

JOHN HENRY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023



JOHN HENRY GROUP LIMITED

COMPANY INFORMATION

DIRECTORS	Mr J Henry Mr J G Henry
REGISTERED NUMBER	02763306
REGISTERED OFFICE	The Mount The Sidings Station Road Longstanton Cambridge CB24 3DS
BUSINESS ADDRESS	The Mount The Sidings Station Road Longstanton Cambridge CB24 3DS
INDEPENDENT AUDITORS	Price Bailey LLP Chartered Accountants & Statutory Auditors Tennyson House Cambridge Business Park Cambridge CB4 0WZ
BANKERS	Lloyds TSB Bank Plc Black Horse House Castle Park Cambridge CB3 0AR

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JOHN HENRY GROUP LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

INTRODUCTION

The Directors present their Strategic Report for the year ended 31st January 2023 ("FY23").

The Company notes the requirement for the board to take into account the factors set out in section 172 of the Companies Act 2006 when completing their strategic report. This report takes into account that requirement.

BUSINESS REVIEW

In line with our primary duty under section 172 of the Companies Act 2006 to "promote the success of the company" the directors have developed a strategy that is clear and fully aligned with the members wishes and requirements for the company over the next three years.

Strategic Update

In FY23 the Company provided a complete range of Tier 1 Telecoms infrastructure services to all the major players in the UK Telecoms market: Virgin Media, Openreach, Vodafone, the National Grid and Altnet providers such as Gigaclear.

The market demand for specialist Tier 1 Telecoms infrastructure services, by the major players in the UK Telecoms market, is high and is resulting in considerable competitive activity. The business continues to take advantage of the abundance of opportunities in this high profile, dynamic and growing market sector, driven by substantial Government and Industry investment into Fibre broadband.

The John Henry Group is an established services provider operating in a dynamic and flourishing addressable market and is a trusted partner of choice with national delivery capabilities across the main networks.

Our view is that Telecoms is a critical, national infrastructure priority across all businesses, homes, workspaces, transport, and open areas, and needs to be treated as such.

Back in 2018, Management took advantage of the evolving market dynamics and decided to change strategic direction to pivot from being Civils Heavy to being Fibre Cabling Led; from being willing to accept lower margins to commanding higher margin work; and to requiring an improvement in margins across any workstreams that the business kept.

Once again, the business plan for the year to 31st January 2023 aimed to improve the quality of the revenues and margins, maintain a name for Excellence, reduce overheads as a percentage of revenues, increase the Earnings Before Interest, Taxation, Depreciation and Amortisation ("EBITDA"), and deliver high levels of cash generation.

The revenue and margin improvement strategy has consistently involved segmenting customers into core continuing activities, low margin or discontinued activities, and new business activities, and significant progress has been made against these measures over the past few years.

In FY23 the Company introduced an additional category for significant contracts under review. This included Vodafone work activities as the Company anticipated that it would not renew the Vodafone contract when it came up for renewal during the financial year. This came to fruition and impacted on the financials from both a P&L point of view (negative), taking losses post the notification of the exit, and from a cash point of view (positive) as WIP unwound and the account moved towards closure. This decision was once again consistent with the strategy followed by the Company over the last 5 years.

The strategic pivot from low-margin civils heavy work to high-margin fibre cabling led activities has led to significant margin improvements since FY18 and the Company expect this state of affairs to continue.

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

Cash generation and conversion of profits into cash has, historically, been very strong and this high level of performance also continued in FY23.

The Company continues to believe that any tier 1 provider of scale with repeat revenues, multi-disciplinary offerings, a strong pipeline of opportunities, enduring profitable growth, good cash generation and a strong management team will continue to attract interest from investors and trade parties alike. The John Henry Group is a Tier 1 provider of scale to the Telecoms industry with all those attributes on show in the financial year to 31st January 2023.

Review of FY23

In the year to 31st January 2023, the Company delivered full year revenues of £73.1m, gross profit of £14.1m (19%) and an operating profit of £5.9m.

Revenues grew strongly in FY23(+19%), gross profit grew by an impressive 37% and the business gross margin improved by 2.5 percentage points.

In fact, although the reported gross margin in FY23 was 19.3%, the underlying gross margin for the business (after adjusting for pass-through costs and losses on discontinued activities) was 22.4% (FY22: 20.2%). This underlying gross margin is arrived at through removing the impact of loss making workstreams such as Vodafone and adjusting for Openreach pass-through costs.

