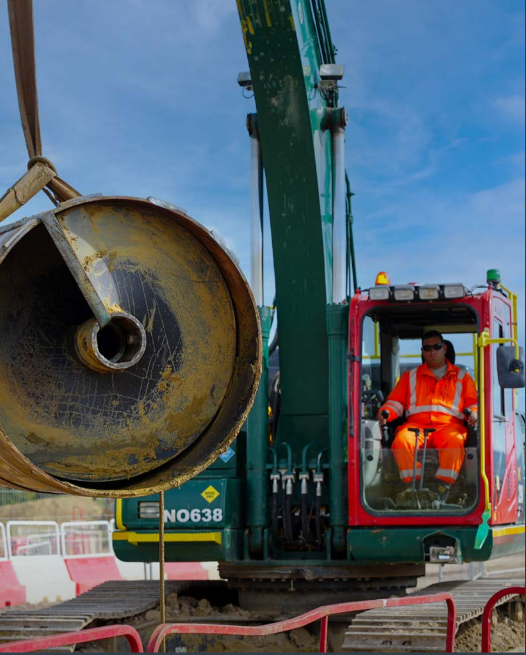




Clancy Group Holdings Limited

Clancy

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

For the period ended 31 March 2024

Trusted to deliver smarter, greener infrastructure brilliantly

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What We Do

We build and maintain smarter, greener infrastructure networks that are fit for the future.

We work across major frameworks and alliances in water and energy, as well as supporting ground-breaking infrastructure programmes.

We are one of the UK's largest privately owned, independent contractors - directly employing, training and supporting our workforce of around 3,000 people across our network of UK offices.

With a 66-year track record in technical expertise and innovation, we are committed to continual investment in better tools and ways of working – making lives better for growing families up and down the UK.

Performance Highlights

- £378.5m turnover 2023/24
- £20.9m profit before tax
- £11.2m capital investment
- £1.5bn forward order book
- 27.25% reduction in service strikes
- 7.2m hours worked
- 3,000+ strong team
- 83,000+ hours of training completed

Our Business Plan

Through the 2023-24 year we have invested in our business, as we support the expansion and renewal of UK infrastructure.

Our strategy is based around four core objectives that reflect our independent, family-run ethos:

1

To re-imagine delivery – innovating and adopting new ways of working to help us be smarter, safer and more productive. This includes a commitment to zero harm – to our team and the communities we work in – and to delivering brilliant customer service.

2

To be the employer of choice within infrastructure – maintaining our direct employment model as a central pillar of our strategy to sustain a highly-trained, stable and committed workforce. We want to do this by engaging and empowering our people, developing their skills so that they can thrive as individuals and within their communities, and being inclusive to attract and retain the best talent.

3

To harness greener technology for the good of the planet – promoting zero waste and reducing our carbon footprint as a business.

4

To be smart investors – our model is one of financial resilience, operating without borrowings and generating robust cash reserves that we can re-invest in the future. Our aim is to be more efficient every year – thinking and planning for the long-term.

The Clancy Way

We are a values-led organisation and these objectives rely on shaping a positive culture. The Clancy Way explains our goals as a business and the way in which we work for our people, clients and communities. It's what makes us special and successful, and it guides everything we do.

Our mission
We are here to **make life better for everyone's growing families**

Our vision
Every day we want to be **trusted to deliver smarter, greener infrastructure brilliantly**

Our values

We are ambitious
for ourselves and our clients

We are innovative
in how we think and how we work

We are easy to do business with
available and willing to help

We do what we say,
acting with integrity in everything we do

We care
about people and the planet

STRATEGIC REPORT

》 Celebrating Clancy 2024: Staff gather from across the UK for our annual group awards at head office.

》 Idea's Yard winners Tom Chambers, Alan Cornbill, and Simon Ord donated their prize for their winning entry, Corrigan's Carrot, which was match-funded by the Clancy Foundation.

Chairman's Statement

I am once again extremely pleased to present an exceptional year's results for Clancy. In 2023, we marked our 65th year in business, expanding from humble beginnings in North London to a 3,000-strong team that is delivering for clients and communities across the UK.

Kevin Clancy
Chairman

Trust and partnership

Within a complex environment for business in general, and infrastructure in particular, our strong performance comes from being a stable and trusted partner for clients.

There is an urgent need for investment across the sectors we work in. A prolonged period of underinvestment in water means that the industry is now challenged to meet expectations from customers around quality, cost and environmental protection. The issue of how much we pay for our water is a priority for the new Government, and for the regulator Ofwat as it finalises its determination of the water companies' business plans for AMP8 which begins in April 2025.

Similar challenges, although less acute, exist within energy. We have already marked the first year of the ED2 regulatory period, which reflects ambitious plans through to 2028. Demand for new capacity is exceptionally high, requiring extensive expansion and reconfiguration of grids to support the country's clean energy transition.

Delivering these priorities relies on increased efficiency and managing costs. Carbon reduction is now also firmly established as a core objective for clients and their customers, with stretching targets set for the end of this decade.

Our response is to be a proactive partner, focused on how we can deliver greater impact with tightened resources. Our strong financial position, with the confidence to invest in our team, systems and tools, means that we remain well-placed to support clients in the years ahead.

People and community

Prioritising our teams brings success for us and clients. This has continued to be top of our agenda - attracting, training and motivating people who are working safely and innovatively.

Infrastructure clients are concerned about resource and efficiency, and we continue to commit to a direct and hands-on delivery model to ensure they have the best support available. The investment that we have made in our in-house Clancy Academy is delivering strong results, with 83,000 hours of training completed throughout the year supporting improved safety and productivity.

Importantly, this also makes sure that our team is able to accelerate careers with us – supporting promotion and reward. Alongside regular salary reviews we continually seek ways to do this, handing out £100,000 this year in vouchers to employees at Christmas. Our Celebrating Clancy awards remains one of my favourite events in our company calendar, with a record 3,296 peer nominations put forward in the year.

Finally, we know that our Clancy family extends beyond the business into the communities that we work in. Through the Clancy Charitable Foundation, we commit £100,000 annually to causes that support our team and matter to them.

Looking to the future

Our family ownership underpins our values and provides consistency. We remain wedded to this approach, while at the same time recognising the importance of balancing this with wider skills and experience.

We have been pleased to announce the appointment of Tom McGinness to the Board in January 2024 as a Non-Executive Director. He brings extensive expertise in working with family businesses as a partner at KPMG. Following year-end Ronan Clancy has also joined the Board along with David Pegg.

I have mentioned that the years ahead are complicated for infrastructure industries. Amid uncertainty, our aim is to provide stability. There is very strong demand for our experience across both operational frameworks and capital projects, where we are expanding our technical civil engineering services.

As we look forward, we remain focused on achieving steady and sustainable growth, taking steps to balance the need to consolidate successes alongside pursuing new work. We remain enthusiastic about the opportunities ahead and confident that our way of doing business - founded on long-term partnership, family ownership and investment - will deliver UK infrastructure that is fit for the future.

Celebrating Clancy

We were proud to host the Celebrating Clancy awards again this year with a record 3,296 peer nominations being put forward.

Awards

The past twelve months has seen Clancy shortlisted at the Construction News and Utility Week awards, recognising our teams' outstanding achievements.

HS2

Clancy has been undertaking our largest ever concrete pour to support a bridge construction for HS2 with Eiffage, Kier, Ferrovial Construction and BAM which will divert a major local traffic route to enable the delivery of the high-speed rail line.

Lighthouse Construction Industry Charity

Clancy Charitable Foundation

The business has donated £100,000 through the Foundation to support community initiatives and causes close to our people's hearts, including construction industry charity the Lighthouse Club.

CEO's Review

Matthew Cannon
Chief Executive Officer

Through the 2023-24 year we have maintained momentum on our strategy, building on investment made over the last five years to deliver brilliant work for our clients. Our independence and family ownership remain fundamental to our long-term business planning. As the need for infrastructure spending increases, our deepening expertise, diverse skillsets and emphasis on innovation make us well placed for the years ahead.

Performance

The year has seen us achieve strong profitability that in turn gives us the financial strength and resilience to invest in the people, systems and tools that support our work.

Our activity remains focused on infrastructure including water, energy and support for major capital programmes. Within these areas the scale and breadth of our work continues to increase. This is especially true for civil engineering and capital projects as clients invest in new connections that support growth, increase environmental protection and accelerate the green transition.

This has been reflected in new, extended and expanded mandates from our clients. They provide us with a strong pipeline not only for the next twelve months, but well into the second half of the decade.

As we prepare to begin the AMP8 water regulatory cycle in Spring 2025, we have already extended significant contracts and secured new clients. This is mirrored within energy, as district network operators mobilise for the ED2 period which runs to 2028, and in wider markets where we support projects from HS2 through to new gas main replacements.

Across the board, the balance of our work within capital projects is growing. This reflects the importance given to investment in new assets as well as our expertise in managing complex multi-year programmes in this space. Our capability within civil engineering continues to go from strength-to-strength.

These new programmes are expanding our footprint and we have opened three new offices, in Exeter, Reading and Farnham.

Looking to the future, our strategy is based on four pillars - to reimagine delivery, to be the employer of choice for infrastructure, to harness greener technology for the good of the planet, and to be smart investors.

Energy

The UK's energy networks are being fundamentally rewired to accommodate both new sources of renewable power and new demands from electric vehicles. This is driving capital investment by our clients, including UK Power Networks and SSE.

Our Strategy

1. Reimagining Delivery

In a year that has seen substantial growth in our business, we have not simply delivered more work in the same way but focused on doing it brilliantly and more efficiently. We challenge established ways of working, bringing new ideas to the table that support better planning and management of resources, minimise disruption to customers, and ensure safe practices.

The most significant investment in this area has been our new management system, Depotnet, which we have rolled out to replace and upgrade our existing works management, compliance and reporting tools. It is a gamechanger for our business which gives us exceptional visibility - capturing data on operations, environmental protection and safety performance.

This move to new systems goes hand in hand with an emphasis on operational excellence and a willingness to trial new tools. Our focus on trenchless technology continues to bring rewards as we increase our suite of techniques that avoid the need to hand dig while undertaking complex jobs. This year has seen this utilised from tunnelling underneath transport infrastructure connections to support HS2, as well as to deliver a major new 5km trunk main for Thames Water in Surrey.

Lambswood / Alderbrook main laying for Thames Water

Clancy has been working to install a 5km trunk main to balance the water capacity between two reservoirs in Surrey for Thames Water, integrating trenchless techniques to reduce local disruption.

Our no-dig approach is also accelerating our skills within the critical area of wastewater repairs, where ageing and often over-loaded infrastructure is under pressure from an increasingly irregular climate. Our teams of lining specialists are deploying a sophisticated range of methods to deliver repairs directly within the network, speeding up projects and allows for better balancing of jobs between smaller teams.

Programme planning has also come to the fore in our metering work, which we anticipate being a major priority for clients moving into AMP8. With Anglian Water we have been working in collaboration with Kier at an astonishing pace to install up to 2,300 meters in a single day, outperforming expectations.

While we recognise the opportunity and importance to clients of greater efficiency, this cannot and has not come at the expense of safety, where we have continued to improve our performance in the year.

Our overall accident frequency rate remains very low at 0.05 per 100,000 operational hours worked and we have continued to drive down service strikes, which through a combination of training and vigilance, have now decreased by 20 per cent year-on-year for the last three years.

2. Becoming the employer of choice within infrastructure

Our ability to reimagine delivery relies on a motivated and highly skilled team. This is fundamental to our commitment to our people and our clients as we continue to prioritise direct employment and the benefits that delivers when it comes to quality and consistency. We want to make sure that Clancy is recognised as a great place to start and build a long career in infrastructure.

Investment in training remains central to this ambition. Through our Clancy Academy we directly delivered an exceptional 7,152 training courses through the year, alongside framework-specific training by our clients. We have a comprehensive series of tailored programmes in place to support individuals at every stage in their career, from apprentices - of whom we currently have 50 - through to attracting and supporting career returners and senior leaders.

We know that this investment is not only important for us, but for our wider industry. We were delighted to receive recognition of our efforts with government funding to deliver our Skills for Life Bootcamp as part of the Utility Skills Network. This is a focused two-week programme designed to accelerate individuals into a career within infrastructure.

SKILLS FOR LIFE
SKILLS BOOTCAMPS

Skills Bootcamp

Clancy is one of the first employers to be awarded government funding to deliver a Skills for Life Bootcamp to support the sector's labour drive.

The benefits to our team and to our clients in terms of skills and commitment are clear. It brings us great pride that a quarter of our workforce have worked in our business for more than a decade. A strong indicator of the success of our people strategy, is that we have brought in nearly 200 new members of the team in the year, as a result of recommendations from within our business.

3. Harnessing greener technology for the good of the planet

Some of the most critical areas within our skills agenda are around environmental protection and climate impact. These are now established as key priorities for our clients, their customers and our own team.

Within our operations we have continued to roll-out the adoption of alternative fuels including the use of Hydrogenated Vegetable Oil (HVO) within a growing portion of our heavy goods vehicle fleet and our wider plant.

We have now committed to running our HGV fleet on HVO. By using solar power welfare units and lighting rigs we are minimising the requirement for diesel power on our site compounds across our projects.

A now multi-year investment in decarbonising our property footprint is also continuing to bear fruit. At our Harefield office we have installed a solar power grid capable of providing 60 per cent of our energy needs during the summer period, with the potential to save 28 tonnes of CO_2 every year.

Harefield solar investment

We have invested in solar panel installation at our head office in Harefield - reducing our overall energy usage and bills by approximately 30 per cent.

Overall, we have delivered further savings in our measured carbon emissions, which fell by 1.8 per cent within the year when evaluated against turnover. This follows substantial savings in previous years. However, we acknowledge that we and the wider industry still have significant work to do in the critical area of vehicle emissions. We have now made a substantial transition to electric within our personal vehicle fleet but are reliant on innovation in technology and scalability of alternative fuels, including battery and hydrogen cells, to provide the required power and reliability needed for our commercial fleet when working at scale. We continue to work with vehicle manufacturers on trials and to demonstrate our readiness to invest once these challenges are unlocked.

4. Acting as smart investors

Significant financial stresses have emerged within the wider construction industry, as companies navigate ongoing high inflation and interest rates alongside subdued pipelines of work. While we have not been immune to these challenges, our independence and long-term strategy to operate without borrowing has ensured stability for ourselves and our clients.

Group revenue in the year increased by 13.2 per cent to £378.5m, up from £334.5m in the prior year. This reflects growing work volumes in water, the re-mobilisation of activity into the ED2 period for energy, and an overall increase in demand for our expertise in civil engineering.

The change in the balance of our work toward capital projects has supported strong profitability, reflecting the greater technical expertise required. Pre-tax profits for the Group grew from £13.5m in the 2022-23 year to £20.9m in the year - an increase of 54.8 per cent.

The third key metric for us is our balance sheet which remains robust, with £34.2m in cash and equivalents at year end.

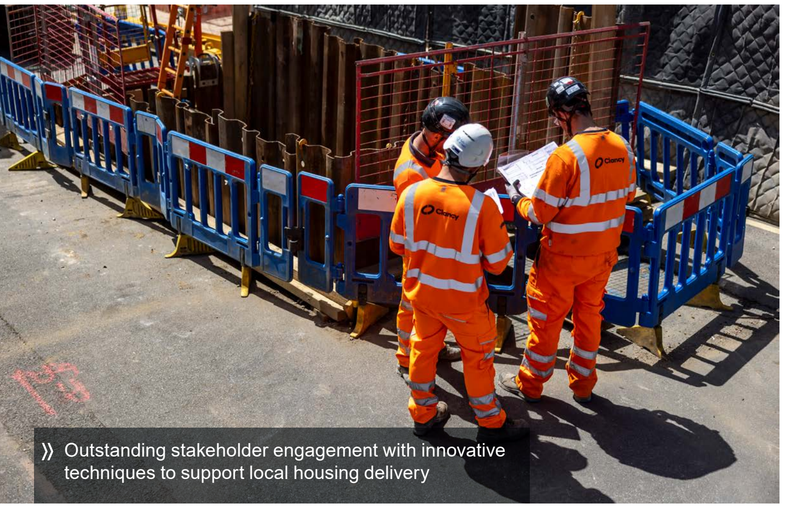
This position, plus an anticipated forward order book of £1.5bn, of which £1bn was secured at year end, means that we have the confidence to maintain spending on market-leading plant and equipment. In the 12 months we invested £11.2m, alongside an equivalent £11m in leased assets. Our expectation is that this level of investment will need to be maintained in future years as technological development continues.

