carey group limited
annual report

eyes on the stars

Our vision

To be the most trusted and
socially responsible construction company,
that people are proud to work with.

feet on the ground

Our mission

To use our passion and expertise
day-in, day-out to deliver
exceptional construction services

Our vision is our aspiration for the future. It is the 'why' we exist and what we want to become. Whilst it is not a shy or unassuming vision and will take hard work to get there, with our strategy in place and by using our passion and expertise to deliver exceptional construction services, we will get closer to achieving it every day. In line with our vision, it is imperative as we move forward that we also take a strong position regarding our social value. Whether it is through our people, our clients or our stakeholders, we want to support the communities we work in and leave a positive, lasting legacy. That's not a new phenomenon for us, we've been delivering in this space in the Carey Way since 1969.

Our mission statement is the core of our offering and the 'what' we all contribute to, day-in, day-out. We are a construction company and people come to us for our knowledge, capability and because they have complex problems that need solving and want partners who will be engaged in helping them find that solution. Everything we do is in support of creating an environment for our teams to deliver exceptional construction services.

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CHIEF EXECUTIVE OFFICER'S REVIEW

A RETURN TO PROFIT AND STRATEGY REALIGNMENT

Welcome to the 2023 annual report and financial accounts for Carey Group Limited and it's subsidiaries (together the "Carey Group"). The "Group" includes reference to our parent company Araglin Holdings Limited. In 2023 our performance across the Group has taken a positive step forward, providing a stable platform to build from. Through a return to simplicity and getting back to basics, a rigorous contract take on and review process, and a focus on how we manage our cash, the Carey Group Limited and its subsidiaries has emerged stronger, with the business returning to profitability and cash levels higher than before the pandemic.

This year, we'llcontinue to improve, with an emphasis on cash generation, Golden Hour, contract take on and contract reviews. We'll question everything and the value of what we do to ensure we provide a quality product in the safest of environments. We'll continue to deliver exceptional construction services and make it easier for those at the coal face to go to work every day.

We have undertaken a review of our mission and strategic goals. Whilst we are not wavering from these, we've listened to feedback and acknowledged what is working and not, making these more relevant based on the principles that we make the complex simple; we will continue to deliver operational excellence; we are a great place to work and we will be better every day to build on new and existing relationships as a partner of choice.

Last year we successfully relaunched our Black Hat Development Programme, and now we are seeing the benefits of this as I believe that we have the best black hats in the industry. This year we are investing in our engineering and commercial teams, providing development programmes and pathways that allow these communities to excel and progress in their careers. This in turn builds on our operational excellence as we have highly trained and skilled people in the right roles performing consistently at the right levels.

The software, programmes and systems that we are investing in as part of our digital strategy will streamline, digitise and automate our projects across the whole lifecycle from work winning through to project delivery. They will deliver a single source of trusted data to all parties, removing manual processes and paperwork, whilst also reducing reporting timelines leading to improved decision making.

Our plant & fleet will be substantially renewed, with the first delivery of 100 new vans and 26 new excavators arriving by October 2024, so that we have the best and most recognisable plant & fleet in the industry, which is unapologetically yellow.

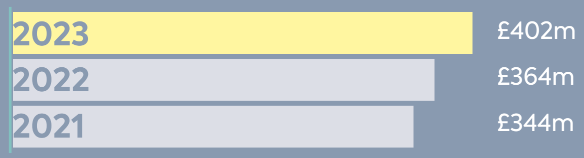
As we continue to invest in the business and our revised strategy I look forward to building on our strong pipeline and reinforcing our values and culture at the Carey Group that makes us unique, ensuring we continue to return to the days of being more agile, making it easier for us all to go to work.

Let's go.

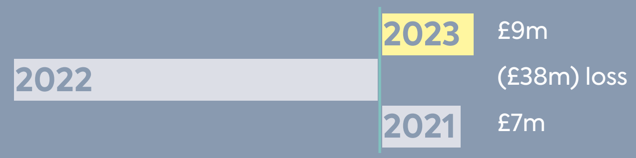
Jason Carey
Carey Group Limited CEO
Date: 21/02/2024