Company overheads were 11% higher rising to £8.2m in the year, however they continue to be well controlled and fell to 11% of revenues vs 12% in the previous year.

Excellent revenue and margin progress was made across a number of core workstreams, despite some of the effects of early stage projects and some difficult builds. Any early challenges have largely been addressed and should not materially impact future trading.

These early-stage and new build programmes do tend to consume cash and this was a feature of FY23 across Virgin Media, Openreach and Gigaclear, so these works did receive, and will continue to receive, constant attention from the Working Capital Group.

That being said, in FY23 the Company reduced WIP by £3.8m and WIP days by 20 days.

These achievements are testament to the fact that JHG has instilled a Company-wide culture focussed on cash collection and an ethos that "The job isn't complete until the cash is collected".

All in all, the Company made very good progress across a number of areas in FY23 with those improvements not only coming through in the results for FY23 but also now continuing into FY24.

Accordingly, we can categorise FY23 as a significant year for the business, which finished with excellent growth in revenues, gross profit, gross margins, Operating Profit and EBITDA.

The Company now has firm foundation stones upon which it can accelerate revenue growth and pursue the next stage of its plans. The business model that JHG is operating to is already delivering, and will in the future deliver, enduring profitable growth.

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

Company Highlights

The main highlights for the Company in FY23 were;

- **Growth across all key financial metrics:** Revenue; Gross Profit; Gross Margin; Operating Profit and EBITDA
- **Improvements across all key financial controls;** overheads as a percentage of revenues; WIP; WIP days and Net Working Capital
- Operating Profit increased by 3 percentage points

Key issues

The key issues facing the Company in FY24 are well under its control and they are;

- Managing controlled growth
- Cash collection and cash management
- Operational Execution & Delivery
- Management of gross margins
- The appointment of more BUDs and Operations Directors

Key Risks

The key risks to our prospects in FY24 are;

- Management bandwidth
- Delivering the business plan
- Controlling the pace of growth in Virgin Media
- The rollout of the 'Market Towns' programme by Gigaclear
- The ramp up of the Openreach Falcon contract

Post Period Trading Update

Unaudited Management Accounts for the first quarter of FY24 resulted in a good performance vs the Q1 FY24 Budget, with the company hitting all P&L targets and EBITDA beating budget by 22%.

Furthermore, on the key strategic measurement of gross margin, the business delivered a 2.6 percentage point growth vs Q1 FY23. For the 1st time, the business achieved gross margins above 20% in each and every month of the quarter, thereby achieving a 22% gross margin in Q1 FY24.

The core continuing activities are having a stronger overall impact on performance and as the lower margin business continues to fall away, the financial shape of the business will carry on improving.

Management have, once again, maintained excellent control on overheads however, working capital in Q1 has gone backwards. Although rapid revenue growth has been achieved across Virgin Media, Openreach and Gigaclear continuing workstreams, this has come with a cost too. All key client activities have consumed cash, with WIP across the business being £5.6m higher than Budget which also flowed through to working capital performance. Action is being taken to get WIP back in line with budget expectations.

Risk still sits around the same areas of Openreach and Gigaclear cabling led fibre build rollouts and, as always, a curve ball coming from nowhere. The heat continues to reduce regarding sub-contractor inflation with good availability of gangs across the company, and all within budgeted costs.

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

PRINCIPAL RISKS AND UNCERTAINTIES

The Company's trading environment continues to be positive with an increasing number of opportunities for new business, new customers and more volume of work with current customers, all at good margins. In fact, the Company has identified a strong pipeline of margin accretive opportunities largely through existing customers and has visibility of good market trends for a number of years to come.

All new opportunities are, and will continue to be, assessed by a New Work Approval Process (NWAP), a key part of our internal governance that assesses risk within the Company. The NWAP includes a sign off by at least four directors including the approval of one non-executive director, thereby strengthening the chances of managing risks whilst achieving profitable growth from the opportunities that the Company chooses to pursue. Further risk mitigation strategies are constantly under review and much progress has been made in FY23 through the expansion of the services provided by our In-House training centre and programmes such as the "Grow With Us" initiative aimed to mitigate risk to future labour supply.

Accounting Controls

The Company operates a variety of accounting and control systems and as part of the ongoing growth of the business these are regularly reviewed by the Directors to ensure their applicability to the growth in business volumes.