Looking ahead, an important focus for the coming year will be on supporting clients in the transition between regulatory periods, and on effectively mobilising the new framework positions we have secured.

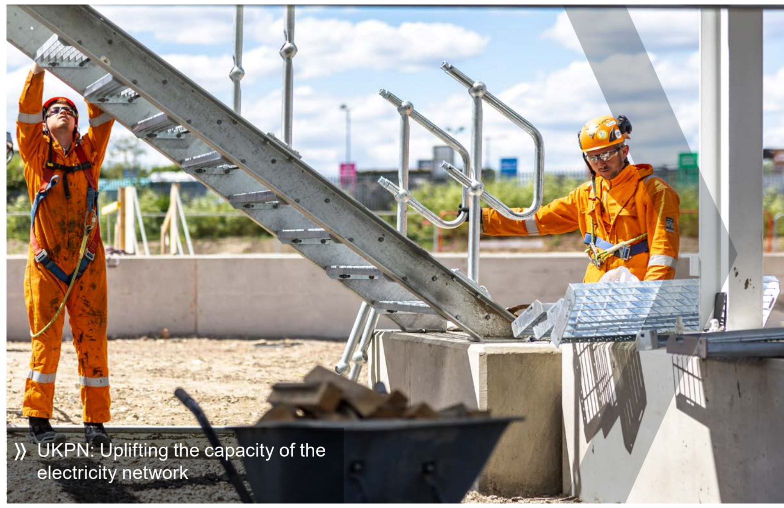
Giving back to communities

Alongside our financial metrics, we have maintained our commitment to support others. We are now in our second year of working with Social Value Portal to benchmark and evaluate this important area and to identify how we refine our model to bring most benefit.

In 2021, the Clancy family launched our Clancy Charitable Foundation as an enterprise dedicated to supporting projects in line with our mission to make life better for growing families. This initiative continues to go from strength to strength. The business made a £100,000 contribution to the Foundation, which was then distributed to a wide range of causes on issues that matter to our business and our team, from mental health, to care for those suffering from chronic illness. In this way we ensure that our success can support that of the communities we work within.



Outstanding stakeholder engagement with innovative techniques to support local housing delivery



UKPN: Uplifting the capacity of the electricity network

Operational Review

Our clients across the infrastructure sector are focused on optimising costs, managing environmental pressures and delivering a positive experience for their customers. Through the year we have been supporting these objectives through our investment in long-term collaborative partnerships, systems and skills.

Our activity continues to be anchored around three principal areas - water and wastewater networks, energy networks, and civil engineering to support major infrastructure programmes. This year we have seen notable successes in extending existing programmes and securing significant new additions to our work pipeline.

At the same time, our blend of specialisms across industries and services gives us flexibility to bring our skills to adjacent sectors where we see opportunity. This has included a new appointment to support Southern Gas Networks with a mains replacement programme in Hampshire and Surrey as part of the transition to hydrogen fuel.

Innovation and operational excellence is embedded within our work. Our aim is to be constantly more efficient and to demonstrate value to our clients and their customers.

Water and wastewater

Investment in resilient and future-proofed water and wastewater networks remains very high on the national policy agenda. This is shaping priorities and objectives within our long-term maintenance frameworks, as well as rapidly expanding the demand for our civil engineering services to support capital projects.

In wastewater, this includes programmes to build capacity and reinforce environmental protection for watercourses. Within the year we have secured a major new framework with South West Water, supporting a £3bn investment programme from a new Clancy office in Exeter. Our expertise in running capital works as a programme, maximising resources and efficiency, has also seen success in Scotland and with our clients across the south east of England.

For clean water the industry's priority is managing and protecting resources. In the capital project space, our work has included supporting Costain on the Strategic Pipeline Alliance for Anglian Water. Looking forward we are preparing for a significant increase in demand for our main laying expertise as we move into the new Ofwat regulatory period, AMP8, from 2025.

A less stable climate is also increasing the importance of swift operational responses to maintenance needs. Our teams have sprung into action across our geography to deal with flood risks and infrastructure repairs.

Our ability to proactively plan and address risk in advance is greater than ever. We are working with clients to improve their visibility of network performance in a series of ways. Our smart metering programme with Anglian Water, now in its fourth year, has continued to go from strength to strength. In the twelve months, our alliance installed 249,000 new meters, bringing the total figure over the course of the programme to 880,000. This expertise in delivery, partnering with technical peers including Arqiva, means we are well placed to support the expansion of metering that is anticipated in the new AMP across UK regions.

Mapping physical networks is another area where we are seeing rapid increases in opportunity, linked to our broadening arsenal of tools and techniques for precision repairs through our use of lining technology. Operationally, the use of CCTV investigations and surgical repairs is helping reduce the need for the disruption and cost associated with excavation.

South West Water

Appointed by South West Water in November to its new capital delivery framework, we have been supporting the company's clean and wastewater networks - bringing our trademark expertise in the sector to the fore.

Smart metering

Working collaboratively with Anglian Water and Kier, our alliance carried out 249,000 smart meter installations last year, improving the water companies' insight of their networks and customers' understanding of usage.

Energy

Our activity to deliver capital investment within energy networks has accelerated in the twelve months, which marked the start of the ED2 regulatory period that will run to 2028. Our core client base within distribution networks is focused on a wholesale recalibration of the grid to support the energy transition, while managing pressures on capacity from new development.

Our work with UK Power Networks, acting as the lead partner in the ED1SON Alliance, is now in its ninth year and has seen a significant expansion in work volumes over a rolling programme of capital projects. This highly varied programme delivers new connections that support homes and commercial investment, extending grids to accommodate the switch to renewable power, and building the resilience of critical assets.

In the year we secured a major new programme of work with Scottish and Southern Energy Networks, also focused on capital investment in SSE's southern region. Mobilising this commission, including opening a new base in Reading, is set to be a significant focus for our work in the coming year.

Collectively, these capital frameworks provide us with good visibility, supporting proactive planning and investment in civil engineering skills alongside technical expertise working at high voltages. Our ability to sequence works for clients as complementary programmes plays to the strengths of our direct delivery model.

Through the year, we have also continued our operational support for Northern Powergrid in the repair and maintenance of its network - from overhead cabling and network faults to new connections and high voltage works. We have been pleased to see our focus on delivery result in strong customer satisfaction throughout the programme.

ED1SON

We are acting as lead partner in the ED1SON Alliance, in its ninth year, for UK Power Networks. The expanding programme of works is seeing Clancy deliver new connections, build the resilience of the existing network and supporting the energy transition.

Civil engineering in major infrastructure

We see strong demand and opportunity to expand our work supporting major infrastructure, working as part of robust joint ventures and alliances delivering complex programmes. These briefs demonstrate our expertise in transferring our civil engineering skills and management model across infrastructure markets.

This includes accelerating the delivery of the confirmed phases of the HS2 railway from Old Oak Common in London to Birmingham Curzon Street. The year has seen significant expansion in the scope of our activity for the Eiffage, Kier, Ferrovial Construction and BAM (EKFB) alliance around Aylesbury and the North Chilterns. We have been delivering a series of civil engineering projects where the railway intersects with existing infrastructure. These range from concrete pours for overbridge foundations, to earthworks and track drainage.

In west London, our support on critical asset diversions for Skanska, Costain, Strabag joint venture (SCS JV) has also continued, seeing the conclusion of a major package of works for Thames Water's critical assets. We are also delivering an ongoing major package of complex utility diversions around London Euston for SCS JV on HS2.

Green investment: Solar powered welfare cabins

Looking ahead, we are experiencing growing demand for this expertise in adjacent industries, including roads and power generation, and we are investing in bringing more people into our business to expand our civil engineering capabilities nationwide.

Our activity as a whole is supported by sound investment in our traffic management and plant businesses, which play an important role in guaranteeing high standards of delivery.

HS2

Clancy operatives have been diverting the A41 in Aylesbury to support local excavation works as part of HS2, utilising the business' civil engineering expertise and deploying a range of innovative techniques.

Traffic

Through the year our Clancy Traffic Management (CTM) team has grown its remit and capability across both the low-speed and high-speed networks. CTM supports both our core activity as well as independent clients including local authorities.

Our emphasis within CTM remains on technological investment. We have worked to optimise our management systems over several years, resulting in exceptional visibility over performance of our systems when they are deployed on the highway.

This helps ensure greater efficiency for clients while reducing the disruption and safety risks associated with highways works, both for contracting teams and the public.

Plant

Investing in and maintaining our own direct plant business gives us control over the management and quality of the tools we are using across our work. It remains an important pillar of our business plan.

As technology advances and the nature of our work changes, maintaining a constant cycle of investment has become more important than ever. Over the past twelve months, we have invested over £11.2m into our plant and technology as we work to provide efficient and sustainable solutions to our clients. As a result, our on-site equipment has seen heavy investment, including adding 14 large excavators to increase our capabilities for major civils projects, as well as introducing Leica machine controls to improve productivity.

We now have a 10,000-strong fleet of plant vehicles and machines. Our 2,000 vehicles within this are operating at 95 per cent utilisation - and these numbers are only growing as we support our expansion in various industries. We have bolstered our traffic management and civil engineering offering immensely by respectively adding 60 Mercedes tail lift vehicles and 20 Ford Rangers.

With sustainability a key priority for our business, we have worked with clients to reduce the use of diesel, including through the use of solar power and HVO, with this fuel now in use in our HGVs in Scotland. As the market for electric vehicles (EVs) and alternative fuels begins to mature, we're seeing the results of early investment and the opportunity to trial new products, investing in a new Maxus pick-up - an industry-leading, electric vehicle. Our stable financial growth and ability to operate without borrowing has put us in a position to invest in innovative plant and technology such as this, and we expect to transition to heavy goods EVs as they become available.

Section 172 Statement

The Section 172 Statement on page 34 is incorporated by reference as part of this Strategic Report.

Depotnet

Within the year we have rolled-out a new works management system, Depotnet. This is proving to be a game-changer for our business.

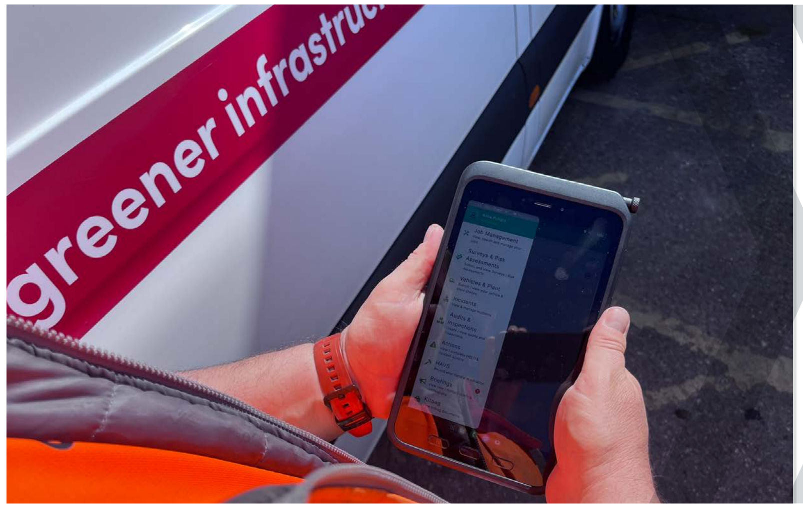
Depotnet replaces legacy systems, giving us greater visibility that in turn allows continuous improvement and excellence.

We, and our clients, are already seeing the benefits when it comes to our operations. Uploading job information in real-time from mobile devices speeds-up decision-making to prioritise and complete works. Integration with client systems is bringing a variety of benefits, including giving customer service teams access to live information.

The system also supports health and safety activity, providing quicker and simpler reporting. This information is then fed back to our head office teams to inform our understanding of trends and risks that can be addressed through our training programmes.

As environmental management and compliance rises up the agenda, the platform is supporting us as we embed these skills within our teams.


HSEQ: Raising the bar conference




DANNY card: Wellbeing initiative

Our Impact

Our longterm approach to business supports investment in areas that matter to us, to our team, and to the communities we work within. Through the year we have maintained our commitment to work safely, sustainably and with social purpose.

Safety

Continuous improvement in Health and Safety for our employees and the communities we work within remains our top priority. It is the starting point for everything we do. We have been integrating changes to our ways of working to ensure that we consistently operate at the highest standards.

Service strikes have continued their rapid downward trend. We recorded 215 service strikes in the year, down from 260 in the previous twelve months. This equates to a service strike rate of 5.74 per £10m of turnover - a reduction of 27.25 per cent when compared to a rate of 7.89 in the previous year. When we look further back, we have been able to secure a reduction in all strikes against turnover by nearly 19 per cent year-on-year for four consecutive years.

Within the all-strike metrics, a significant focus has been on electrical strikes which carry greater risk. The total number of these strikes has been reduced from 81 in the 2022-23 year to 65 this year.

RIDDORs have been kept to a low level and we have reported only four occurrences in 2023-24. This represents an accident frequency rate of 0.05 per 100,000 hours worked. This figure is well below the industry average, but we are still working to keep this to a minimum.

In other metrics, we have been performing strongly with our Lost Time Injuries (LTI) rate stabilising at 0.04 per 100,000 hours worked.

Benefits through visibility

These positive trends reflect a matrix of risk reduction strategies that respond to data and feedback from across the business. Our investment in the Depotnet management system, and retiring of older platforms has improved our visibility of incident and risk reporting, allowing for forensic assessment and targeted mitigation measures.

These measures include enhanced planning of project sites, better usage of Ground Penetrating Radar and Genny and CAT scanning. We have encouraged operatives to employ a 'stop-first' attitude to potentially dangerous situations. We have also been able to target supervision to respond to key moments in the calendar year, including return to work periods after the new year break and bank holidays, when accidents can be more frequent.

Maintaining consistency in teams supports safer working, avoiding disruption to normal working schedules during high-risk periods like the summer when hard ground conditions increase the risk of service strikes. Alongside Depotnet, Clancy has been integrating Matrix iQ across our vehicle fleet to understand how we can improve driver behaviours and lower the risk of accidents.

We have already been seeing results with non-fault vehicle incidents reducing by 20 per cent in the year.

Targeting training: Focusing on wellbeing

Balancing greater investment with training has been a key factor in building safer working environments. We continue to lead a series of stand-down sessions at regular intervals - engaging with a range of different partners, including the Metropolitan Police. Alongside this, our monthly Toolbox Talk campaigns are helping to create a more inclusive, safe working environment.
By prioritising greater communication in Health and Safety programmes, we are working to review more challenging areas, maintain strong channels of engagement and drive towards consistently high standards.

Our People

Through the year we have continued to invest in our people, ensuring we deliver the skills and expertise our clients need, alongside the opportunities for progression and reward that our employees rightly expect. Being the employer of choice within the infrastructure sector remains a core pillar within our business plan.

Through the Clancy Academy, we have delivered over 83,000 hours of training throughout the year over a total of 7,152 training courses. This commitment to constant skills development, along with our direct employment model, allows us to ensure the highest standard for clients across our frameworks and projects. Our implementation of Depotnet is also helping to make our people's jobs more efficient, so they can focus on brilliant delivery.

Recognition for our people's talent and hard work is a priority. In our annual Celebrating Clancy Awards, we received a record 3,296 peer nominations and recognised more colleagues across the group than ever before.

We also wanted to give our thanks for everyone's efforts in delivering for clients day in, day out, in what has been another challenging year not just for the construction sector, but for household budgets too. With this in mind, we gave over £100,000 in vouchers to our employees last Christmas.

Investing in career pathways

The best indicators of the importance of our investment in progression and creating fulfilling, lifelong careers are the number of colleagues who commit long-term to the business, and who recommend us to others.

