWAY GROUP HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

15. Reserves

Share premium account

Represents any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

Revaluation reserve

Represents the revaluation gain on freehold land and buildings.

Merger Reserve

Represents the difference between the cost of the investment and the nominal value of the share capital acquired.

Profit and loss account

Represents accumulated reserves to date.

16. Related party transactions

Exemption from disclosing transactions with other group companies has been claimed in accordance with section 33 of FRS 102, where subsidiaries are wholly owned and their results are included within the consolidated financial statements.

17. Controlling party

On 27 June 2022, Chartway Holdings was acquired by Chartway Bidco Limited (registered number 14140255), a company controlled by Chartway Partnerships Group Limited (formerly PSP Group HoldCo Limited). The ultimate controlling party is considered to be John Van Deventer due to his controlling stake in the ultimate parent company, Cabot Square Partners Holding Limited.