Information Technology

The Company operates a variety of internal works management systems and financial systems to support business activities and these are regularly reviewed by the Directors to ensure they meet the changing needs of the Company.

In FY23 the business introduced the POP project whereby additional IT investment has been made to improve the cost control processes and management of all purchasing activities within the Company. The system will give better stock visibility for operations and more timely reporting. This system went live in early FY24.

Competition

The Company believes that its strong, embedded and longstanding relationships with clients are not easily replicated by competitors but the business still remains wary of competition and competitive risk.

The buoyant market has brought with it strong and muscular competition from Tier 2 players in both volume and price. In previous years this has resulted in heavy market demand for experienced staff and as a result attrition levels were high.

However, there are early signs that some Altnets and some Tier 2 suppliers are struggling a little more than they have been in the past, particularly as a result of a reduction in survey work and a slowdown of build work in a number of areas.

Market watchers are expecting considerable consolidation in the Altnet market due to a mismatch between ambitious plans and market deliverability. At the same time, the pace and determination with which the main network providers are investing in build activity and targeting THP (Total Homes Passed) as a key metric, is clearly impacting the dynamics and volatility of the overall market, for example, the survey market is currently in a state of flux.

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

Any such slowdown will not only impact on survey work and reduce volumes of build work in the short-term, but could also result in a little less turbulence in the staffing market and a flight to quality. If so, JHG will benefit from these trends from both a cost and a ready supply of labour point of view. There is increasing evidence that the heat is coming off the demand for sub-contractor gangs giving rise to a change in balance of the relationship between Tier 1 contractors and their sub-contractors.

The Company continually encounters competition from long standing competitors, regional players and new entrants to the market and we expect this to continue in the future. The Directors regularly monitor performance to ensure that any new competitive threats are being addressed, and to ensure that positive relationships with key accounts and customers are being maintained.

The Directors remain convinced that improving the quality of delivery, and the health and safety standards, is the best way to stay ahead of the competition and satisfy the demands of its customers.

Financial Risk

The key areas of financial risks are primarily linked to the control of debtors and the management of WIP to levels that are commensurate with the levels of activity in the business, along with control of the operational and financial delivery of individual projects in line with expectations.

The Company ensures the credit worthiness of its customers to minimise the bad debt risk and there have been no material concerns on this point during the year. The levels of WIP are regularly reviewed and analysed by the Directors with focus directed at maintaining optimum levels for the business.

For large scale project work additional controls have been implemented to track performance at a more granular level and on a more frequent basis to ensure corrective action can be taken to mitigate issues as they arise.

The working capital committee ensures that all areas of the business work together to minimize working capital. The formation of this working capital group has proven to be the most effective commercial innovation in the past 5 years.

FINANCIAL KEY PERFORMANCE INDICATORS

The key performance indicators that are considered by the Directors to communicate the financial performance and strength of the Company are turnover, gross profit, gross margin percentages, administrative expenses, operating profit, EBITDA and Working Capital. These are all closely monitored, reviewed, analysed and discussed at each monthly board meeting along with consolidated net assets reporting and a rolling 13-week cash flow forecast. In FY23 the performance against these KPIs was as follows:

Turnover increased by £11.6m or +19%

Gross Profit increased by £3.8m or +37%

Gross Margin increased by 2.5 percentage points

Administrative expenses increased by £0.8m +11%

Operating Profit increased by 95% to £5.9m

EBITDA increased by £2.8m or 84%

Net assets at 31st January 2023 were £19.8m compared to £14.9m at 31st January 2022

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

SECTION 172 (1) STATEMENT - "Promoting the success of the company"

The Company notes the requirement for the board to take into account the factors set out in section 172 of the Companies Act 2006 when completing their strategic report and this statement is intended to reflect how the directors have met their duties under section 172. The directors have considered FRC and BEIS guidance when considering the production and content of this statement.

The directors have also considered in detail how each must act in the way he/she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, having regard to; the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, customers and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly as between members of the company.

This was and is the framework that underpins the plans and actions of the Group and the directors consider that the concept of "Success" and "For the benefit of its members as a whole" are the relevant business metrics in measuring the stewardship and performance of the directors. The directors consider "Success" to be a long-term increase in value (in line with an extract from a House of Commons debate on the draft legislation in February 2006). The directors consider "For the benefit of its members as a whole" to mean "promoting the common interests of all members".