FINANCIAL HIGHLIGHTS

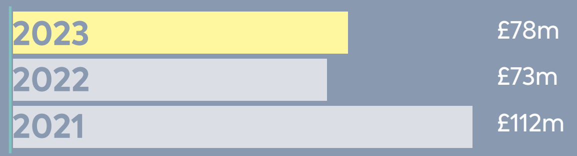
Group Revenue
£402m



EBITDA
£9m



Net Assets
£78m



Net Cash / (Debt)
£25m

A YEAR OF BUSINESS IMPROVEMENT

Plant & Fleet
£15m spend over the next 3 years on new vans and excavators

Investment in our Black Hat community
36 managers trained across 40 workshops, with 95% satisfaction score

Significant project wins
£350m of secured and anticipated orders

Supporting charitable causes
£227,000 donated to charities by Careys Foundation

Transformation Programme
Three year, £10m investment enhancing our digital capabilities and efficiencies

Learning & Development:
828 training events for 3,514 attendees

New office facility
£20m invested in a high specification industrial warehouse building with modern office space, our new home of Careys Plant & Fleet

Emerging talent
43% increase in apprentices employed

STRATEGIC GOALS

WHAT THESE MEAN FOR US

TO BE A GREAT PLACE TO WORK

We are dedicated to creating an environment where our teams can work efficiently, maximising their output, while ensuring safety is our paramount priority.

We will invest in our teams, equipping them with the latest tried and tested tech and ensuring they have the right tools for the right job - all to enhance performance and eliminate unnecessary tasks.

We will ensure that every team member has a clear job description, a line manager and a deep understanding of their role and purpose, encouraging a sense of contribution to our scorecard and KPIs.

TO ACHIEVE OPERATIONAL EXCELLENCE

In our pursuit of operational excellence, we continuously strive for program improvement, ensure we build with precision, create lasting value, and commit to placing the right people in the right roles - our 'Connect Four principle'.

Our focus on profitability and planning will allow us to invest in the right technology and tools.

We embrace a considered approach when working, avoiding haste in favour of excellence and discipline, driven by our continued investment in the learning and development of our engineering and commercial teams.

We'll continue to maintain our position of not wavering from our focus on Golden Hour, contract take-on and contract reviews.

We aim to be Better Every Day through the lens of review, sharing experiences, fostering innovation and embracing and embedding technological change.

TO BE THE PARTNER OF CHOICE

Our commitment to being an industry leader drives us to excel continually, setting the bar higher with every execution.

Through understanding our customers needs we will bid less and win more, at the same time knowing our own value and have the strength to say 'no'.

This will help us build stronger strategic partnerships, establish important mutually beneficial connections and simplify the process for our partners to work with us collaboratively.

We aim to earn the respect of our industry partners, ensuring that our Better Every Day commitment extends to delivering a quality product that not only meets, but exceeds expectations.

OUR STRUCTURE

OUR BOARD AND LEADERSHIP TEAM

Araglin Holdings Limited Board (parent company)

Fiona O'Donnell **Executive Chair**	Debbie Wakeford **Company Secretary**	John Carey Jnr **Executive Director**	Tommy Carey **Executive Director**	Jason Carey **Executive Director**	Stephen Maslin **Independent NED**	Jamie Buchan **Independent NED**

Carey Group Leadership Team

Jason Carey **Carey Group CEO**	Martin Nilsson **Carey Group CFO**	Lee Ebbutt **Carey Group CIO**	Stephen McKerracher **Carey Group Commercial Director**	Paul Johnson **Carey Group Director, HSSQ**
Mitwa Bavisi **Carey Group General Counsel**	Bjourn Bigley **Regional Operations Director**	Tommy Carey **Regional Operations Director**	Martin McGuire **Regional Operations Director**	Lee Daniels **MD of BDL Dry Lining**

OPERATIONAL REVIEW

THE PAST 12 MONTHS HAS SEEN THE SECOND GENERATION OF THE CAREY FAMILY REMAINING COMMITTED AND CLOSE TO THE BUSINESS, A FOCUS ON A RETURN TO SIMPLICITY AND GETTING BACK TO BASICS, A RIGOROUS CONTRACT TAKE ON AND REVIEW PROCESS, AND TRANSFORMING MANUAL TASKS.

BDL

BDL continue to excel as one of the UKs most trusted and respected dry-lining contractors across London and the home counties, providing Drywall systems, Suspended ceilings, Lightweight steel framing systems and Screeding.

Over the reporting period BDL have delivered a range of high rise and commercial projects which includes dry lining at the Google Building in Kings Cross, dry lining and suspended ceiling works at 40 Leadenhall, dry lining to shell and core areas and Steel Frame Systems (SFS) and associated works to the façade at 40 Blossom Street; and repeat work for large residential developers including Berkeley Homes, Barratt, Bellway and Taylor Wimpey.