A quarter of our employee base has now worked for Clancy for more than a decade, and last year we gave out more long-service awards for individuals celebrating 25, 30, 35 and even 40 years at Clancy.

In turn, our people act as one of our most important channels for attracting new talent. Within the year, over 200 new starters came to us via referrals.

Early careers training plays an important part in our people strategy and securing the skills we need for the future. 50 apprentices are currently going through our programme, which blends classroom and on-the-job learning, with over 125 having completed the programme over the past two years. These young people, along with our growing number of graduate employees, are bringing fresh perspectives and ideas to our business.

We have been working to formalise development journeys across the span of careers at Clancy, including the rollout of the nationally accredited Network Construction Operations qualifications through the Clancy Academy for employees in the water sector. Over 100 colleagues have begun or completed the training so far, with this set to double in the coming year.

We have continued to see success through our training programmes, including taking 50 senior managers through our Lead to Succeed programme to help them build the skills to become future leaders. All of this investment pays back enabling us to make 170 internal promotions across the business in 2023.

Our ongoing commitment to our employees has shone through again in our securing of the Investors in People (IiP) - Silver - accreditation and we are using the lessons taken from the IiP survey to make further improvements.

Bringing new talent into the industry

Delivering on the high demand for the construction and maintenance of the UK's utilities networks and major infrastructure will rely on attracting new talent into the sector. As a result of our in-house training record and decades of experience, we are one of the first employers to set up a government-funded Skills for Life Bootcamp to support this labour drive as part of a Utility Skills Network training programme.

Working in partnership with the Department for Education, our bootcamps provide free, tailored, on-the-ground training and development to give individuals the tools they need to start or progress their careers in construction. We then look to welcome those who complete the training into the Clancy family with an interview for a suitable role within six months.

Diversity and Inclusion

Our Diversity and Inclusion Council and Charter and our employee networks have continued to help create a working environment in which people of all backgrounds can be successful, respected and able to be themselves.

Our Women of Clancy network goes from strength to strength with skills share sessions helping to promote opportunities and development, and employee surveys allowing us to identify constant improvements to ensure greater gender equality in our business. Since its launch last year, our mentoring scheme run through the network, has seen 27 individuals receive professional development support from senior leaders.

The engineering and utilities sector is one which struggles with legacy gender diversity challenges. New technologies and techniques are helping to make the work we do attractive to more people and it is important that we shout about advancements to encourage diverse applicants to our technical, as well as our back-of-house roles. This coming year we will be placing a focus on how we can promote these technical roles in particular, to a wider audience.

We also continue to support ex-services personnel through our work with the Armed Forces Covenant, since our initial signing in 2019. We guarantee interviews for those individuals with transferrable skills, as well as provide special leave policies for serving reservists, and mentoring for new recruits to successfully transition to civilian life.

Celebrating Armed Forces Day at Anglian Water

Benefitting from new ideas

As a company which values new perspectives and ways of doing things, we made the decision to set up a 'shadow board' – a cross-functional mix of talent from across the company which will act as a strategic advisory group for our Executive team. The shadow board will provide suggestions and advice on new initiatives to support our ongoing improvement of approaches, culture and efficiency.

Green investment

To support the business' environmental pledges, Clancy has been investing in solar powered lighting on site.

Delivering social value

Our work to deliver smarter, greener infrastructure takes us right into the heart of communities across the UK. With our clients, we want to build an increasingly clear picture of the social value we deliver - through the work we do as well as the way in which we do it.

We are working with Social Value Portal to evaluate the impact we have and the opportunity to channel our resources to increase the contribution that we make. This activity is being tracked through the Themes, Outcomes and Measures (TOMs) framework. Having successfully embedded this partnership across five of our most significant contracts, we are now preparing to roll this out across our wider business in the year ahead.

A very significant portion of this value comes from emphasis on local employment, which goes hand in hand with our strategy to recruit, train and upskill teams directly. The vast majority of our teams work in close proximity to their homes, so our investment in them flows into the communities we are working within. It also brings wider benefits including minimising carbon emissions for work travel.

Beyond this, we are capturing much broader contributions across our contracts too. These include volunteering activities to lend our support for community projects, as well as career advice for young people.

Our TOMs metrics

We evaluate our social value through the TOMs framework, focusing on the following areas:

- Number of local direct Full-Time Employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter.
- Number of weeks of apprenticeships on the contract that have either been completed during the year, or that will be supported by Clancy until completion in the following years - Level 2,3, or 4. This is in addition to the number of weeks of apprenticeships or T-Levels (Level 2,3, or 4) provided on the contract (completed or supported by the organisation).
- Number of employees on the contract that have been provided access for at least 12 months to comprehensive and multidimensional wellbeing programmes.
- Equality, diversity and inclusion training provided both for staff and supply chain staff.
- Donations or in-kind contributions to local community projects (in pounds sterling and materials).
- Number of hours volunteering time provided to support local community projects.
- Car miles driven using low or no emission staff vehicles included on project as a result of a green transport programme.

Clancy Charitable Foundation

Alongside the volunteering and community work delivered through our contracts, we have continued to directly fund charitable causes. We do this through the Clancy Foundation which offers a £100,000 annual fund to draw upon. Through the year this has been distributed to over 40 organisations, ranging from local youth sports clubs to nationwide causes for men's health, Alzheimer's disease and cancer research.

Our commitment to match charitable fundraising efforts from across our team has helped maximise the Foundation's contributions and ensure that the causes we support are those that matter most to our business.

Environmental sustainability

The importance of environmental protection alongside infrastructure investment is now firmly recognised. It is high on the agenda for our clients, the public and for us as a business.

Through the year we have refined our working methods to enhance training and standards - empowering operational teams to take ownership of environmental management, while still having access to the knowledge of our dedicated environment advisers. This is allowing us to build broader expertise and skills in specialised areas, from ecology and arboriculture to management of historic environments.

We are now tracking environmental impact more comprehensively than ever before, using our Depotnet system to manage reporting of environmental incidents, including near-misses. This informs training for our team to build awareness of best practice.

Environmental protection does not stop on-site but extends to the choices we make around materials. We have now been working closely through Streetworks UK to support standards for the classification and management of materials that are excavated and introduced onto sites. This will ensure we are well-prepared for mandatory digital waste tracking that will come into force from April 2025.

Southern Water

The benefits of environmental training have borne fruit in our work with Southern Water within the New Forest. We established a targeted approach to working within the area, which benefits from multiple environmental protections as a national park and site of special scientific interest.

Decarbonising construction

Protecting the natural environment goes hand-in-hand with securing the future of our climate. Together with our clients, we are investing in technology and new ways of working that are reducing our carbon footprint, while also recognising the scale of the challenge ahead to hit stretching decarbonisation targets.

Through the year we have continued to reduce our measured direct and indirect carbon emissions when evaluated against our turnover. Total emissions for the 12 months stood at 22,094.08 tonnes of CO_2 (tCO_2e) which when normalised against turnover gives an intensity ratio of 58.37 tCO_2e per £1m. This reflects a reduction in this ratio of 1.8 per cent compared to the previous year.

We are now seeing the benefits of measures introduced at our Harefield head office to reduce energy consumption, including switching to heat pump technology. Within the year we installed solar panels at Harefield which will provide approximately 60 per cent of our energy needs there during the summer period. This is expected to save in the region of 28 tonnes of CO_2 every year.

Alternative fuels are also now commonplace across our operational sites, incorporating solar power for welfare units and lighting rigs to minimise our reliance on diesel power. We have had remarkable success in the introduction of HVO for site equipment and vehicles and have committed to using HVO and biofuels for our HGV fleet. We are working on an action plan to achieve this in a way that is ethical, sustainable and resilient.

The long-term goal and challenge for us and the wider industry is to effectively decarbonise vehicle movements. 71 per cent of our personal fleet of company vehicles is now fully electric, with an electric or hybrid-first policy firmly in place. However, the market for electric or hydrogen-fuelled vehicles capable of carrying heavy loads - typically in the form of our van fleet - remains constrained. Our strategy in this area is to remain close to the supply chain, including to trial new models, so that we can be ready to invest.

In the same way, we continue to build strong partnerships to reduce the carbon footprint of critical materials without compromising on their suitability. This has included our work with the ConcreteZero industry group, as well as engaging with material suppliers to select lower-carbon alternatives.


Committed to building a sustainable future for all

HVO - Scottish Water

Using HVO has the potential to deliver significant carbon savings. With Scottish Water we saved 39 tonnes of carbon by using the fuel for a relatively small portion of our transport requirements in the year. To build on this success we are now looking at how we can expand its use further within our vehicle fleet.

Key performance indicators

The Group has consistently measured its safety, operational and financial performance over the 52-week period ending 31 March 2024.

Safety performance

Service strikes: the period saw a total of 215 strikes, equivalent to a rate of 5.74 per £10m of turnover, a fall of 27.25 per cent compared to 7.89 in 2022-23.

RIDDOR events: Our accident frequency rate for RIDDOR injuries, against hours worked for the period, rose slightly from 0.03 per 100,000 hours worked in the previous financial year to 0.05 in 2023-24.

CO² emissions

Our total emissions for 2023-24 were 22,094.08 tonnes of CO_2 (tCO_2e). When normalised for turnover this provides an intensity ratio of 58.37 tCO_2e per million pounds and constitutes a reduction in the intensity ratio of 1.8 per cent on the previous year.

CFO's Review

Following three successful years, I am pleased to report that we have again achieved our best ever performance in 2023-24, with revenue up by 13.2 per cent to £378.5m, and pre-tax profit up 54.8 per cent to £20.9m.

Nick Blaber
Chief Financial Officer

Investing in green technology

The Operational Review gives a detailed report of our performance and activity in the year. The quality of our work and strong client relationships has helped ensure that once again all of our mature workstreams are operating satisfactorily and generating a positive margin.

At the reporting date, the net assets of the Group had a value of £58.0m (2023: £54.5m). This reflects profit for the financial period, movements in the defined benefit pension scheme, and dividends paid.

Capital investment

Capital investment in the year increased from £3.2m to £11.2m, which is in line with the long-term average for our business. This is complemented by a similar value of leased assets put into the business to ensure there is no compromise in the quality of equipment available to our teams and to support safe and effective working practices.

A theme this year has been green investment - not just in electric vehicles where we now have a fleet of over 130 at year end, but our wider plant and property portfolio. This includes solar powered welfare cabins, lighting towers and site generators, and an installation on the roof of our workshops at our Harefield head office to offset the majority of our consumption at the site.

Financing

During the year the Group operated without borrowing facilities, with the strong liquidity position meaning none were required. The Group's principal financial instruments comprise hire purchase and leasing liabilities which are due after one year.

Credit and cash flow risk from trade receivables and amounts recoverable on contracts are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding. Liquidity risk in respect of trade payables is managed by ensuring sufficient funds are available to meet amounts falling due.

Financial performance summary

	2024	2023
Revenue	£378.5m	£334.5m
Gross profit	£38.4m	£34.9m
Profit before tax	£20.9m	£13.5m

Cashflow summary

	2024	2023
Cash and cash equivalent at the start of the period	£42.9m	£28.2m
Net cash inflow from operating activities	£12.0m	£20.1m
Net cash (used) / generated from investing activities	(£7.2m)	£0.8m
Net cash (used) in financing activities	(£13.5m)	(£6.3m)
Cash and cash equivalent at the end of the period	£34.2m	£42.9m

Summary financial position

	2024	2023
Net current assets	£29.5m	£27.8m
Net assets	£58.0m	£54.5m

Pension scheme

The surplus on the Defined Benefit pension scheme has increased marginally in the year, and the trustees again agreed that no further company contribution was required in the year. The long-term aim of the Directors remains to pass the scheme to an insurance company. This may require a further cash contribution from Clancy at that point and will produce an accounting loss as the surplus is reversed.

£378.5m REVENUE

£20.9m PROFIT (BEFORE TAX)

Tax

Our corporation tax charge for the year of £4.9m largely reflects the impact of improved trading and the increased rate of corporation tax to 25 per cent, with some impact from adjustments for prior periods. More detail is provided in note 11 to the Financial Statements. Of equal importance, our total tax contribution for the period was £82.5m, up from £73.7m in the prior year. The increase from the prior year is driven by increased payments for corporation tax as outlined above and more VAT paid over in line with our increased revenue.

Going concern

The Directors have considered the appropriateness of preparing financial statements on a going concern basis and have concluded that they are confident that the business meets these criteria.

In reaching this conclusion, the Directors considered:

- Liquidity: The business started the 2024/25 financial period with cash balances of £34.2m and no net debt;
- Consideration of the Group's forward-looking forecasts covering the period to 31 March 2025 as well as long-term forecasts covering the period to March 2026, based upon the Group's 5-year long range plan, being the periods that the Directors believe are the most appropriate to assess with any certainty at this time. These forecasts were then high-level stress tested based on a worst-case and reasonable worst case trading scenario to identify what impact each of these scenarios would have on the Group's cash flow and financial position. Neither case resulted in the Group requiring any mitigating factors, such as raising third party debt to continue with its existing business operations and even under the worst-case scenario significant cash balances of circa £34m were retained;
- The existence of further cash the business expects to unlock from specific contracts which have high receivables balances, and which the Directors consider are collectable;
- The nature of our contracts and customer base, which provides a relatively predictable baseline revenue level even during the recent lockdowns. In addition, we are seeing strong demand for infrastructure investment and expect to have opportunities to take on additional work in the coming months, both from existing and new clients; and
- The low bad debt exposure resulting from working mainly for regulated utility providers.

Total tax contribution

	2024	2023
Taxes borne:		
Employers' NI	£10.5m	£10.3m
Corporation tax	£4.1m	£1.2m
Class 1 National Insurance	£0.2m	£0.3m
	£14.8m	£11.8m
Taxes collected:		
VAT	£37.0m	£32.9m
Fuel duty	£3.7m	£4.3m
PAYE	£16.9m	£14.7m
Employees' National Insurance	£6.7m	£7.3m
CIS	£3.4m	£2.7m
	£67.7m	£61.9m
Total tax contribution	**£82.5m**	**£73.7m**

This Strategic Report was approved by the Board of Directors.

K T Clancy
Director

Date: 10 September 2024

GOVERNANCE REPORT

Our Governance

Dear Shareholder,

I am pleased to introduce the Group's Corporate Governance Report for 2023/24. As Chairman, I am responsible for ensuring that the Group maintains high standards of corporate governance including reviewing the corporate governance structure of the Board and Board committees to ensure that they continue to be appropriate to the size and complexity of the Group as the business grows and evolves.

I lead the Board of Directors and have primary responsibility to provide the necessary leadership, input and guidance to the Board in maintaining and then growing the level of sustainable profitability that creates long-term shareholder value. I also have responsibility for ensuring the Board agenda focuses on the important strategic, operational, financial and ESG matters.

I am satisfied that the current Board (which has been enhanced with the addition of two Directors and a further independent Non-Executive Director) has the appropriate blend of skills, capabilities and experience to deal with the challenges faced by the business.

Industry knowledge, supported by financial expertise, is particularly important for the Group as it maintains its focus on strong governance and the opportunities that lay ahead.

The Board is supported by significant expertise within the wider leadership team, including a series of new appointments and promotions to deliver our strategy.

Though not mandatory, the Board has chosen to adopt a recognised corporate governance code, The Wates Corporate Governance Principles ("the Principles"). The Principles supports the Group's approach to managing risks and transparent communications with stakeholders. As a Board, we believe that by complying with the Principles, the Group has an appropriate level of governance for its current stage of development, as well as providing a suitable framework in the medium to long-term.

Where appropriate, this corporate governance statement and report has been prepared to comment on the application of the Principles and to address the disclosure requirements recommended by it.

In keeping the corporate governance structures under review, during the period, we have continued to recognise the importance of the Audit & Risk, Remuneration, Nomination and Capital & Investment Expenditure Committees. During the period under review the terms of reference for the Audit & Risk, Remuneration and Nomination Committees were reviewed and where appropriate, have been updated.