The directors recognize that the long-term success of the company is dependent on the sustainability of its business model and its management of risk. The directors accept that decisions made by the board will have a direct impact on the viability of the company over differing time periods. Accordingly, all strategic decisions are made in close association with the members and with regular and controlled reporting procedures in place. Planning, preparation, improved systems, and continuous improvement in controls across the board are features of the business performance in the year to 31 January 2023.

Preparation for the monthly board meetings is thorough with considered analysis and reports from each division and responsible director. The financial analysis is comprehensive and the focus on key strategic metrics such as margin and cash is both detailed and consistent. KPIs are measured and available across Health and Safety, Finance, Commercial, Operations, and Support functions and board subject papers are considered at each meeting. All such papers and reports are supported by appendices, with granular detail providing ample opportunity to assess and highlight areas of risk on an ongoing basis.

Annual business plans result from detailed and comprehensive input from all areas of the business. Using bottom up preparation and a top-down review process, input is challenged and considered to ensure that strategic ambition and day to day practicalities are blended to deliver well thought through and thoroughly tested business plans. The company also produces 3-year strategic plans consistent with delivering "Success" through a long-term increase in value.

The directors recognise and accept that, whilst the general duties specified in the Companies Act 2006 are owed by the directors to the Company, they do not owe any such corresponding general duties to stakeholders such as employees, suppliers, customers, the wider community or to the environment. Having said that, they fully accept that they must pay due regard to these stakeholder's interests when making strategic decisions and formulating the annual business plan. Accordingly, in practice, the directors consider carefully the different elements highlighted in the Act but see these interests as being secondary to their duty to "Promote the success of the company" through improving shareholder value.

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STRATEGIC REPORT (CONTINUED)
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The following section details some practical examples of compliance with the Act and is provided as evidence as to how the Board uses and applies the regulations and guidelines in action.

In line with their primary duty under section 172 of the Companies Act 2006 the directors developed a strategy that was clear and fully aligned with the wishes of the members and furthermore consistent with the requirements of the company over the next three years.

The business plan for the year to 31 January 2023 aimed to improve the quality of the revenues and margins; reduce admin expenses as a percentage of revenues; substantially increase the EBITDA; and deliver better cash generation.

This strategy, originally designed back in 2018, was well thought through and paid particular attention to the likely consequences of such a plan on the long-term health of the company. At that time, Management took advantage of the evolving market dynamics and decided to change strategic direction in order to pivot from being Civils Heavy to being Fibre Cabling Led; from being willing to accept lower margins to commanding higher margin work; and to requiring an improvement in margins across any workstreams that the business kept.

The directors also carefully considered the practical impact of such a strategy on staff and client relationships alike. Changes to overhead levels and expenditure, and the impact on clients of not continuing with certain projects or work streams, had to be managed with due care and attention and was done so. The fact that improving quality was at the heart of the strategy, alongside the need for a long-term stable financial model, meant that all stakeholders understood the objectives clearly and accepted the rationale for the changes.

The Group further reinforced its commitment to Health and Safety through the continuation of the "Home Safe" campaign. The Director's would also like to note that the first substantive item on the board agenda is always a detailed Health & Safety review, and, in the reporting period, increased focus was again given to the concept of reporting 'near misses'.

Furthermore, during the year, each board report included a section on Environmental, Social and Governance matters (ESG) covering energy usage, accident rates, training, gender split, workforce nationality, disability employee numbers, legal actions, policies and procedures and governance matters.

All staff are required to go through Induction training on commencement of their employment with the Company which assures that all staff are aware of HSE requirements and to take the following courses on an annual basis; Anti - Bribery and Corruption training and GDPR training.

The Scheme Of Delegated Authority (SODA) process has continued to prove a successful addition to the management toolkit and this working practice continues to improve decision-making, accountability and controls within the business.

All of these actions are consistent with the requirements within section 172 of the Companies Act 2006 to pay due regard to understanding the impact of the company's plans and operations on employees, suppliers, customers the community and the environment, and a requirement for maintaining a reputation for high standards of business conduct.

The directors are pleased to report that all of the regular attendees and participants at the group board meeting are shareholders, meaning that, at each board meeting with full attendance, 93% of the total company equity shareholding is represented at the meeting.

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**STRATEGIC REPORT (CONTINUED)
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All members of the senior leadership team are incentivised through share participation to ensure strong alignment of interest between shareholders, directors and management alike and such a course of action is consistent with the aim of promoting the success of the company.