BDL's relationship with key clients and their supply chain remain strong, with over £50m of work secured for the coming financial year.

CAREYS

As a specialist sub-contractor Careys operates across England and Scotland with offices in London, Milton Keynes, Aston Clinton and Glasgow. Core services include Digital and construction engineering, Demolition, cut and carve and façade retention, Remediation and enabling, Infrastructure, Basements and substructures, Superstructures and Public realm and hard landscaping.

Careys are proud to have worked on an exceptional range of projects during the last 12 months which include Energy from Waste plants for our Partner of Choice, HZI, at Riverside, Rivenhall and Westfield; a significant package of works for Imperial College as part of the White City Masterplan; concrete works for BAE Govan on the west coast of Scotland; Project V, a cable factory in the east of Scotland and delivering demolition and landscaping works at London's historic Natural History Museum.

With a continued focus on contract take on and measured revenue and growth, Careys has a strong order book of secured future contract revenue of over £300m.

SENECA

Seneca delivers waste brokering service to its external customer base and is an integral part of the Carey Group's operations, providing a dedicated in-house resource to manage the removal of all skip waste from Careys sites throughout the UK.

During the financial year, Seneca has worked closely with its JV partners and customers through a changing and challenging landscape, ensuring the waste raw materials from the county of West Sussex are delivered to power stations across Europe, thereby diverting household waste from landfill and into energy recovery facilities, contributing to a reduction in greenhouse gas emissions.

In July 2023 the Seneca JV partnership won the contract tender from West Sussex County Council, further extending the supply of its waste brokering services to the Council from April 2024 for a minimum period of at least 3 years.

PRINCIPAL RISKS AND UNCERTAINTIES

RISK

The Group's business involves a number of inherent risks which are captured in the Group risk register and for which the controls framework and mitigation actions are monitored regularly by the Risk and Audit Committee.

HEALTH AND SAFETY FAILINGS

The Group operates in environments with the potential to cause serious injury to our direct workforce, sub- contractors, clients, or members of the general public.

Mitigation:

- The Group runs a robust, integrated management system which is certified to ISO9001, ISO14001 and ISO45001
- Detailed planning, monitoring and risk assessments are executed for every site, including regular training of our workforce ("Plan, Do, Check, Act")
- Internal and external health and safety audits are conducted regularly, and all results reviewed carefully
- Thorough investigation is conducted of all accidents and near misses
- The Group has a system of regular sharing of good practices and learnings from accidents and near misses
- The application of these processes is monitored by the Executive Committee and Board of Directors
- The Group operates a safety culture under the banner "Safe Home Every Day" ("SHED") and the SHED training programme for site leaders was refreshed in the year

IT SYSTEMS, DATA AND CYBER SECURITY ARE COMPROMISED

In common with most businesses, the Group could suffer reputational and financial loss if systems fail, data is lost, and its security of information is compromised.

Mitigation:

- The Group complies with GDPR and Computer Misuse Act
- The Group complies with ISO 270001:2005
- The Group has a Chief Information Officer (CIO) who sits on the Executive Committee
- The Group has implemented a change programme to modernise and integrate its IT infrastructure

CONTRACT DELIVERY FAILINGS

The Group delivers a number of complex projects which carry the risks of delayed delivery, not meeting client specification and cost overruns, which could threaten the Group's reputation and profitability.

Mitigation:

- Robust tender and contract take-on controls are operated by the Chief Executive Officer (CEO) and Senior Leadership team to ensure that the Group only accepts contracts for which it has the experience and expertise to deliver to an excellent standard
- Monthly project reviews are held at which the project manager, quantity surveyor, commercial manager and regional director review the operational, commercial, and financial performance of each live project
- Monthly trading and contract reviews are held at which the Regional Operational Directors, Operational Directors, Finance Director and regional commercial leads review the operational, health and safety and financial performance of all key contracts. All projects with live disputes or contractual claims are reviewed in order to track progress and drive resolution
- Operational management meetings are held monthly where the Regional Operational Directors present their regions to the CEO and Chief Financial Officer (CFO)
- Monthly peer reviews are conducted where Operational, Commercial and Planning staff from one project, visit and conduct a thorough review of another project's performance and end life forecast

PRINCIPAL RISKS AND UNCERTAINTIES

INABILITY TO RECRUIT AND RETAIN TALENTED PEOPLE

The Group operates in a competitive sector and requires highly talented leaders to ensure it retains leadership in key markets. Its underlying contracts require delivery of a range of services by highly skilled technicians.