We also recognise the growing importance of disclosures to ESG and, in particular the decarbonisation of our fleet. We are making this a priority, and as such, we have published a Carbon Reduction Plan.

Kevin Clancy
Chairman

Governance Report

Dear Shareholder,

The Board is critical to the ongoing success of the business and responsible for ensuring the highest standards of corporate governance. It currently comprises four Executive Directors and four Non-Executive Directors, including the Non-Executive Chairman. The composition of the Board is structured to ensure that no one individual can dominate decision making.

The Board

The roles of the Chairman and Chief Executive Officer are separate with each having clearly defined duties and responsibilities.

The Chairman provides leadership to the Board. He is responsible for setting the agenda, chairing the Board meetings, and for ensuring that the Board has sufficient time to discuss all items on the agenda. The Chairman is also responsible for ensuring that the Directors receive all the necessary information and reports. Along with the Chief Executive Officer, the Chairman also ensures that the appropriate standards of corporate governance are effectively communicated and adhered to throughout the Group.

The Chief Executive Officer is responsible for leadership of the Group's management and its employees on a day-to-day basis. In conjunction with the Operating Board, the Chief Executive Officer is responsible for the implementation of Board decisions.

During the period under review, Tom McGinness joined the Board as an independent Non-Executive Director. David Pegg and Ronan Clancy joined the Board on 1 April 2024 as Executive Directors. As of the date of this Annual Report, the Board comprised the Non-Executive Chairman (Kevin Clancy), four Executive Directors (Matthew Cannon, Nick Blaber, David Pegg and Ronan Clancy) and three other Non-Executive Directors (Ian Gray, Mary Clancy and Tom McGinness).

Details of each Director's background and experience can be found on pages 28-29. The Board's mix of skills and business experience is important to the Company at this stage of its development and ensures an informed review and debate of performance and strategy. Each Director is responsible for keeping their skills up to date and comparable with being a Director of a listed company. The Board continues to have strict control over key areas of expenditure specifically through its budgetary process and through controls utilised by the Capital & Investment Expenditure Committee. For example, the approval of all senior roles prior to appointment is managed through the Nominations Committee and agreeing remuneration packages or salary changes above a specific base salary is reserved for the Remuneration Committee. This helps to ensure a high level of diligence in key financial and human resource decisions.

Role of the Board

The Board meets regularly, and Directors are supplied with a comprehensive Board pack prior to each Board meeting which includes the agenda, previous minutes, detailed financial information, an action list maintained by the Company Secretary and all other supporting papers necessary to have a fully informed discussion. The Board ensures that the necessary decisions are being implemented and the necessary investment is made to achieve the Group's strategic priorities.

Day-to-day operational and financial management is delegated to the Operating Board who ensure that the Board is kept up to date on operating activities and any issues that the Operating Board is facing.

The Operating Board meets monthly and key functions provide the Board with detailed monthly reports.

Operation of the Board

There were nine Board meetings during the period under review and any specific actions arising during meetings, as agreed by the Board are followed up and reviewed at subsequent Board meetings to ensure their completion. The Board also keeps in close contact between scheduled meetings and conducts ad hoc meetings as required. If a Director is unable to attend a Board meeting, the Chairman will canvass his or her views in advance and ensure that the Director is promptly advised of the outcome of the matters under discussion.

All Directors act in the best interests of the Company, consistent with their statutory duties.

The business at each scheduled Board meeting includes regular reports from the Chief Executive Officer and the Chief Financial Officer covering business performance, markets and competition, health and safety, as well as progress against strategic objectives and Capital Expenditure and Investment projects.

Board Committees

The Board has delegated certain responsibilities to each of the Audit & Risk Committee, Remuneration Committee, Nomination Committee, and Capital & Investment Expenditure Committee.

Each Committee operates according to its own terms of reference.

Audit and Risk Committee

The current members of the Audit & Risk Committee are Ian Gray (Chairman), Kevin Clancy and Mary Clancy. The Audit & Risk Committee has primary responsibility for monitoring the quality of internal controls, ensuring that the financial performance of Clancy is properly measured, ensuring the integrity of the Financial Statements, and reporting and reviewing reports from Clancy's auditor relating to Clancy accounting and internal controls, and monitoring the quality and independence of the external audit, in all cases having due regard to the interests of Shareholders. Further information on the Committee is set out on page 30.

Remuneration Committee

The current members of the Remuneration Committee are Ian Gray (Chairman), Kevin Clancy and Mary Clancy. The Remuneration Committee determines remuneration for the Executive Directors and Senior Managers in the Group. Further information on the work of the Committee is set out in its report on page 31.

Nomination Committee

The current members of the Nomination Committee are Ian Gray (Chairman), Kevin Clancy and Mary Clancy. The Nomination Committee approves the appointment of Directors and Senior Executives and is responsible for succession planning. During the period under review the Nomination Committee met to consider and approve the appointments of Tom McGinness as Non-Executive Director, Ronan Clancy, and David Pegg as Executive Directors to the Board. Further information on the work of the Committee is set out in its report on page 31.

Capital and Investment Expenditure Committee

The current members of the Capital & Investment Expenditure Committee are Kevin Clancy (Chairman), Matthew Cannon, Nick Blaber and David Pegg. The Capital & Investment Expenditure Committee reviews the annual capital expenditure investment budget and prepares the submissions for approval by the Board in addition to monitoring the ongoing transactional performance throughout the year. Further information on the work of the Committee is set out in its report on page 32.

Internal controls and risk management

The Group has in place a system of internal financial controls commensurate with its current size and activities.

The Board has overall responsibility for the Group's system of internal controls to safeguard the Group's assets and hareholders' interests. The risk management process and systems of internal controls are designed to identify the main risks that the Group faces in delivering its strategy and growth plan and to ensure that appropriate policies and procedures are in place to minimise these risks to the Group, including the establishment of appropriate business continuity planning arrangements. The Group maintains a risk management register which is reviewed and discussed every six months with the Operating Board and the Chairman of the Audit & Risk Committee.

The Board has reviewed the effectiveness of the system of internal controls in place for the period under review and up to the date of the signing of the Annual Report and Accounts. The Board will continue to develop and implement internal control procedures appropriate to the Group's activities and scale.

The Board recognises that an essential part of its responsibility is the effective safeguarding of assets, the proper recognition of liabilities and the accurate reporting of results. There is a comprehensive system for regular reporting to the Board. This includes monthly management accounts, functional reports and an annual planning and budgeting process. The financial reporting system compares results against budget and against the prior year, and the Board reviews the forecasts for the financial period on a regular basis.

During the year, the Board reviewed and updated its formal policy of authorisation setting out matters which require its approval, and certain authorities which are delegated to the Executive Directors and members of the Operating Board.

Independence

Ian Gray and Tom McGinness are Independent Non-Executive Directors and their presence provides a suitable balance between the Executive, Non-Executive and the Independent Directors.

Culture

Critical to delivery of growth of the business is ensuring that we have the right culture. At the heart of the plan is local responsibility and accountability for the performance of each site, office and depot. There is a desire to deliver the changes to the business to maintain long-term, sustainable profitability. We are also committed to the highest standards of health, safety, environment, corporate and individual conduct. The Board and Senior Management help to support and reinforce this culture through their own personal behaviour and commitment, by being highly visible in the business, by making timely and informed decisions and by adopting an attitude of continuous improvement.

Strategy

A description of the Group's strategy can be found in the section on strategic objectives on page 4.

Kevin Clancy
Chairman

Meeting Attendance	Board	Audit & Risk Committee	Remuneration Committee	Nomination Committee	Capital & Investment Expenditure Committee
No. of meetings	**9**	**4**	**6**	**3**	**3**
Kevin Clancy	9	4	6	3	3
Matthew Cannon	9	-	-	-	3
Nick Blaber	8	-	-	-	3
Ian Gray	9	4	6	3	-
Mary Clancy	8	4	4	3	-
Tom McGinness*	2	-	-	-	-
David Pegg	-	-	-	-	3

* Tom McGinness joined the Board on 1st January 2024.

Our Team

Clancy Group Holdings Limited

Kevin Clancy
Chairman

Kevin has worked at the business founded by his father MJ Clancy since 1968, assuming leadership as Joint Managing Director with his brother Dermot in 1984.

Since then, with Dermot and Mary, Kevin has led the company's growth to become one of the largest privately owned construction businesses in the UK. Kevin and Dermot became Joint Chairmen in 2012 until Dermot's untimely death in late 2019, since when Kevin has continued to lead the business and the Board.

Matthew Cannon
Chief Executive Officer

Matthew was promoted to the role of Chief Executive Officer at Clancy in early 2019 following a 15-year career in the business founded by his grandfather Michael.

Since then, he has overseen the establishment of a new leadership team and led the creation of our refreshed vision and strategy.

Nick Blaber
Chief Financial Officer

Nick joined Clancy in 2017 after moving from senior roles within one of the business' longstanding clients Thames Water.

Working with the Executive team as part of the Board, he has been instrumental in delivering the business' strategy of financial resilience and investment for the future.

David Pegg
Executive Director & Company Secretary

David joined Clancy in 1996 and has acted as Company Secretary for all companies within the Group since 2004. David was appointed as a Director to the Board on the 1 April 2024.

David has overall responsibility for security, legal, corporate governance, health, safety, environment and quality, insurance, payroll and facilities.

Ronan Clancy
Executive Director

Ronan was appointed to Clancy's Operating Board in April 2021 to head up the business' focus on sustainable growth. In the subsequent 3 years, the business has successfully expanded its water, energy and civil engineering divisions, with new clients including South West Water, SSE and SGN, as well as renewing work with core clients. Ronan's role has more recently expanded to also oversee human resources and Clancy traffic management.

On 1 April 2024, Ronan was appointed to the Group's Holdings Board. Ronan's position supports the ongoing transition to a third generation of family leadership.

Mary Clancy
Non-Executive Director

Mary joined her brothers Dermot and Kevin in the family business in 1974 and is a Non-Executive Director.

Mary also chairs the Clancy Charitable Foundation.

Ian Gray
Independent Non-Executive Director

Ian was appointed Clancy's first Independent Non-Executive Director in 2018 as part of the transition to a new generation of family ownership.

Since then, he has worked with the Board to establish the new Group structure and sits as Chair of the Audit & Risk, Remuneration and Nomination Committees.

Outside Clancy, Ian is a Director of several companies and has experience advising companies in many sectors.

Tom McGinness
Independent Non-Executive Director

Tom was appointed as Clancy's fourth Non- Executive Director in January 2024 and will support the Group with its long-term strategic priorities. Tom brings with him decades of experience, having been a senior partner for KPMG for 26 years.

He also held the role of the firm's Global Chair of Family Business for five years from 2018.

Executive Directors of The Clancy Group Limited

Matt Bailey
Executive Director

Matt's 25-year career at Clancy has seen him progress from operational roles to overseeing the performance of a portfolio of water, civil engineering contracts across the country.

His clients include Thames Water, Southern Water, SES Water, South East Water, and Scottish Water.

Jim Davey
Executive Director

Jim oversees the performance of our water, energy and civil engineering business in London, East Anglia and the North of England.

His portfolio of clients includes Anglian Water, UK Power Networks, HS2 and Northern Powergrid.

Audit & Risk Committee Report

Dear Shareholder,

This report provides an overview of how the Committee operated in the period under review, an insight into the Committee's activities, and its role in ensuring the integrity of the Group's published financial information and ensuring the effectiveness of its risk management, controls and related processes.

Committee structure

The membership of the Committee, which remained unchanged during the period under review, comprises three Non-Executive Directors: Ian Gray (Chairman), Kevin Clancy and Mary Clancy. The Committee members have been selected with the aim of providing the range of financial and commercial expertise necessary to meet its responsibilities. The Board is confident that the collective experience of the Audit and Risk Committee members enables them to function as an effective Committee.

Meetings

The Committee had four meetings during the period under review. The attendance by members is on page 27. I report to the Board, as a separate agenda item, on the activity of the Committee and matters of relevance and the Board receives copies of the Committee minutes. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee. The Chief Financial Officer regularly attends the meetings, and the external auditors are invited to attend some meetings of the Committee.

Roles and responsibilities

The main duties of the Audit and Risk Committee are reviewed annually and are set out in its terms of reference which have been agreed with the Board. During the financial year, Committee discussions included the following key items:

- Review of 2023 Annual Report and Accounts;
- Financial reporting;
- Terms of reference;
- Authority matrix;
- Bank mandates;
- Treasury policy;
- An update of the compliance policies and procedures, including Anti-Bribery & Corruption, Whistleblowing, Modern Slavery Policy and statement;
- Cyber Security and the Information Security Management System;
- GDPR;
- Review of the Group risk register; and
- External audit plan and strategy for 2024 Annual Report and Accounts.

Areas of focus

During the period under review, the Committee focused on the following areas:

- Risk management and assurance;
- Committee governance; and
- Treasury plans.

Whistleblowing

The Company's Whistleblowing Policy was updated during the period under review and encourages and protects legitimate whistleblowing.

An independent third-party whistleblowing helpline number, secure web portal and mobile app, allow employees to report concerns about improper conduct. All contacts are treated confidentially and anonymously if preferred. All whistleblowing is reported to the Chairman of the Audit & Risk Committee.

Non-audit services

The Company continues to separate the provision of external audit and annual tax compliance services.

External auditors

The Company's policy on auditors rotation is to ensure that at least once every ten years the audit services contract is put out to tender to enable the Committee to compare the quality and effectiveness of the services provided by the incumbent auditors with those of other audit firms. This is the third year PricewaterhouseCoopers LLP (PwC) has conducted the audit.

To ensure the auditors' independence and objectivity, the Committee annually reviews the Group's relationship with the auditors. The auditors are required to review and confirm its independence to the Audit and Risk Committee on a regular basis. Following the review in 2023, the Committee concluded that the Group has an objective and professional relationship with its auditors, PwC and that there are sufficient controls and processes in place to ensure the required level of independence.

Given the situation outlined above, the Committee recommends PwC's re-appointment as Clancy's external auditors.

Audit process

In advance of each audit, PwC prepares an audit plan which sets out the scope of and approach to the audit, significant risks and other areas to be targeted. This plan is reviewed and agreed in advance by the Audit and Risk Committee. Following their review, the auditor presents its findings to the Audit and Risk Committee for discussion.

Committee effectiveness

The members of the Committee receive opportunities for training to ensure that their knowledge is both current and best practice. This enables the Committee to meet its objectives and responsibilities. Each year the Chairman of the Committee undertakes a review of the annual work plan and procedures with the Company Secretary.

Ian Gray
On behalf of the Audit and Risk Committee

Remuneration Committee Report

Dear Shareholder,

Our approach to remuneration remains consistent and seeks to align the interests of the Executive Directors and Senior Executives with the Shareholders. Our aim is to attract and retain the best possible people who have the capacity and drive to meet the Group's strategic and financial objectives. To attract and retain the Executive Directors and Senior Executives, we offer them a base salary and pension contribution that is fair, reasonable, and affordable for the Group. They are incentivised to deliver growth, profitability, and cash generation by way of a discretionary annual bonus scheme and long-term incentives plans, which reward the achievement both of annual targets and creation of shareholder value over the longer-term.

The Remuneration Committee determines the remuneration packages for the Executive Directors, Senior Executives, and any major remuneration plans or policies for the Group. This includes implementation of long-term incentive plans. The Committee's role is to ensure that the principles of the Group's Remuneration Policy are aligned with the business strategy and promote long-term shareholder value. The Committee's terms of reference were reviewed during the year.

Committee structure

The Board has delegated certain responsibilities for Executive Directors' remuneration to the Remuneration Committee. The membership of the Committee, which remained unchanged during the period, comprises Ian Gray (Chairman), Kevin Clancy and Mary Clancy.

Meetings

The Remuneration Committee meets according to the Group's requirements and there were six meetings during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only and may include the Chief Executive Officer and Human Resources Director.