CONCLUSION

The directors conclude that they have complied in all respects with their duty to promote the success of the company. In particular, the board believes that there is ample evidence of stakeholder engagement in the boardroom to inform decision-making and the delivery of the strategy.

This report was approved by the board on 31 October 2023 and signed on its behalf by:



J Henry (Oct 31, 2023, 8:27am)
Mr J G Henry
Director

JOHN HENRY GROUP LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 JANUARY 2023

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

PRINCIPAL ACTIVITY

The principal activities of the company include telecommunications infrastructure installation, associated engineering services, civil engineering and traffic management.

DIRECTORS

The directors who served during the year were:

Mr J Henry
Mr J G Henry

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £4,961,064 (2022 - £2,731,703).

The directors do not recommend the payment of a dividend (2022 - £NIL).

FUTURE DEVELOPMENTS

The directors foresee no significant change in the company's or group's operations in the future.

STREAMLINED ENERGY AND CARBON REPORTING

Details of the Company's energy and carbon information are included within the group SECR report set out in the Annual Report and Financial Statements of Shamrock Topco Ltd, the Company's parent company. Accordingly, the company is exempt from reporting this information separately.

EMPLOYEE ENGAGEMENT

The Company engages regularly with all employees through a line management reporting structure, regular (quarterly) business updates with Senior Leadership Team directors, Employee feedback forums and ad hoc internal communications.

All staff undergo a yearly appraisal and performance review and there is a full and proper performance improvement process to help underperforming staff. The directors regularly discuss employee interests and consider in detail the impact on employees of each quarterly business reforecast process.

BUSINESS RELATIONSHIPS

The directors constantly revisit what our customers need from the Company but the consistent message received back is that cost certainty, quality of work, safety and timely delivery against program plans are key to their requirements. This knowledge is used to adapt the Companies approach to meet client needs and to ensure there is a consistent message and approach throughout our supply chain.

The Company has worked on strengthening old and new relationships through regular meetings and contact with our existing and potential customers, with senior people from the company involved at all levels of contact.

Maintaining our name for quality is paramount in ensuring that these relationships move forward in a positive manner.

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

DISABLED EMPLOYEES

The Company gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a disabled person. Where existing employees become disabled, it is the company's policy whenever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

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.

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

AUDITORS

Under section 487(2) of the Companies Act 2006, Price Bailey 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 on 31 October 2023 and signed on its behalf.



J Henry (Oct 31, 2023, 8:27am)

Mr J G Henry

Director

JOHN HENRY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN HENRY GROUP LIMITED

Opinion

We have audited the financial statements of John Henry Group Limited (the 'company') for the year ended 31 January 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including 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 January 2023, and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

JOHN HENRY GROUP LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN HENRY GROUP LIMITED (CONTINUED)

Opinions 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 and 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 8, 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.

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 gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations. This included those regulations directly related to the financial statements, including financial reporting, tax legislation and distributable profits and industry regulations including GDPR, employment law and health and safety.

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INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF JOHN HENRY GROUP LIMITED (CONTINUED)

We communicated the identified laws and regulations with the audit team and remained alert to any indications of non-compliance throughout the audit. We carried out specific procedures to address the risks identified.

These included the following:

- agreeing the financial statement disclosures to underlying supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiries of management including those responsible for key regulations; and
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

In addressing the risk of management override of controls, we carried out testing of journal entries and other adjustments for appropriateness, assessing whether the judgements made in making accounting estimates are indicative of a potential bias and evaluating the business rationale of significant transactions outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to 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 is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. 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.

Paul Cullen FCCA (Senior Statutory Auditor)
for and on behalf of
Price Bailey LLP

Chartered Accountants
Statutory Auditors

Tennyson House
Cambridge Business Park
Cambridge
CB4 0WZ

Date: 31 October 2023

JOHN HENRY GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £	2022 £
Turnover	4	73,115,523	61,498,683
Cost of sales		<u>(58,996,275)</u>	<u>(51,179,474)</u>
GROSS PROFIT		14,119,248	10,319,209
Administrative expenses		(8,194,996)	(7,359,245)
Other operating income	5	<u>-</u>	<u>76,865</u>
OPERATING PROFIT	6	5,924,252	3,036,829
Interest receivable and similar income	10	2,248	449
Interest payable and similar expenses	11	<u>(287,013)</u>	<u>(116,164)</u>
PROFIT BEFORE TAX		5,639,487	2,921,114
Tax on profit	12	<u>(678,423)</u>	<u>(189,411)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>4,961,064</u>	<u>2,731,703</u>

There were no recognised gains and losses for 2023 or 2022 other than those included in the statement of comprehensive income.