Mitigation:

- The Group uses detailed job descriptions to provide clarity of role and sets robust objectives which are then monitored through one-to-ones and Key Performance Indicators (KPIs)
- The Board of Directors undertake an effectiveness review and undertakes peer feedback
- Capability and talent reviews are conducted to ensure that there are succession plans in place for key leadership positions
- Development programmes and career pathways are set out to develop talent so that the Group is well resourced to meet future needs
- The Group CEO conducted a review of the leadership team, refreshing a number of roles and recruiting experienced leaders into newly created roles

SUPPLY CHAIN VULNERABILITY

The Group's ability to operate could be compromised by loss or non-performance of a key supplier.

Mitigation:

- The Group maintains regular dialogue with key suppliers
- The Group identifies at least three key suppliers for each business activity to ensure continuity of supply should one supplier fail
- Creditor balances are reviewed weekly to ensure relationships are not threatened
- The availability of adequate materials and other resources is reviewed before the commencement of all new contracts and allowance for materials price inflation is factored into large tenders

POLITICAL AND MACRO-ECONOMIC DISRUPTION

The Group's business model could suffer from unforeseen significant adverse events.

Mitigation:

- Active involvement with trade representative and other business leaders enables the Group's leaders to identify and plan for potentially significant adverse events
- An enhanced Board of Directors combines a leadership team with a strong understanding of the construction sector and the Carey family values with professional experience of other large entities
- The Group implements contract take-on controls in order to protect itself from unmatched exposures to future inflationary cost increases

CREDIT INSURANCE/BOND SURETY RISK

The Group's ability to operate could be impacted by the inability to secure credit insurance or performance bonds.

Mitigation:

- The Group continuously engages with credit and bond providers with proactive communication around pipeline requirements ensuring sufficient facility to meet requirements
- The CFO provides financial updates to credit and bond providers every quarter

BUSINESS CONTINUITY THREAT

In common with every business the Group's ability to continue to operate could be threatened by a catastrophic external event.

Mitigation:

- The Group operates a business continuity framework designed to: i) keep our people safe; ii) keep our clients and other stakeholders safe; iii) communicate regularly with all key stakeholders; iv) ensure the Group's financial health
- In the event of a business crisis the Executive Committee meets daily to ensure there is clear accountability for urgent actions and communication
- Rolling cash forecasts are reviewed at least weekly
- Effective remote working procedures are in place

NON-COMPLIANCE WITH LAW OR REGULATION

The Group's activities could be seriously disrupted if it were found not to have complied with key aspects of law or regulations.

Mitigation:

- The Group has rigorous policies for anti-bribery and corruption, money laundering, and gifts and hospitality, and mandatory training of all the workforce is conducted periodically
- The Group maintains a whistle-blowing hotline which is administered by an independent, external agency
- The Group maintains a transparent approach with all regulators and government agencies

FINANCIAL RISKS

The Group's business involves a number of inherent risks which are captured in the Group risk register and for which the controls framework and mitigation actions are monitored regularly by the Risk and Audit Committee.

CREDIT RISK

The Group delivers large, complex projects to a number of clients and a failure to recover amounts receivable on a timely basis could damage the Group's available cash balances.

Mitigation:

- Credit references are obtained before a new client is taken on
- Credit references are subject to periodic review
- Key contracts are reviewed by members of the Senior Leadership team on a weekly basis and risk from poor project delivery or client financial instability are highlighted with appropriate actions taken
- Aged debtors are reviewed by the credit control at least weekly and overdue debts reported to the CFO weekly and the Senior Leadership team monthly

LIQUIDITY RISK

The Group's business would be disrupted if it maintained inadequate cash reserves and was unable to meets its liability to the workforce and creditors on a timely basis.

Mitigation:

- Outstanding balances due from clients and due to creditors are reviewed on a weekly basis by the CFO
- The CFO prepares rolling three-month cash forecasts which are monitored and updated weekly and monitored by the Board of Directors at least quarterly
- The CFO prepares an annual cash forecast which is monitored by the Board of Directors quarterly

DEFINED BENEFIT PENSION SCHEME LIABILITY

We are responsible for funding our defined benefit pension scheme. Should our pension fund liabilities increase, we would need to make additional pension deficit payments, which would negatively impact our working capital.