Roles and responsibilities

The main duties of the Remuneration Committee are set out in its terms of reference, which is reviewed and agreed by the Board. The main items of business considered by the Remuneration Committee during the financial year included:

- Salary and annual bonus for Executive Directors and other Senior Executives including market benchmarking exercises;
- Terms of reference;
- Review of remuneration strategy and policy;
- Review of salary for all employees in light of economic conditions;
- Review of annual bonus payments;
- Review of proposed salary variations according to pre-determined thresholds;
- Review of proposals to introduce financial wellbeing products to employees; and
- Critical illness claims for weekly paid employees.

Executive Directors' service contracts and termination policy

Executive Directors hold a service agreement with an indefinite term and a fixed maximum termination period of 12 months for the Chief Executive Officer, and six months for other Executive Directors. Any payments in respect of termination reflect base salary only and do not include an annual bonus.

The Group's policy on the setting of notice periods under the Executive Directors' service agreements is considered to be in line with external market trends and is reviewed by role to protect the Group's knowledge and operations. Only the Remuneration Committee can authorise Executive termination payments.

The Executive Directors are eligible to participate in a discretionary annual bonus scheme and long-term incentive plan, should one be put in place for any given financial period. All bonus payments are at the discretion of the Board and subject to such conditions, including profit after tax, and cash generation as the Board may determine. The Executive Directors remuneration packages were reviewed during the year and externally benchmarked.

Pay for all other employees is based upon external market rates, job role, internal comparators and business impact. Clancy's financial and operational performance and each person's personal performance are also considered when setting salaries and deciding on bonus payments.

Ian Gray
On behalf of the Remuneration Committee

Nomination Committee Report

Dear Shareholder,

This report provides an overview of how the Committee operated and an insight into the Committee's activities. The Committee is responsible for reviewing the composition of the Boards and the Senior Leadership Team. It also considers succession planning and training.

Committee structure

The membership of the Committee, which remained unchanged during the period under review, comprises Ian Gray (Chairman), Kevin Clancy and Mary Clancy.

Meetings

The Committee had three meetings during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only and may include the Chief Executive Officer and Human Resources Director.

Roles and responsibilities

The main duties of the Nomination Committee are set out in its terms of reference, which have been agreed with the Board. We monitor and regularly review the structure, size, and composition (including the skills, knowledge, experience and diversity) of the Senior Leadership Team and make recommendations for changes. We consider succession planning for Directors and other Senior Executives, in addition to a talent review whereby we consider the skills and expertise needed in the future.

In the period under review the Committee discussions included the following:

- Related party transactions;
- New Operational Director roles (including South West Water, Civil Engineering and Energy);
- Succession planning for the Board and senior roles; and
- Organisational design.

Ian Gray
On behalf of the Nomination Committee

Capital & Investment Expenditure Committee Report

Dear Shareholder,

This report provides an overview of how the Committee operated and an insight into the Committee's activities. The Committee is responsible for reviewing the annual capital investment and expenditure budget in detail and preparing the submission for approval by the Board and monitoring the ongoing transactional performance throughout the year ensuring compliance with the agreed annual budget.

Committee structure

The membership of the Committee, which remained unchanged during the period under review, comprises four members, Kevin Clancy (Chairman), Matthew Cannon, Nick Blaber and David Pegg.

Meetings

The Committee had three meetings during the period under review. Attendance at meetings of the Committee by non-members is by invitation and at the discretion of the Committee Chairman only and may include the Directors of Clancy Plant, Clancy Traffic Management together with the Head of IT and the Group Treasurer.

Roles and responsibilities

The main duties of the Capital & Investment Expenditure Committee are set out in its terms of reference, which have been agreed with the Board. We consider and approve, if appropriate, all capital expenditure and investment proposals contained within the original annual capital expenditure budget up to a specific value. We consider and make recommendations to the Board for any capital and investment expenditure proposals above a specific value that are not contained within the original annual budgets. Additionally, we monitor and regularly review the performance of capital expenditure and investment expenditure against original projections.

In the period under review the Committee discussions included the following key items:

- Approval of the annual capital expenditure & investment budgets for 2024-25;
- Anticipated return on capital employed for individual items including payback period; and
- Investment in solar panels at Head Office.

Kevin Clancy
On behalf of the Capital & Investment Expenditure Committee

S172 Statement

Statement of Director's duties to Stakeholders

In accordance with Section 172 of the Companies Act 2006, the Directors Report that they have discharged their responsibilities in the following areas:

Long-term consequences of actions

As a family-owned business operating mainly under long-term framework agreements, the Group is run in the interests of long-term resilience and success.

The Directors always consider the possible long-term consequences of any proposed course of action, including safety, financial impacts and reputation with all Stakeholders. The Directors strongly believe that the long-term relationships that we have with most of our clients have enabled the business to deal with the twin challenges of significant cost inflation and a competitive labour market during the period ended 31 March 2024.

The interests of the Company's employees

Clancy is proud to directly employ more than 2,000 people with many long-serving employees and employees coming from the same families. Throughout 2024 we have continued with the initiatives we established in previous periods to ensure that we remain engaged with our single most important asset, our people.

A series of live presentations, including quarterly updates by the CEO and CFO were made by the Executive Team and Senior Managers, via Microsoft Teams, to the entire workforce to update on business performance and current initiatives from both an operating and wellbeing perspective. Time is set aside as part of these meetings to provide the opportunity for employees, anonymously if desired, to ask questions of the Executive Team.

During the year, the Group introduced the 'Clancy Ideas Yard', engaging and rewarding key initiatives put forward by our employees. Winning ideas across the period included 'Corrigan's Carrot' - a device to reduce the risk of serious power incidents when drilling and a 'Clancy Grab Bag' full of life saving emergency equipment which can be used when working in more remote locations.

Health and Safety is an integral part of the operations of the Group and ensuring that our workforce and members of the public are kept safe is paramount in all our daily activities. During the reporting period the Group continued to hold 'stand downs' at its operating sites in April and September which focused specifically on the perception of risk and driver behaviour.

The company has also continued its programme of engagement with the workforce regarding wellbeing. During the second year of operation of the Group's Health and Wellbeing Council, the workforce was updated on a number of key health issues including stress, mental health awareness and heart health.

Although 2023-24 has been characterised by a fall in the rate of inflation faced by the UK economy, CPI down from 10.1% in April 2023 to around 3.2% in March 2024, the financial impact of this increase on employee wellbeing has continued to be a key concern for the Directors during the period. Consequently annual, across the board pay increases, in line with industry indices were made in March 2024. During the period, the Group also made a one off gift card award at Christmas to all employees and partnered with Salary Finance Ltd, a company which provides access to affordable loans repaid through salary, simple savings and financial education, to help the Group's employees take control of their money. The Group also changed its Occupational Health Provider, commenced a new cycle of health screenings and extended its coverage of the Group's occupational health scheme.

'Celebrating Clancy' is the Group's platform for giving recognition to those demonstrating the behaviours and values we champion. Each business area nominates and chooses its winners, who then progress to a Group stage where overall winners are chosen.

The local award winners for 2023-24 were announced in March 2024 and we held an enlarged ceremony celebrating the national winners in July for the previous financial period.

Relationships with suppliers and customers

The Group specialises in working with regulated utilities, where contracts typically run for at least five years and relationships often far longer. The Group enjoys constructive relationships with its clients based on the values that have long been part of who we are. We aim to have multiple points of contact with each client to ensure that we remain aligned with their expectations. Our independence as a business allows us to prioritise senior relationship-building, making sure that we are accessible, and committed to doing what we say.

Our supplier base is wide and includes frameworks negotiated by our clients as well as ourselves. As with our clients, many relationships are long-standing, and we recognise the importance of our supply chain partners to the success of the business. We aim to treat all suppliers equally, and most importantly to pay them in line with contractual terms. The Group offers support to its smaller subcontractor base through offering early payment terms where possible. In July 2023, the Group welcomed over 200 people to its first ever Discovery Day held at the head office, in Harefield. It was an opportunity for us to share our mission, vision and values as a business and equally importantly, to hear their feedback on us, so that we can further enhance how we work together.

Our published Payment Practices and Performance reports show that we improved the average time to pay suppliers in the period October 2023 to March 2024 from 39 to 37 days and that 89 per cent were paid within terms over the same period compared to 85 per cent for the same period last year.

Impact on the community and the environment

Community impact is of increasing importance to our utility clients, and we would not be successful in this area if we were not contributing positively to their performance.

We continue to focus on:

- Providing exemplary levels of service to our clients' customers and the wider community;
- Minimising the impact of our works (which can by their nature be inherently disruptive);
- Providing the operational response to keep our clients' customers in supply at any time in any conditions; and
- Reducing the number of environmental incidents.

In 2020-21 we launched the Clancy Charitable Foundation, with the aim of investing more directly in the communities we serve. The Group contributed a further £100,000 to the Foundation which during the year has supported local communities through donations to foodbanks, local youth based initiatives and local charities as well as supporting its employees by match funding their own charitable activities.

The most critical area of our activity around environment sustainability is a focus on the reduction of carbon emissions. It is also the most challenging. Reducing fuel spend per £million of revenue miles travelled is a key measure for our Contract Directors and whilst we have seen significant success in reducing our footprint over the year, we recognise that investment will need to be maintained to achieve industry-wide net zero targets.

Over the 12 months, we have continued to seek ways in which to minimise our carbon footprint, by continuing to invest in our electric company car fleet, installing solar panels at the Group's head offices in Harefield and purchasing an increased range of solar powered plant and equipment.

We are also assessing our driving patterns and multi-skilling our teams to reduce the need for multiple site visits on projects.

Business conduct

As outlined in the statements above, the Shareholders and Directors of the Group place a high value on the reputation of the business - which is primarily influenced by the conduct of its Officers.

This is best summed up by the value 'we do what we say', and this is the standard that the Directors apply to themselves and to others in the organisation to judge what is appropriate. Within contracting, there will always be a tension over how contracts are won, interpreted, and applied and the tight margins of the sector mean that we need to be commercially robust. However, we believe that the length of our client (and supplier) relationships best demonstrates that we usually strike the right balance.

Acting fairly between members

The Shareholders of the Group are all members of the Clancy family but have differing levels of involvement in the running of the business. Fair and equal treatment is achieved via the following mechanisms which remain in place:

- A Shareholders Agreement is in place for Clancy Group Holdings Limited, along with the memorandum and Articles of Association, defining the relationship between Shareholders and the Business;
- A designated family Non-Executive Director (NED) sits on the Clancy Group Holdings Limited Board and is the independent conduit for family questions or concerns;
- The Annual General Meeting includes an update from the Directors to members or their representatives on the performance and plans of the business and allows them to question management;
- A Family Assembly takes place annually, attended by all family members (Shareholders or not) and the Board. This is supplemented by quarterly family update meetings at which the family receives a presentation from the management on company current and planned future performance; and
- The Board Nominations Committee, comprises of two family NED's and one independent NED, approves the appointment of any family members to posts within the Group, and the Remuneration Committee approves their terms and conditions of employment.

During the financial period, the Group appointed an additional independent NED to further facilitate the management of the expectations of the Groups key internal and external Stakeholders.

Principal risks and uncertainties facing the business

The business operates in a contracting environment that carries certain inherent risks and ongoing global events over the recent period have been a reminder that not all risks can be anticipated. The Company however maintains a register of known risks and reviews its responses periodically to ensure that it is operating within its risk appetite. This process is overseen annually by the Audit & Risk Committee along with a review of risk.

The Group is close to the end of its long-term 5-year plan and remains on track to retain all of its long-term targeted contracts. The recent success at retaining and winning work combined with the ongoing demand for infrastructure renewal in the UK provides reasonable assurance that the Group's position within its marketplace is secure.

The last 12 months has seen a number of financial headlines concerning the financial wellbeing of some of the key providers and maintainers of the UK's water supply infrastructure. Although during the period the Group's operations have not been significantly impacted financially by those companies at the subject of these headlines, the Group and its Board of Directors, continue to remain vigilant in respect of its view that the sector retains a credible long-term proposition.

Safety
The Group's activities by their nature can be hazardous and the Group continuously monitors its health, safety and environmental performance through regular audits and data analytics. Failure to manage these risks adequately would expose the Group to both reputational damage and financial liability.

At all Board, Executive and operational meetings, health and safety is the first item on the agenda. The Board focuses on our health and safety culture, with zero tolerance of unsafe behaviour, and ensuring that its workforce is trained to undertake our work safely.

Contract risk
The Group has both long-term framework agreements and short-term contracts which expose the Group to a range of risks. Failure to manage these could expose the business to financial loss or reputational damage.

The Group's largest client sector is regulated water, which works to 5-year business plans defined by regulatory price controls and typically aligns its contracting arrangements with these periods.

We maintain a long forward order book, with most of our work secured through multiyear frameworks. Although these term contracts typically have no guaranteed revenue levels, the length of the contracts allows us to develop mature client/contractor relationships and deal with contractual issues as they arise, building further on the collaborative approach we adopt with many of our clients.

Contracts in progress are reviewed cumulatively and end-life forecasts maintained to identify potential overruns or losses. Where identified, any anticipated loss is recognised in full.

People
The Group depends on its Executive Team, management and its highly skilled and motivated workforce. We operate in an environment where ongoing investment in infrastructure and labour shortages across the economy are creating an increasingly competitive market for talent. The Group measures staff turnover and continually reviews ways to retain and attract talent. During the period of review the Group applied for and won government funding to provide targeted sector training for both new and existing direct employees throughout the next financial period. Such training will help fill vacancies created by the labour shortages referred to above.

Inflation
During the financial period, all sectors of the economy experienced elevated levels of inflation, although the rate fell considerably in the second half of the year. Contractual mechanisms allow the Business to mitigate some of the financial impact, but the Group is aware of the long-term impact of the inflationary spike on the Business, our clients and our staff. Looking forward the Group will continue to seek improved and more efficient methods to manage its cost base and meet any further challenges in its commercial environment.

Cyber
All sectors are experiencing a sharp increase in cyber-attacks. We have our Business has invested considerable effort in a response plan, with an emphasis on awareness and training along with strengthening our IT defences, and we will continue to monitor and respond to changing threats.

Process compliance
Failure to comply with documented process can lead to a number of unwanted outcomes, including injury, financial loss and loss of accreditation. The Group has invested heavily in systems, processes and training, and will continue to do so to ensure that the risk of lack of process awareness is minimised. This is backed up by a system of audit to provide assurance that processes are being followed, and to highlight areas where we need to do better.

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

Directors' Report

The Directors present their annual report and consolidated financial statements for the 52-week period ended 31 March 2024.

Principal activities

The Group's continuing activities during the financial year were civil engineering, construction, utilities contracting and residential development.

Directors

The Directors who served during the 52-week period and up to the date of signature of the financial statements were as follows:

N J Blaber
M S Cannon
K T Clancy
M P Clancy
I A Gray
T McGinness appointed on 1 January 2024
D Pegg appointed on 1 April 2024
R Clancy appointed on 1 April 2024

The Company's approach to the appointment and replacement of Directors is governed by its Articles of Association and all relevant legislation. The powers of the Directors is determined by the Articles of Association, the Companies Act 2006, and other relevant legislation.

Results and dividends

The results for the 52-week period are set out on page 42. Further commentary is provided in the Strategic Report beginning on page 8.

Ordinary dividends of £12,376,000 were authorised for payment in the period (see note 12 and note 34 of the Group's consolidated financial statements). The Directors recommend the payment of further dividends of £2,294,500.

Qualifying third party indemnity provisions

The Group has made qualifying third-party indemnity provisions for the benefit of the Directors of all entities in the Group during the 52-week period. These provisions remain in force at the reporting date.

Environmental Reporting

The Group's Streamlined Energy & Carbon Reporting Statement set out on page 69 is included by reference within this Directors' report. During the period the Group's total emissions are 22,094.08 tonnes of $C0_2$ (tCO_2e) with an intensity ratio of 58.37 tCO_2e per million pounds turnover.

Financial instruments

The Group's principal financial instruments consist mainly of hire purchase and leasing liabilities which are due after one year.

Credit and cash flow risk from trade receivables and amounts recoverable on contracts are managed through policies on payment terms, and regular reviews of the balance and age of amounts outstanding. Liquidity risk in respect of trade payables is managed by ensuring sufficient funds are available to meet amounts falling due.