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


The notes on pages 18 to 30 form part of these financial statements.

JOHN HENRY GROUP LIMITED
REGISTERED NUMBER: 02763306

BALANCE SHEET
AS AT 31 JANUARY 2023

	Note	2023 £	2022 £
FIXED ASSETS			
Tangible assets	13	448,562	502,194
CURRENT ASSETS			
Stocks	14	954,895	1,492,220
Debtors: amounts falling due within one year	15	44,657,826	39,420,947
Debtors: amounts falling due after more than one year	16	7,636	-
Cash at bank and in hand	17	2,454,317	1,662,989
		48,074,674	42,576,156
Creditors: amounts falling due within one year	18	(28,676,589)	(28,161,862)
		19,398,085	14,414,294
NET CURRENT ASSETS			
			14,414,294
PROVISIONS FOR LIABILITIES			
Deferred tax	20	-	(30,905)
		19,846,647	14,885,583
NET ASSETS			
			14,885,583
CAPITAL AND RESERVES			
Called up share capital	21	100	100
Profit and loss account	22	19,846,547	14,885,483
		19,846,647	14,885,583

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 31 October 2023.



 Mr J G Henry (Oct 31, 2023, 8:27am)
 Director

The notes on pages 18 to 30 form part of these financial statements.

JOHN HENRY GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At February 2022	100	14,885,483	14,885,583
Profit for the period	-	4,961,064	4,961,064
At 31 January 2023	100	19,846,547	19,846,647

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At February 2021	100	12,153,780	12,153,880
Profit for the period	-	2,731,703	2,731,703
At 31 January 2022	100	14,885,483	14,885,583

The notes on pages 18 to 30 form part of these financial statements.

JOHN HENRY GROUP LIMITED

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

1. GENERAL INFORMATION

John Henry Group Limited is a private company limited by shares incorporated in England and Wales, United Kingdom. The registered office is The Mount, The Sidings, Station Road, Longstanton, Cambridge, CB24 3DS. The principal activity of the company continued to be that of telecommunications infrastructure installation, associated engineering services, civil engineering and traffic management.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom 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 financial statements are presented in sterling, which is the functional currency of the company.

The following principal accounting policies have been applied:

2.2 CASH FLOW EXEMPTION

The company is considered a qualifying entity for the purpose of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements which include the company and are intended to give a true and fair view.

The company is therefore exempt from the requirement to prepare a cash flow statement.

2.3 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover can be measured reliably;
- it is probable that the Company 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.

JOHN HENRY GROUP LIMITED

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

2. ACCOUNTING POLICIES (CONTINUED)

2.4 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is de-recognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Land and Buildings	- 10% per annum on a straight line basis
Plant and machinery	- 25% per annum on a straight line basis
Motor vehicles	- 25% per annum on a reducing balance basis
Fixtures and fittings	- 25% per annum on a straight line basis

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

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

2.6 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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

2.7 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.8 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.

JOHN HENRY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

2. ACCOUNTING POLICIES (CONTINUED)

2.9 FINANCIAL INSTRUMENTS

The Company 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 non-puttable ordinary shares.

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

2.10 CREDITORS

Short term creditors are measured at the transaction price.

2.11 FINANCE COSTS

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

2.12 LEASED ASSETS: THE COMPANY AS LESSEE

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

2.13 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.14 PENSIONS

Defined contribution pension plan

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

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

2.15 HOLIDAY PAY ACCRUAL

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

JOHN HENRY GROUP LIMITED

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

2.16 INTEREST INCOME

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

2.17 PROVISIONS FOR LIABILITIES

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

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

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

2.18 CURRENT AND DEFERRED TAXATION

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

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

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

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

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

2.19 GOING CONCERN

The company has net current assets of £19.4m, including cash of £2.5m. The company has delivered strong financial results in the year. Demand for the company's services remains strong and new projects for future delivery continue to be secured. Therefore, the directors expect the company to have adequate resources to continue in operational existence for the foreseeable future.

Based on the above, the Directors feel it appropriate to prepare the accounts on the going concern basis, and no adjustments have been made should this basis not be applied.

JOHN HENRY GROUP LIMITED

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

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, the directors are required to make significant judgments, estimates and assumptions. The estimates and associated assumptions are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Although these estimates are based on management's best knowledge of the amount, events or actions, actual results ultimately may differ from those estimates.

Estimates and judgments are continually evaluated. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both current and future periods.

The key items in the financial statements where these judgments and estimates have been made include:

Tangible assets

Tangible fixed assets are depreciated over the useful economic lives, taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles are taken into account.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount is reduced to its recoverable amount. The impairment loss is recognized immediately in the statement of comprehensive income.

Stock

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the impairment loss is recognized in the statement of comprehensive income. The company provides against obsolete and slow-moving stock based on usage levels and management judgment, including assessment of estimated future use.

Amounts recoverable on contracts

The Company recognises amounts recoverable on contracts once a contractual entitlement has arisen and in proportion to the stage of completeness of each assignment having shown due regard for all available information relating to the progress of a job.

4. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company. All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

UK Government Coronavirus Job Retention Scheme income for the year ended 31 January 2023 was £Nil (2022 - £76,865).

JOHN HENRY GROUP LIMITED

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

6. OPERATING PROFIT

The operating profit is stated after charging:

	2023	2022
	£	£
Depreciation of tangible fixed assets	224,852	311,037
Other operating lease rentals	494,712	584,587
Defined contribution pension cost	397,911	202,670
	224,852	311,037

7. AUDITORS' REMUNERATION

	2023	2022
	£	£
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	79,000	70,000
	79,000	70,000

8. EMPLOYEES

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

	2023	2022
	£	£
Wages and salaries	11,897,523	10,823,855
Social security costs	1,287,299	1,134,436
Cost of defined contribution scheme	397,911	202,670
	13,582,733	12,160,961

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

	2023	2022
	No.	No.
Directors	2	2
Admin	66	65
Labour	233	219
	301	286

JOHN HENRY GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2023

9. DIRECTORS' REMUNERATION

	2023 £	2022 £
Directors' emoluments	138,836	141,365
	<u>138,836</u>	<u>141,365</u>

The highest paid director received remuneration of £97,194 (2022 - £104,839).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2022 - £NIL).

10. INTEREST RECEIVABLE

	2023 £	2022 £
Bank interest receivable	2,248	449
	<u>2,248</u>	<u>449</u>

11. INTEREST PAYABLE AND SIMILAR EXPENSES

	2023 £	2022 £
Bank interest payable	-	26,872
Other interest payable	287,013	89,292
	<u>287,013</u>	<u>116,164</u>

JOHN HENRY GROUP LIMITED

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

12. TAXATION

	2023	2022
	£	£
CORPORATION TAX		
Current tax on profits for the year	803,048	198,678
Adjustments in respect of previous periods	(86,084)	8,072
DEFERRED TAX		
Origination and reversal of timing differences	(38,541)	(17,339)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>678,423</u>	<u>189,411</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2022 – lower 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	5,639,486	2,921,114
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	1,071,503	555,012
EFFECTS OF:		
Expenses not deductible for tax purposes	7,643	209
Capital allowances for year less than/ (in excess) of depreciation	(8,146)	26,147
Changes in provisions leading to an increase/(decrease) in the tax charge	945	(4,669)
Group relief	(268,897)	(378,021)
Adjustments to tax charge in respect of prior periods	(86,084)	8,072
Deferred tax	(38,541)	(17,339)
TOTAL TAX CHARGE FOR THE YEAR	<u>678,423</u>	<u>189,411</u>

JOHN HENRY GROUP LIMITED

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

13. TANGIBLE ASSETS

	Land and buildings £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
COST					
At 1 February 2022	185,346	1,635,964	134,150	1,100,397	3,055,857
Additions	10,958	55,178	35,000	76,238	177,374
Disposals	-	(945,375)	(116,550)	(386,199)	(1,448,124)
At 31 January 2023	196,304	745,767	52,600	790,436	1,785,107
DEPRECIATION					
At 1 February 2022	117,533	1,491,253	131,010	813,867	2,553,663
Charge for the year on owned assets	14,771	70,803	5,967	133,311	224,852
Disposals	(3,064)	(945,578)	(116,550)	(376,778)	(1,441,970)
At January 31 2023	129,240	616,478	20,427	570,400	1,336,545
NET BOOK VALUE					
At January 31 2023	67,064	129,289	32,173	220,036	448,562
At January 31 2022	67,813	144,711	3,140	286,530	502,194

14. STOCKS

	2023 £	2022 £
Materials	954,895	1,492,220

In the opinion of the directors, any difference between book value and replacement cost is not material.