Employees and Disabled persons

The Group provides quarterly updates to ensure employees are updated on matters of concern to them in addition to updates on the financial and economic factors affecting the Group's performance. These policies and processes are discussed further on pages 10 to 12 of the CEO's report.

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event that a member of staff becomes disabled, every effort is made to ensure that their employment with the Group continues, and that adjustments or training are provided as appropriate. The Group's policies ensure that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Company information

Directors	Secretary	Registered office	Auditor	Bankers
N J Blaber M S Cannon K T Clancy M P Clancy I A Gray T McGinness D Pegg R Clancy	D Pegg **Company number** 12500720	Clare House Coppermill Lane Harefield Uxbridge Middlesex UB9 6HZ	PricewaterhouseCoopers LLP 40 Clarendon Road Watford WD17 1JJ	National Westminster Bank PO BOX 12258 1 Princes Street London EC2R 8BP

Strategic Report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's Strategic Report information required by Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. It has done so in respect of principal risks and uncertainties.

Post reporting date events

No material events have taken place since balance sheet date, and the Group has continued to trade in line with expectations.

Future developments

The healthy financial position of the business leaves the Board able to focus on the future, and the direction is best summarised by the Strategic Priorities set out on page 4.

Independent Auditor

During the year the Audit & Risk Committee re-appointed PricewaterhouseCoopers LLP ('PwC') as independent auditor.

Corporate Governance

The Group is fully committed to high standards of corporate governance. A description of the Company's management and reporting structure are given in the Governance Report pages 26 - 28.

Directors' responsibilities

The Directors are responsible for preparing the Annual Report and the Group's 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and applicable law).

Directors must not approve the financial statements unless they are satisfied that the financial statements 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 the financial statements, the Directors are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for 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 also responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

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

Directors' confirmations

In the case of each person who was a Director of the Company at the time this Directors' Report was approved confirm that, so far as they are aware, there is no relevant audit information of which the Company's auditors is unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors is aware of that information.

On behalf of the Board

K T Clancy
Director

Date: 10 September 2024

Auditor's Report

Independent auditor's report to the members of Clancy Group Holdings Limited. Report on the audit of the financial statements.

Opinion

In our opinion, Clancy Group Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- Give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2024 and of the group's profit and the group's cash flows for the 52-week period then ended;
- Have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Consolidated Financial Statements (the "Annual Report"), which comprise: the Consolidated statement of financial position and Company statement of financial position as at 31 March 2024; the Consolidated statement of comprehensive income, Consolidated statement of cash flows, Consolidated statement of changes in equity and Company statement of changes in equity for the period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Strategic report and the Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Directors' Report
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 period ended 31 March 2024 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and the Directors' report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Director's' responsibilities, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the company or to cease operations, or have no realistic alternative but to do so.

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

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the Companies Act 2006, tax (including employment taxes, corporation tax and VAT), and the Pensions Act 2014, and we considered the extent to which non-compliance might have a material effect on the financial statements. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting journals to modify revenue or profit and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Challenging assumptions and judgements made by management in their accounting estimates;
- Identifying and testing journal entries, in particular certain journal entries posted with unusual account combinations; and
- Reviewing legal expenses both during the financial year and up to the date of signing the financial statements to identify any potential contingent liabilities in relation to non compliance with laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.
A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting
Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Matthew Mullins (Senior Statutory Auditor)
for and on behalf of
PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Watford

10 September 2024

Consolidated financial statements

Consolidated statement of comprehensive income

For the 52-week period to 31 March 2024

	Notes	52-week period to 31 March 2024 £'000	52-week period to 2 April 2023 £'000
Revenue	**3**	378,510	334,495
Cost of sales		(340,107)	(299,612)
Gross profit		**38,403**	**34,883**
Administrative expenses		(18,669)	(20,865)
Other operating income	**4**	495	-
Operating profit	**7**	**20,229**	**14,018**
Investment income	**9**	1,943	1,014
Finance costs	**10**	(1,272)	(1,533)
Profit before taxation		**20,900**	**13,499**
Tax on profit	**11**	(4,890)	(2,076)
Profit for the financial period		**16,010**	**11,423**
Other comprehensive (expense) / income net of taxation			
Actuarial (loss) / gain on defined benefit pension scheme		(207)	3,807
Tax relating to other comprehensive (expense) / income		52	(1,032)
Total comprehensive income for the financial period		**15,855**	**14,198**

There were no discontinued operations in the financial period ended 31 March 2024. Profit and total comprehensive income for the financial period is all attributable to the owners of the Group.

The notes on pages 48 to 68 form part of these financial statements.

Consolidated statement of financial position

As at 31 March 2024

	Notes	31 March 2024 £'000	2 April 2023 £'000
Fixed assets			
Property, plant and equipment	**13**	39,605	37,802
Investments	**14**	5	5
		39,610	37,807
Current assets			
Inventories	**17**	5,981	6,729
Debtors - amounts falling due in less than one year	**18**	58,844	51,913
Cash and cash equivalents		34,194	42,914
		99,019	101,556
Creditors: amounts falling due within one year	**19**	(69,534)	(73,742)
Net current assets		29,485	27,814
Total assets less current liabilities		69,095	65,621
Creditors: amounts falling due after more than one year	**20**	(15,914)	(17,087)
Defined benefit pension asset	**24**	6,754	6,643
Provision for other liabilities	**23**	(1,956)	(677)
Net assets		**57,979**	**54,500**
Equity			
Called up share capital	**25**	130	130
Merger reserve	**26**	9,373	9,373
Retained earnings	**26**	48,476	44,997
Total equity		**57,979**	**54,500**

The notes on pages 48 to 68 form part of the financial statements. The financial statements on pages 42 to 68 were approved by the Board of Directors and authorised for issue on 10 September 2024.

They were signed on its behalf by:

M S Cannon
Director

K T Clancy
Director

Company statement of financial position

As at 31 March 2024

	Notes	31 March 2024 £'000	2 April 2023 £'000
Fixed assets			
Property, plant and equipment	**13**	12,504	11,057
Investments	**14**	130	130
		12,634	**11,187**
Current assets			
Debtors	**18**	25,464	20,019
Cash and cash equivalents		948	1,022
		26,412	**21,041**
Creditors: amounts falling due within one year	**19**	(18,220)	(11,195)
Net current assets		8,192	9,846
Total assets less current liabilities		20,826	21,033
Creditors: amounts falling due after more than one year	**20**	(15,814)	(15,814)
Net assets		**5,012**	**5,219**
Equity			
Called up share capital	**25**	130	130
Retained earnings	**26**	4,882	5,089
Total equity		**5,012**	**5,219**

As permitted by s408 Companies Act 2006, the Company has not presented its own income statement and related notes as it prepares Group financial statements. The Company's profit and total comprehensive income for the financial period were £12,169,000 (2023: £5,682,000).

The notes on pages 48 to 68 form part of the financial statements.

The financial statements on pages 42 to 68 were approved by the Board of Directors and authorised for issue on 10 September 2024.

They were signed on its behalf by:

M S Cannon
Director

K T Clancy
Director

Consolidated statement of changes in equity

For the 52-week period to 31 March 2024

	Call up Share Capital £'000	Merger reserve £'000	Retained earnings £'000	Total £'000
Balance at 4 April 2022	**130**	**9,373**	**36,623**	**46,126**
Period ended 2 April 2023:				
Profit for the financial period	-	-	11,423	11,423
Other comprehensive income net of tax:				
Actuarial gain on defined benefit plans	-	-	3,807	3,807
Tax relating to other comprehensive income	-	-	(1,032)	(1,032)
Total comprehensive income for the financial period attributable to the owners of the Group	-	-	14,198	14,198
Dividends (note 12)	-	-	(5,824)	(5,824)
Balance at 2 April 2023	**130**	**9,373**	**44,997**	**54,500**
Period ended 31 March 2024:				
Profit for the financial period	-	-	16,010	16,010
Other comprehensive (expense) net of tax:				
Actuarial (loss) on defined benefit plans	-	-	(207)	(207)
Tax relating to other comprehensive (expense)	-	-	52	52
Total comprehensive income for the financial period attributable to the owners of the Group	-	-	15,855	15,855
Dividends (note 12)	-	-	(12,376)	(12,376)
Balance at 31 March 2024	**130**	**9,373**	**48,476**	**57,979**

Company statement of changes in equity

For the 52-week period to 31 March 2024

	Call up Share Capital £'000	Retained earnings £'000	Total £'000
Balance at 4 April 2022	**130**	**5,231**	**5,361**
Period ended 2 April 2023:			
Profit for the financial period	-	5,682	5,682
Total comprehensive income for the financial period attributable to the owners of the Company	-	5,682	5,682
Dividends (note 12)	-	(5,824)	(5,824)
Balance at 2 April 2023	**130**	**5,089**	**5,219**
Period ended 31 March 2024:			
Profit for the financial period	-	12,169	12,169
Total comprehensive income for the financial period attributable to the owners of the Company	**-**	12,169	12,169
Dividends (note 12)	-	(12,376)	(12,376)
Balance at 31 March 2024	**130**	**4,882**	**5,012**

Consolidated statement of cash flows

For the 52-week period to 31 March 2024

	Notes	2024 £'000	2023 £'000
Cash flows from operating activities			
Cash generated from operations	**27**	16,268	21,592
Interest paid		(202)	(240)
Income taxes paid		(4,088)	(1,213)
Net cash inflow from operating activities		**11,978**	**20,139**
Investing activities			
Purchase of property, plant and equipment		(11,342)	(3,392)
Proceeds on disposal of property, plant and equipment		3,092	3,772
Interest received		1,036	462
Dividends received		-	-
Net cash (used in) / generated from investing activities		**(7,214)**	**842**
Financing activities			
Preference share dividends paid		(475)	(475)
Payment of finance lease obligations		(2,204)	(2,742)
Dividends paid to equity shareholders	**34**	(10,805)	(3,078)
Net cash used in financing activities		**(13,484)**	**(6,295)**
Net (decrease) / increase in cash and cash equivalents		**(8,720)**	**14,686**
Cash and cash equivalents at the beginning of the period		**42,914**	**28,228**
Cash and cash equivalents at the end of the period		**34,194**	**42,914**
Relating to: Cash at bank and in hand		**34,194**	**42,914**

Notes to the financial statements

For the 52-week period to 31 March 2024

1. Accounting policies

Company information
Clancy Group Holdings Limited ("the Company") is a private company limited by shares and is registered and incorporated in the United Kingdom. The registered office is Clare House, Coppermill Lane, Harefield, Uxbridge, Middlesex, UB9 6HZ.

The Group consists of Clancy Group Holdings Limited and all of its subsidiaries.

The Group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention
These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in Sterling, which is the functional currency of the Company and Group. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal adopted accounting policies, which have been applied consistently with the previous period are set out below.

Reduced disclosures
The Company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group. The Company has therefore taken advantage of the exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for financial instruments not measured at fair value, basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel and the exemption from disclosing related party transactions between wholly owned subsidiary undertakings within the same group.

Company statement of comprehensive income
As permitted by Section 408 Companies Act 2006, the Company has not presented its own Statement of Comprehensive Income as it prepares group financial statements and the Company Statement of Financial Position shows the Company's profit or loss for the financial period.

Basis of consolidation
The consolidated financial statements incorporate those of Clancy Group Holdings Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

In June 2020, the Group undertook a corporate re-organisation in order to rationalise the group structure. This reorganisation met the conditions to qualify for the use of the merger accounting methodology set out in Section 19 of FRS 102, and the Directors have accordingly applied this approach. Hence, these financial statements have been prepared under merger accounting and the Group financial statements have been presented as if the Company and the subsidiary undertakings had always been combined.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

In relation to joint arrangements, the Group accounts directly for its share of the assets, liabilities and cash flows arising from those joint arrangements in accordance with FRS 102 Section 15.

Business combinations
The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably and is adjusted for changes in contingent consideration after the acquisition date. Contingent consideration is discounted, if material.

Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date.

The merger method of accounting is applied to Group reconstructions as if the entities has always been combined. The total comprehensive income, assets and liabilities of the entities are amended, where necessary to align the accounting policies. The carrying values of the entities' assets and liabilities are not adjusted to fair value. Any difference between the nominal value of shares issued plus the fair value of other consideration and the nominal value of shares received is taken to other reserves in equity.

Intangible assets
Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of identifiable assets and liabilities of a subsidiary, at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed.

Going concern
The Group's business activities, together with the factors likely to affect its future development, performance and financial position are set out in the Strategic report and the Directors' report.

The Group meets its day to day working capital requirements through cash generated by the operations of its subsidiaries.

The Directors have considered the appropriateness of preparing financial statements on a going concern basis and have concluded that this treatment is appropriate as they are confident that the business is a going concern. In reaching this conclusion, the Directors considered:

Liquidity: The business started the 2024/25 financial period with cash balances close to £34m and no net debt;

Consideration of the Group's forward-looking forecasts cover the budget period to 31 March 2025 as well as long-term forecasts covering the period ended March 2026 which are based upon the Group's 5 year Long Range Plan. This gives a coverage period that the Directors believe is the most appropriate to assess with any certainty at this time. These forecasts have then been high-level stress tested, based on a worst case and reasonable worst case trading scenario, to identify what impact each of these scenarios would have on the Group's cash flow and financial position. Neither case resulted in the Group requiring any mitigating factors, such as raising third party debt, to continue with its existing business operations and even under the worst-case scenario significant cash balances, circa £34m, were retained;

The existence of further cash the business expects to unlock from specific contracts which have high receivables balances, which the Directors consider are collectable;

The nature of our contracts and client base, which provides a relatively predictable baseline revenue level even during the recent lockdowns. In addition, we are seeing strong demand for infrastructure investment and expect to have opportunities to take on additional work in the coming months, both from existing and new clients; and

The low bad debt exposure resulting from working mainly for regulated utility providers.

The Directors have considered these factors, the likely performance of the business and possible alternative outcomes, the financing facilities available to the Company and Group and the possible actions that could be taken should new facilities not be available in the future.

Having taken all these factors into account, at the time of approving the financial statements, the Directors have a reasonable expectation that the Company and Group have adequate resources to continue in operational existence for the foreseeable future. Therefore, the Directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Reporting period
The results cover the 52-week period ended 31 March 2024. The previous financial period was for the 52-week period ended 2 April 2023. The company operates on a 4:4:5 reporting calendar which the Directors believe enables the operations of the business to be reported most effectively.

These financial statements have been prepared under merger accounting and the Group financial statements have been presented as if the Company and the subsidiary undertakings had always been combined.

Revenue
i) Civil engineering and utilities contracting
Revenue represents the value of work done during the financial period net of value added tax. The value of work done is calculated as the certified work, plus the amount anticipated to be certified, adjusted for over and under measure.

ii) Residential development
Revenue from residential development represents the amounts receivable from the sale of properties and other income directly associated with property development. Properties are treated as sold at the point control of the unit is passed to the customer, which has been determined as the point of legal completion.

iii) Hire of plant
Revenue from hire of plant is recognised on an accruals basis over the hire period, when the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

iv) The service of traffic management
Revenue from traffic management is recognised when the outcome of the transaction can be recognised reliably, on completion of each project undertaken.

Property, plant and equipment
Property, plant and equipment are initially measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following straight line bases:

Freehold land	not depreciated
Freehold buildings	depreciated over 40 years
Freehold and leasehold land and buildings	depreciated over 40 years
Furniture, fittings, plant and equipment	2-10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to profit or loss.

In prior periods no depreciation was charged on freehold buildings as the directors believed that any charge would be immaterial on the basis of the policy of upkeep and useful economic lives of the properties. Following an intra group property transfer and a review of discounted future residual values and useful economic lives, the directors now believe that, although still largely immaterial to the Group's consolidated financial income statement, going forward and in line with best accounting practice in this area, the Group's freehold buildings will be depreciated over their revised remaining useful economic life of 40 years. No prior year adjustment is required as this represents a change in the useful economic life of the buildings.

Fixed Investments
Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment, until a realisable measure of fair value becomes available.