JOHN HENRY GROUP LIMITED

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

15. DEBTORS: amounts falling due within one year

	2023 £	2022 £
DUE WITHIN ONE YEAR		
Trade debtors	5,127,280	4,156,095
Amounts recoverable on contracts	10,329,223	12,997,207
Amounts owed by group undertakings	28,856,090	21,941,225
Other debtors	128,161	73,679
Prepayments and accrued income	217,072	252,741
	<u>44,657,826</u>	<u>39,420,947</u>

16. DEBTORS: amounts falling due after more than one year

	2023 £	2022 £
Deferred tax	7,636	-
	<u>7,636</u>	<u>-</u>

17. CASH AND CASH EQUIVALENTS

	2023 £	2022 £
Cash at bank and in hand	2,454,317	1,662,989
	<u>2,454,317</u>	<u>1,662,989</u>

18. CREDITORS: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	3,631,558	3,891,457
Amounts owed to group undertakings	19,851,474	19,851,374
Other taxation and social security	1,503,555	1,700,184
Other creditors	649,853	47,868
Accruals and deferred income	2,703,389	2,435,811
Corporation tax payable	336,760	235,168
	<u>28,676,589</u>	<u>28,161,862</u>

JOHN HENRY GROUP LIMITED

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

19. FINANCIAL INSTRUMENTS

	2023 £	2022 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	2,454,317	1,662,989
Financial assets that are debt instruments measured at amortised cost	44,440,754	39,168,206
	<u>46,895,071</u>	<u>40,831,195</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(26,836,274)	(26,226,510)
	<u>(26,836,274)</u>	<u>(26,226,510)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets measured at amortised cost comprise of trade debtors, amounts recoverable on contracts, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, accruals, amounts owed to group undertakings and other creditors.

20. DEFERRED TAXATION

	2023 £	2022 £
At beginning of year	(30,905)	(48,244)
Charged to the profit or loss	38,541	17,339
AT END OF YEAR	<u>7,636</u>	<u>(30,905)</u>

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accrued Interest	28,929	-
Accelerated capital allowances	(35,078)	(34,517)
Pension liability and other provisions	13,785	3,612
	<u>7,636</u>	<u>(30,905)</u>

JOHN HENRY GROUP LIMITED

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

21. SHARE CAPITAL

	2023 £	2022 £
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

22. RESERVES

Profit & loss account

Includes all current and prior period retained profits and losses less any dividends paid.

23. CONTINGENT LIABILITIES

Intercompany bank guarantees have been given in favour of John Henry & Sons (Developments) Limited and its subsidiaries. Security is held on all property and assets of the company.

The company has provided security over the loan notes within fellow group company Shamrock Midco Limited. Security is held over all property and assets of the company.

24. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £397,911 (2022 - £202,670). Contributions totaling £56,258 (2022 - £43,583) were payable to the fund at the balance sheet date and are included in other creditors.

25. COMMITMENTS UNDER OPERATING LEASES

At 31 January 2023 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	294,879	288,586
Later than 1 year and not later than 5 years	<u>711,689</u>	<u>945,653</u>
	<u>1,006,568</u>	<u>1,234,239</u>

JOHN HENRY GROUP LIMITED

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

26. RELATED PARTY TRANSACTIONS

During the year the company made purchases of £249,530 (2022 - £159,476), from Cardinalis Developments Limited, a company owned by the directors and their family.

The amount due to Cardinalis Developments Limited at the year-end was £40,668 (2022 - £6,422).

During the year the company made property rental payments of £214,000 (2022 - £218,697), to a SIPP, that has been set up by the directors.

The amount due to the SIPP at the year-end was £Nil (2022 - £64,200).

During the year the company made property rental payments of £37,688 (2022 - £23,654), to James Henry, Pat Henry and John Henry.

The amount due to James, Patrick and John Henry at the year-end was £7,538 (2022 - £Nil).

The company has taken advantage of the exemption from the requirement to disclose transactions with wholly owned group companies.

The gross remuneration of key management and personnel is £446,409 (2022 – £340,977).

27. CONTROLLING PARTY

The immediate holding company is John Henry & Sons (Holdings) Limited, a company incorporated in England and Wales.

The ultimate holding company is Shamrock Topco Limited, a company incorporated in England and Wales.

Copies of its group financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.