In the Parent Company financial statements, investments in subsidiaries and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Entities in which the Group has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

Exceptional items
Items that are material in size or non-operating in nature are presented as exceptional items in the income statement. The Directors are of the opinion that the separate recording of exceptional items provides helpful information about the Group's underlying business performance. Examples of events, which may give rise to the classification of items as exceptional include, inter alia, restructuring of businesses, gains and losses on disposal of properties, impairment of goodwill, non-recurring income and one-off curtailment costs associated with the closure of defined benefit schemes.

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

Impairment of non-current assets
At each reporting period end date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Inventories
Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Inventory items are held for consumption in the process of delivering construction contracts.

Cost is arrived at based upon the following bases:

i) Estate development
Comprises the cost of development land, which represents the acquisition costs of that land including incidental expenses, and the cost of direct materials, labour, plant hire and the overheads relating to each contract in progress. Provision is made for losses, in full, on all projects in the financial period in which they are first foreseen.

ii) Raw materials and consumables
Cost of raw materials is determined on the first in first out basis. Net realisable value is the price at which the stock can be realised in the normal course of business.

iii) Bulk fuels and spare parts
Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Utility and related contracts
When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately and a provision for losses on contracts is recognised as a component of creditors.

Where the outcome of a utility and related contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. Costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, and they are not included in contract costs if the contract is obtained in a subsequent period.

The value of work done is calculated as the certified work, plus the amount anticipated to be certified, allowing for over and under measure. This is used to determine the appropriate amount to recognise as income in a given period.

Amounts due from contract customers (amounts recoverable on contracts) at the period end are included in debtors and are calculated at the estimated value of work done at the period end date that has not been invoiced.

Cash and cash equivalents
Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and other financial institutions, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments
The Group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets
Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets
Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably, are measured at cost less impairment.

Employee benefits
The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received. Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirements benefits
For defined contribution schemes the amount charged to profit or loss is the contributions payable in the financial period. Differences between contributions payable in the financial period and contributions actually paid are shown as either accruals or prepayments. The Group also operates an employees' defined benefit scheme, the details of which are outlined below. The scheme is closed to new entrants and no further contributions will be made to the scheme, apart from contributions to meet the shortfall in funding as a result of the deficiency of assets.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the financial period is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit asset / liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The net defined benefit pension asset in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

Impairment of financial assets
Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets
Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

Basic financial liabilities
Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities
Financial liabilities are derecognised when, and only when, the Group's contractual obligations are discharged, or cancelled, or they expire.

Equity instruments
Equity instruments issued by the Group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Group.

Taxation
The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Deferred tax
Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the Group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Current tax
Current tax is based on taxable profit for the financial period. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Leases
Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases. Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.
Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Government grants
Government grants are recognised at the fair value of the assets receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify conditions, it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is shown as a liability.

2. Judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, the Directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. 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 the revision and future periods where the revision affects both current and future periods.

Critical judgements
The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases
In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Group as lessee.

Key sources of estimation uncertainty
The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Assessing indicators of impairment
In assessing whether there have been any indicators of impairment of current assets, the Directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability. In respect of the current period, any impairments of bad and doubtful trade debtor balances have been recognised in the financial statements.

In assessing the indicators of impairment to freehold and leasehold land and buildings, the Directors reviewed the values of the properties using internal knowledge of the property market and obtaining third party opinions where needed. Management estimate the expected realisable value of stock and WIP by considering both external and internal sources of information such as historic performance of similar properties and market conditions.

Deferred tax
Deferred tax assets are recognised for all timing differences to the extent that it is probable they will be recoverable against the reversal of a deferred tax asset at the rate of taxation expected at that date. At the reporting end date there were no deferred tax assets.

Revenue recognition in respect of amounts recoverable on contracts
The Group uses estimation techniques to determine amounts recoverable on contracts at the period end. This requires the Directors to estimate the value of work completed on projects at the period end in order to recognise the revenue attributable to this in the correct period.

Recoverability of receivables
The Group establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the Directors consider factors such as the ageing of the receivables and past experience of recoverability.

Estimating value in use
Where an indication of impairment exists, the Directors will carry out an impairment review to determine the recoverable amount, which is the higher of fair value less cost to sell and value in use. The value in use calculation requires the Directors to estimate the future cash flows expected to arise from the asset or the cash generating unit and a suitable discount rate in order to calculate present value.

Determining residual values and useful economic life of non-current assets (property, plant and equipment)
The Group depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Group would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

Onerous contracts
Management produce detailed contract budgets and end of life forecasts in order to assess the total costs to complete open contracts and assess the final forecast contract margin. Where these forecasts suggest an overall loss will be recorded on the contract, a full provision for the loss expected on the onerous contract is recorded. There is a degree of management estimation in determining the level of total estimated costs for a project.

Defined benefit pension scheme
In measuring the estimated defined benefit pension obligation, management uses a set of assumptions. This set of assumptions are derived with the involvement of a qualified third party actuary and requires significant judgement in considering whether they are appropriate. Given the sensitive nature of these assumptions, the resulting impact on the obligation recognised at the period end and future periods may change. The assumptions selected and additional information is provided in note 24.

3. Revenue

	2024 £'000	2023 £'000
Revenue analysed by class of business		
Civil engineering utilities contracting	376,179	329,389
Residential property development	1,084	1,782
Plant hire	595	2,125
Traffic management	652	1,199
	378,510	334,495

The Group's revenue is generated solely from its activities in the United Kingdom.

4. Other operating income

	2024 £'000	2023 £'000
Other operating income	495	-

Other operating income represents the profit on the sale of the Group's interest in a freehold property in the year.

5. Employees

The average monthly number of persons (including Directors) employed by the Group and Company during the period was:

	Group 2024 No.	Group 2023 No.	Company 2024 No.	Company 2023 No.
Directors and senior management	64	60	-	-
Management & supervisory staff	492	490	-	-
Operatives	1,307	1,295	-	-
Administration	305	297	-	-
	2,168	2,142	-	-

Their aggregate remuneration comprised:

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Wages and salaries	101,322	97,507	-	-
Social security costs	10,946	10,477	-	-
Pension costs	2,804	2,866	-	-
	115,072	110,850	-	-

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

6. Directors' remuneration

	2024 £'000	2023 £'000
Group		
Wages and salaries	3,810	3,656
Pension costs	60	64
	3,870	3,720

Remuneration disclosed above includes the following amounts paid to the highest paid Director:

	2024 £'000	2023 £'000
Wages and salaries	1,028	1,052
Pension costs	10	4

The number of Directors for whom retirement benefits are accruing under defined contribution scheme amount to 6 (2023:5).

7. Operating profit

	2024 £'000	2023 £'000
Operating profit for the financial period is stated after charging/(crediting):		
Depreciation - owned assets	6,169	7,157
Depreciation - assets held under finance leases	1,609	2,298
Profit on disposal of property, plant and equipment	(1,487)	(903)
Operating lease charges	5,181	3,499

8. Auditors' remuneration

	2024 £'000	2023 £'000
Fees payable to the Company's auditors and their associates:		
For audit services		
Audit of the financial statements of the Group and Company	137	152
Audit of the financial statements of the Company's subsidiaries	98	83
	235	235
For other services		
Taxation compliance services	-	-
Other taxation services	-	-
All other non-audit services	26	-
	26	-

9. Investment income

	2024 £'000	2023 £'000
Interest income		
Interest on bank deposits	1,030	453
Interest on defined benefit asset	913	552
Total interest revenue	1,943	1,005
Other income from investments		
Dividends received	-	9
Total investment income	1,943	1,014

10. Finance costs

	2024 £'000	2023 £'000
Dividends on preference shares not classified as equity	474	475
Interest on finance leases and hire purchase contracts	203	240
Loss on settlement of defined benefit pension scheme liability	-	335
Interest on the defined benefit liability	595	483
Total finance costs	1,272	1,533

11. Tax on profit

	2024 £'000	2023 £'000
Current tax		
UK corporation tax on profits for the period	3,712	2,597
Adjustments in respect of prior periods	(153)	(573)
Total current tax	3,559	2,024
Deferred tax		
Origination and reversal of timing differences	1,594	26
Over provided in prior years	(263)	26
Total deferred tax	1,331	52
Total tax charge	4,890	2,076

The total tax charge for the period included in the consolidated statement of comprehensive income is lower (2023: lower) than the tax charge based upon the standard rate and can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

11. Tax on profit (continued)

	2024 £'000	2023 £'000
Profit before taxation	20,900	13,499
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2023: 19%)	5,225	2,565
Tax effect of expenses that are not deductible in determining taxable profit	80	54
Adjustments in respect of prior periods	(415)	(547)
Effect of change in corporation tax rate	-	4
Taxation charge	4,890	2,076

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2024 £'000	2023 £'000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(52)	1,032

In the Finance Bill 2021, it was also announced that the UK tax rate would increase to 25% from 1 April 2023. Consequently, deferred tax is recognised at 25% in the current period (2023: 25%).

12. Dividends

	2024 £'000	2023 £'000
Interim paid - £0.74 (2023: £0.48) per Ordinary share	962	624
Interim paid - £1.03 (2023: £0.00) per Ordinary share	1,339	-
Interim Special dividend paid - £4.00 (2023: £0.00) per Ordinary share	5,200	-
Special Final paid - £3.75 (2023: £4.00) per Ordinary share	4,875	5,200
	12,376	5,824

13. Property, plant and equipment

Group	Freehold land and buildings £'000	Furniture, fittings, plant and equipment £'000	Total £'000
Cost			
At 3 April 2023	13,079	63,099	76,178
Additions	-	11,187	11,187
Disposals	(745)	(8,403)	(9,148)
At 31 March 2024	12,334	65,883	78,217
Accumulated depreciation and impairment			
At 3 April 2023	665	37,711	38,376
Charge for the period	102	7,676	7,778
Eliminated in respect of disposals	(665)	(6,877)	(7,542)
At 31 March 2024	102	38,510	38,612
Carrying amount			
At 31 March 2024	12,232	27,373	39,605
At 2 April 2023	12,414	25,388	37,802

During the period the Group disposed of previously impaired assets. These disposals resulted in a charge to the impairment provision previously made in 2023 of £89,000, leaving a balance to offset against future disposals of £161,000.

Company	Freehold land and buildings £'000
Cost	
At 3 April 2023	11,057
Additions	1,549
At 31 March 2024	12,606
Accumulated depreciation and impairment	
At 3 April 2023	-
Charge for the period	102
Eliminated in respect of disposals	-
At 31 March 2024	102
Carrying amount	
At 31 March 2024	12,504
At 2 April 2023	11,057

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

Group	2024 £'000	2023 £'000
Furniture, fittings, plant and equipment	2,996	4,983

The company had no tangible fixed assets held under finance leases.

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

14. Investments

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Investments in subsidiaries (note 15)	-	-	130	130
Listed investments	5	5	-	-
	5	5	130	130
Listed investments carrying amount	5	5	-	-
Market value if different from carrying amount	26	30	-	-

Movements in non-current investments	**Investments other than loans £'000**
Group	
Cost or valuation	
At 31 March 2024 and 2 April 2023	113
Accumulated impairment	
At 31 March 2024 and 2 April 2023	108
Carrying amount	
At 31 March 2024 and 2 April 2023	5

Movements in non-current investments	**Shares in group undertakings £'000**
Company	
Cost and carrying value	
At 31 March 2024 and 2 April 2023	130

15. Subsidiaries

Details of the Company's subsidiaries at 31 March 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held
The Clancy Group Ltd	As below	A holding and property management company	Ordinary	100
Clancy Plant Limited	As below	Hiring plant and the service provision of traffic management	Ordinary	100
Clancy Developments Limited*	As below	Residential development	Ordinary	100
Clancy Docwra Limited*	As below	Civil engineering, construction and utilities contracting	Ordinary	100
Clancy Investments Limited*	As below	Dormant	Ordinary	100
Heritage (Breakspear) Limited*	As below	Dormant	Ordinary	100
M.J.Clancy & Sons Limited*	As below	Dormant	Ordinary	100
Breakspears Management Company Limited*	As below	Dormant	Ordinary	100

*Indirectly held

The above companies' registered office is Clare House, Coppermill Lane, Harefield, Middlesex, UB9 6HZ.

Clancy Developments Limited, Clancy Docwra Limited, Clancy Investments Limited, are 100% owned by The Clancy Group Ltd.

M.J.Clancy & Sons Limited, is 100% owned by Clancy Docwra Limited.

Heritage (Breakspear) Limited is 100% owned by Clancy Developments Limited.

Breakspears Management Company Limited is 100% owned by Heritage (Breakspear) Limited.

In order for the subsidiary entities, Clancy Developments Limited, Clancy Investments Limited, Heritage (Breakspear) Limited, M.J.Clancy & Sons Limited, and Breakspears Management Company Limited to take the audit exemption in section 479A of the Companies Act 2006, the company has guaranteed all outstanding liabilities of those subsidiary entities.

All of the subsidiaries above have been consolidated in the financial statements.

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

16. Joint Arrangements

Optimise (Water) LLP
Clancy Docwra Limited is in a joint venture with J Murphy & Sons Limited, Barhale Construction Plc and MWH UK Limited, who together formed Optimise (Water) LLP, a limited liability partnership registered in England and Wales. The principal activity of the joint arrangement is that of utilities contracting. The structure has the appearance of a joint venture, but it is used only as a means for each participant to carry on its own business. Therefore, in order to reflect the substance of its operations, Clancy Docwra Limited has accounted directly for its share of the assets, liabilities and cash flows arising in the entity in accordance with FRS102 Section 15. The Group recognises the profit or losses attributable to it from the joint arrangement in its profit and loss account where the outcome of the venture is reasonably certain.

KCD Joint Venture
Clancy Docwra Limited is in a joint arrangement with Kier MG Limited where an agreement has been made to collaborate as an integrated unincorporated joint venture. The principal activity of the joint venture is that of utilities contracting. The structure of the joint venture is similar to Optimise (Water) LLP and, therefore, the Group financial statements account directly for its share of the assets, liabilities and cash flows arising from the joint arrangement with Kier MG Limited in accordance with FRS102 Section 15. The Group recognises the profit or losses attributable to it from the joint arrangement in its profit and loss account where the outcome of the venture is reasonably certain. During the financial period, the Group recognised a profit of £Nil (2023: £Nil) in respect of Optimise (Water) LLP and a profit of £824,000 (2023: £822,000) in respect of KCD Joint Venture.

17. Inventories

	2024 £'000	2023 £'000
Group		
Raw materials and consumables	3,600	3,648
Work in progress	2,039	2,712
Bulk fuels	39	32
Spare parts	303	337
	5,981	6,729

Following management's review of assets for impairment, work in progress above is stated net of a provision £626,000 (2023: £817,000) and a provision against raw materials and consumables of £300,000 (2023: £300,000). The company has no inventory balances.

18. Debtors

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Trade receivables	10,563	4,789	-	-
Gross amounts due from customers for contracts work	44,578	44,733	-	-
Amounts owed by Group undertakings	-	-	25,464	20,019
Corporation tax recoverable	111	274	-	-
Other receivables	1,304	953	-	-
Prepayments and accrued income	2,288	1,164	-	-
	58,844	51,913	25,464	20,019

Following management's review of assets for impairment, trade receivables above are stated net of a provision of £Nil (2023: £8,000) against bad debts. Amounts owed by Group companies are unsecured, interest free and repayable on demand.

19. Creditors amounts falling due within one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Obligations under finance leases (note 22)	1,169	2,200	-	-
Trade creditors	21,951	27,718	-	-
Amounts owed to Group undertakings	-	-	17,943	10,637
Corporation tax payable	420	1,113	150	409
Other taxation and social security	10,040	11,529	-	-
Other payables	102	17	-	-
Accruals and deferred income	35,852	31,165	127	149
	69,534	73,742	18,220	11,195

Amounts owed to Group undertakings are unsecured, interest free and repayable on demand.

20. Creditors amounts falling due after more than one year

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Other borrowings (note 21)	15,814	15,814	15,814	15,814
Obligations under finance leases (note 22)	100	1,273	-	-
	15,914	17,087	15,814	15,814

21. Borrowings

	Group 2024 £'000	Group 2023 £'000	Company 2024 £'000	Company 2023 £'000
Redeemable preference shares	214	214	214	214
Non-redeemable preference shares	15,600	15,600	15,600	15,600
	15,814	15,814	15,814	15,814
Payable within one year	214	-	214	-
Payable after one year	15,600	15,814	15,600	15,814

Redeemable preference shares accrue a fixed cumulative preferential dividend of 3% payable annually from 31 March 2021.

The principal amount is repayable on 31 March 2025. There are no rights available to the holders to exercise before that date.

In March 2021, non-redeemable preference shares of £10,400,000 were issued to the shareholders at an issue price of £1 per share, financed by a dividend from the Company. These shares accrue a fixed cumulative preferential dividend of 3%, payable annually from 31 March 2022.

On 31 March 2022, non-redeemable preference shares of £5,200,000 were issued to the shareholders at an issue price of £1 per share, financed by a non-cash dividend from the Company. The shares accrue a fixed cumulative preferential dividend of 3%, payable annually from 31 March 2023.

None of the preference shares carry any equity component and they are classified as financial liabilities in their entirety.

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

22. Finance lease obligations

Group	2024 £'000	2023 £'000
Future minimum lease payments due under finance leases:		
Less than one year	1,168	2,200
Between one and five years	100	1,273
	1,268	3,473

Finance lease payments represent rentals payable by the Group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease liabilities are secured on the assets being leased.

23. Deferred taxation

The major deferred tax assets and (liabilities) recognised by the Group and Company are:

Group	2024 £'000	2023 £'000
Retirement benefit obligations	(1,675)	(1,727)
Short term timing differences	(51)	595
Fixed asset timing differences	(230)	455
	(1,956)	(677)

Movements in Group deferred tax in the period	2024 £'000	2023 £'000
(Liability) / asset at 3 April 2023 and 4 April 2022	(677)	407
(Charge) to profit and loss	(1,331)	(52)
Credit / (charge) to other comprehensive income	52	(1,032)
(Current liability) at 31 March 2024 and 2 April 2023	(1,956)	(677)

The Company has no deferred tax assets or liabilities at 31 March 2024 (2023 £Nil).

The deferred tax liability relates to the value of depreciation charges in these financial statements exceeding the value allowed for tax purposes through capital allowances and it also relates to the Group's retirement benefit obligations for the Group's defined benefit scheme.

24. Retirement benefit schemes

Two defined contribution pension schemes are operated for all qualifying employees. The assets of the schemes are held separately from those of the Company and Group and independently administered through Standard Life. At the balance sheet date, contributions amounting to £118,000 (2023: £88,000) had not been paid to the funds and are included within other creditors.

Defined benefit schemes
The Group is a member of a pension scheme providing benefits based on final pensionable pay. The assets of the scheme are held separately from those of the Group, being invested with insurance companies. Contributions to the scheme are charged to the profit and loss account so as to spread the cost of pensions over employees' working lives with companies within the Group headed by Clancy Group Holdings Limited. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 14 March 2022.

Details of the main actuarial assumptions are given below. At 31 March 2024, there were no contributions payable to the fund to be included in creditors (2023: £Nil).

The most recent actuarial valuation showed that the market value of the scheme's assets was £21,122,000 and that the actuarial value of those assets represents 91% of the benefits that had accrued to members, after allowing for expected increases in earnings. There will be no further contributions to this scheme as the scheme was closed on 31 March 2010, apart from funding for the accrued pensions to date.

No contributions are due into the scheme as part of the recovery plan agreed in March 2023. This recovery plan made an allowance for changes in market conditions for both assets and liabilities and eliminated the funding shortfall identified in the most recent triennial valuation in March 2022.

Contributions and charges
£Nil (2023: £Nil) was paid into the defined benefit scheme to further fund pensions accrued to date. A full actuarial valuation was carried out at 14 March 2022 and updated to 31 March 2024 by a qualified independent actuary. The principal assumptions used by the actuary are outlined below.

Key assumptions	2024 %	2023 %
Discount rate	5	4.8
Expected rate of increase of pensions in payment	3.6	3.6
Retail price inflation	3.5	3.5
Consumer price inflation	3.15	3.1
Deferred pension revaluation	3.15	3.1

Mortality assumptions		
Assumed life expectations on retirement at age 65:		
Mortality assumptions		
- Males	22.6	22.9
- Females	24.9	25.0
Retiring in 20 years		
- Males	23.9	24.1
- Females	26.3	26.4

Mortality assumptions

Mortality follows the standard table known as S3PA, using 109% for males and 100% for females (2023: both 97%) of the base table with CMI_2021 mortality projections (2023 CMI_2020), with a long-term rate of improvement of 1.25% (2023: 1.75%).

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

24. Retirement benefit schemes (continued)

Amounts recognised in the income statement	2024 £'000	2023 £'000
Net interest receivable on defined benefit asset	318	69

Amounts taken to other comprehensive (expense) / income		
Actual (expense) on scheme assets	(195)	(713)
Less: calculated interest element	(913)	(552)
(Expense) on scheme assets excluding interest income	(1,108)	(1,265)
Actuarial changes related to restated obligations charged in the year	-	(320)
Actuarial changes related to obligations	901	5,392
Total (loss) / gain	(207)	3,807

The amounts included in the statement of financial position arising from the Group's obligations in respect of defined benefit plans are as follows:

	2024 £'000	2023 £'000
Present value of defined benefit obligations	(11,756)	(12,802)
Fair value of plan assets	18,510	19,445
Surplus in scheme	6,754	6,643

Movements in the present value of defined benefit obligations	2024 £'000	2023 £'000
Liabilities at 3 April 2023 and 4 April 2022	12,802	19,067
PY actuarial loss relating to restated liability charged in current period	-	320
Benefits paid	(740)	(851)
Actuarial (gains)	(901)	(5,392)
Settlement payments from plan assets	-	(1,160)
Loss on settlement of defined benefit pension scheme liabilities	-	335
Interest cost	595	483
Liabilities at 31 March 2024 and 2 April 2023	11,756	12,802

24. Retirement benefit schemes (continued)

The defined benefit obligations arise from plans funded as follows:	2024 £'000	2023 £'000
Wholly or partly funded obligations	11,756	12,802

Movements in the fair value of plan assets	2024 £'000	2023 £'000
Fair value of assets at 3 April 2023 and 4 April 2022	19,445	22,169
Interest income	913	552
Return on plan assets (excluding amounts included in net interest)	(1,108)	(1,265)
Settlement payments from plan assets	-	(1,160)
Benefits paid	(740)	(851)
Fair value of assets at 31 March 2024 and 2 April 2023	18,510	19,445

The actual return on plan assets was a loss of £195,000 (2023: £713,000 loss). The analysis of the scheme assets at the reporting date were as follows:

	2024 £'000	2023 £'000
Equities	-	1,688
Bonds	14,034	14,621
Annuities	475	541
Cash	4,001	2,595
	18,510	19,445

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

25. Called up share capital

Called up share capital Group and company	**2024** **£'000**	**2023** **£'000**
Ordinary share capital - Issued and fully paid		
1,300,000 Ordinary shares of £0.10 each (2023: 1,300,000 Ordinary shares of £0.10 each)	130	130

The Company's ordinary shares each carry the right to one vote at general meetings of the Company and rank pari passu in all respects.

26. Reserves

Merger reserve
The merger reserve represents reserves arising as a result of a Group reconstruction in the previous financial period.

Retained earnings
Retained earnings represent cumulative profit and loss, net of distributions to owners.

27. Cash generated from operations

	2024 **£'000**	**2023** **£'000**
Profit for the period after tax	16,010	11,423
Adjustments for:		
Taxation charge	4,890	2,076
Finance costs	1,272	1,533
Investment income	(1,949)	(1,014)
Profit on disposal of property, plant and equipment	(1,487)	(903)
Depreciation and impairment of property, plant and equipment	7,778	9,455
Movements in working capital:		
Decrease in inventories	748	373
(Increase) in trade and other receivables	(6,938)	(13,039)
(Decrease) / increase in trade and other payables	(4,056)	11,688
Cash generated from operations	16,268	21,592

28. Analysis of changes in net funds - Group

	2 April 2023 **£'000**	**Cash flows** **£'000**	**31 March 2024** **£'000**
Cash at bank and in hand	42,914	(8,720)	34,194
	42,914	(8,720)	34,194
Preference shares	(15,814)	-	(15,814)
Obligations under finance leases	(3,473)	2,204	(1,269)
Net cash	23,627	(6,516)	17,111

29. Financial commitments, guarantees and contingent liabilities

The Company
The Company has entered into a cross guarantee with fellow Group undertakings for a global bank facility. Under this global facility, the contingent liability of the Group and Company at 31 March 2024 was £Nil (2023: £Nil).

At 31 March 2024, the Group had outstanding guarantees in respect of specific performance bonds amounting to £1,111,000 (2023: £1,394,050) along with a retention bond for £362,000 (2023:£Nil).

Joint Ventures
Clancy Docwra Limited is party to a joint arrangement in Optimise (Water) LLP, along with J Murphy & Sons Limited, Barhale Construction Plc and MWH UK Limited. The overdraft facility of the joint venture is covered by the partner companies, Clancy Docwra Limited, J Murphy & Sons Limited and MWH UK Limited in a ratio of 45:45:10 respectively. Of the total facility, Clancy Docwra Limited guarantees £Nil (2023: £Nil). The Group's exposure at 31 March 2024 is £Nil (2023: £Nil).

Clancy Docwra Limited is also party to a joint arrangement with Kier MG Limited, known as KCD Joint Venture. The banking facility of the joint venture is covered by the venturing parties Clancy Docwra Limited and Kier MG Limited in equal measure. The Group's exposure at 31 March 2024 was £Nil (2023: £Nil).

30. Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2024 **£'000**	**Group 2023** **£'000**	**Company 2024** **£'000**	**Company 2023** **£'000**
Acquisition of property, plant and equipment	1,228	3,878	-	-

31. Operating lease commitments

Lessee
At the reporting end date, the Group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2024 **£'000**	**Group 2023** **£'000**	**Company 2024** **£'000**	**Company 2023** **£'000**
Within one year	7,046	5,266	-	-
Between one and five years	14,220	13,118	-	-
	21,266	18,384	-	-

Notes to the financial statements (continued)

For the 52-week period to 31 March 2024

32. Events after the reporting date

No material events have taken place since the balance sheet date and the business has continued to trade in line with expectations.

33. Related party transactions

Remuneration of key management personnel
The Company has taken advantage of the exemption not to disclose key management personnel compensation because the only key management personnel are the Directors and there is a legal requirement to disclose Directors' remuneration.

Transactions with related parties
During the period, the Group entered into the following transactions with related parties:

Amounts due to related parties	Sales 2024 £'000	Sales 2023 £'000
Group		
Joint venture (note 16)	1,740	17,298

	2024 £'000	2023 £'000
Group and Company		
Directors – Dividends payable	6,535	3,075

In addition, during the period the group entered into a transaction with Thornbally Property Consultancy Limited, a related party, with a value of £12,360 (2023: £Nil). There were no amounts outstanding in connection with this transaction at the 31st March 2024.

No guarantees have been given or received. The above transactions were performed at an arm's length basis. See also Note 34.

34. Directors' transactions

Dividends totalling £6,535,000 (2023: £3,075,000) were payable in the period in respect of shares held by the Directors of the company. At 31 March 2024 dividends totalling £4,317,000 (2023:£2,746,000) were owed by the company to the Directors of the company in respect of these shareholdings. These amounts are due to be settled within 12 months of the balance sheet date. During the period interest of £263,000 was paid to the Directors of the company in respect of preference shares held by them (2023: £263,000).

35. Controlling party

There is no overall controlling party.

Clancy Group Holdings Limited is the parent of the smallest and largest group for which consolidated financial statements are prepared and of which the Company is a member. Copies of the accounts can be obtained from the Company's registered office.

Streamlined Energy & Carbon Reporting Statement

Corporate and Social Responsibility Performance

tCO_2e ("equivalent tonnes of CO_2") reduction.

Scope	Unit of Measurement	Emissions Scope	2023/24	2022/23	2021/22	2020/21	2019/20
Emissions from gas/combustion of gas	tCO2e	1	315.03	45.65	419.26	1,581.18	1,968.57
Emissions from combustion of fuel for transport purposes	tCO2e	1	21,149.65	19,497.13	22,026.72	17,284.59	20,983.19
Total Scope 1	**tCO2e**		**21,464.68**	**19,542.78**	**22,445.98**	**18,865.77**	**22,951.76**
Emissions from purchased electricity (Location based)	tCO2e	2	191.43	194.18	210.2	208.9	301.74
Emissions from purchased electricity (Market based)	tCO2e	2	-	-	89.72	-	-
Emissions from business miles in BEV (Location based)	tCO2e	2	133.10	38.29	-	-	-
Total Scope 2	**tCO2e**		**324.53**	**232.47**	**299.92**	**208.9**	**301.74**
Emissions from business travel in rental cars or employee owned vehicles and one off purchases of fuel where the company is responsible for purchasing the fuel	tCO2e	3	215.10	76.56	269.65	222.35	375.72
Emissions from business travel using commercial flights (UK & global)	tCO2e	3	20.02	8.19	4.45	1.09	23.54
Emissions from business travel using taxis, trains, ferry	tCO2e	3	69.75	28.95	-	-	-
Total Scope 3	**tCO2e**		**304.87**	**113.70**	**274.1**	**223.44**	**399.26**
Total Energy Consumption	MWh		85,706.20	78,082.75	80,289.87	79,418.86	95,738.34
Total Gross emissions based on the above	tCO2e		22,094.08	19,888.95	23,020.00	19,298.11	23,652.76
Intensity ratio*	tCO2e per £million turnover		58.37	59.46	78.57	75.62	79.99
	turnover £M		378.5	334.5	293.0	255.2	295.7

Methodology

The data has been compiled using the methodology below:

Scope 1 emissions from combustion of gas. Data for gas usage has been collated from records held by Clancy's energy broker and bulk gas deliveries recorded on our IFS purchasing system. Conversion factors used are DEFRA conversion figures for 2023 as published on www.gov.uk, UK Government GHG Conversion Factors for Company Reporting.

Scope 1 emissions from vehicle fuel in the form of white diesel and petroleum are taken from the fuel card management system from the Group fuel provider, bulk fuel deliveries and expense claims. This also includes fuel used in offsite plant and equipment. Conversion factors used are DEFRA conversion figures for 2023 as published on www.gov.uk, UK Government GHG Conversion Factors for Company Reporting.

Scope 2 emissions from purchased electricity was calculated from records and end of year estimates from Clancy's energy broker. Emissions from gas are based on end of year estimates provided by Clancy's energy broker. Conversion factors used are DEFRA conversion figures for 2023 as published on www.gov.uk, UK Government GHG Conversion Factors for Company Reporting.

For scope 2 emissions we have chosen to report based on UK grid intensity (location based) and not market based. If reporting using the latter our electricity related emissions would reduce to zero.

Scope 2 emissions from battery electric vehicles (BEV) based on miles claimed collated through the expenses process. Claimed miles are used to calculate emissions by applying the DEFRA GHG conversion factors 2023 for a plug-in hybrid vehicle (PHEV) large car. Note that this has not been included in the MWh due to being deemed de minimus.

Scope 3 emissions, from employee-owned vehicles (and claimed fuel purchases) are collated through the expenses process. Claimed miles are used to calculate emissions by applying the DEFRA GHG conversion factors 2023 for a medium sized diesel car. Note that this has not been included in the MWh due to being deemed de minimus.

Scope 3 emissions, from flights, taxis, ferries and business travel are collated by the Business from the expenses process and our IFS purchasing system. Flight distances have been taken from the Airmiles Calculator Tool and DEFRA GHG conversion factors 2023 for domestic air travel which constitutes all Business travel in the accounting period. Note that this has not been included in the MWh as emissions are deemed de minimis.

* Restated across all years to reflect consolidated audited statutory turnover with no material inpact on the intensity ratios previously reported.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