Mitigation:

- In addition to Trustees appointed from within the Group, our defined benefit pension scheme also has independent third-party Trustees. In order to help them manage the scheme's investments, the Trustees have employed scheme advisors who guide them in implementing an investment strategy that meets the objectives of the scheme. Funds are spread among a number of providers, which are tasked with achieving capital growth and diversification, whilst avoiding excessive volatility. The Trustees have pursued a balanced approach to risk, in order to gain an increased expectation of better returns. This methodology has the added benefit of avoiding excessive reductions in fund value, during periods of poor stock market performance.
- The scheme administrator produces an annual calculation of the scheme's liabilities so that the Trustees can monitor the scheme's performance on a regular basis.
- The Group has its own appointed actuarial pension consultants.

FINANCIAL KEY PERFORMANCE INDICATORS

Total Carey Group revenue increased by 10% (2022: 6%) to £402m (2022: £364m)

Carey Group EBITDA increased by £47m and returned to profitability, a reflection of the significant turnaround across the contracting businesses.

Working capital management continues to be a key focus for the Carey Group to ensure that its working capital needs are met and the Carey Group can deliver its order book. Net cash position at year end increased by £19m.

	2023 £m	2022 £m
Carey Group revenue	402	364
EBITDA	9	(38)
Net cash / (debt)	25	6

Other key performance indicators

CLIENTS AND PROJECTS

We won 38 projects and 20 clients. Operating across the UK, we continue to deliver a wide range of projects for our valued clients.

PEOPLE

We have 49 mental first aiders and 66 apprentices in our workplace. This compares with 48 and 51 respectively in the prior year.

51 development workshops attended by our construction managers and supervisors (Black Hats) covering 8 modules.

There were 17 people trained to be mentors internally over 3 sessions. There were 12 Commercial CPD Sessions. 5 Engineering CPD Sessions. 2 Unconscious Bias sessions and 3 Right to Work Sessions.

SUSTAINABILITY

We have validated science based targets to reduce our absolute scope 1 and 2 greenhouse gas emissions and our Scope 3 emissions from purchased goods and services by 50% by 2030 from a 2019 base year. We also commit that 84% of our suppliers by emission covering purchased goods and services, will have science based targets by 2026.

HEALTH AND SAFETY

10 RIDDORS (2022: 5) and 5 Services Strikes (2022: 3)

CAREY GROUP S172(1) STATEMENT

In this statement, we are sharing some of the ways in which we seek to promote the success of the Group for the benefit of our founder shareholders and balance the needs of other important stakeholder groups that we have relationships with. Whilst debating and considering the strategy and long-term direction of the Group, the Board take into account the impact on those that we have wider relationships with as we recognise these stakeholder groups can positively influence our strategic priorities and support their achievement.

The Board believes that having regard to each of these stakeholder groups ensures the proper discharge of their duties under s172(1) of the Companies Act 2006. The Group is a private family-owned group of companies with executive directors taking an active role in the day-to-day management.

- **Shareholders**
  Creating shareholder value remains at the heart of all decisions we make within the Group. As the second generation of Carey family we continue to meet regularly with our fathers to ensure that they are kept up to date on business performance and hear from them directly regarding their aspirations for the future of our organisation. The company continues to be represented at parent company board meetings and seeks to ensure that it and all subsidiaries always consider in their decision making the need to create shareholder value.

- **Employee and contractors**
  We have always believed that our people are our biggest asset and when the Board had to make the decision to close our Wembley site during the financial year 2023, the impact of this decision on our colleagues was something that was considered carefully. The leadership team in our contracting business looked at how individuals would be affected and how we could transfer colleagues to other business locations wherever possible. Communication with our employee and contractor group is key and the Group seek to encourage open communication and access to our leaders across our businesses. For example, business experts attend Board meetings to share initiatives that are in operation, we hold regular Town Hall communications on business and areas of focus and we've seen the positive improvement in our ways of working by re-introducing our Golden Hour at our sites. Further information on how we engage with our employees and make the Group a great place to work can be found on pages 11-13 and pages 17-23.

- **Customers and Suppliers**
  Our desire to be the Partner of Choice remains a strategic goal for our organisation and we work hard to develop and retain positive and constructive relationships with our clients and take on board all feedback received. We engage closely with our supply chain partners through regular dialogue with a focus on three main areas: (a) providing them with greater visibility of our pipeline of work over the next 12 months to assist in resource planning; (b) working closely with them through regular meetings to identify areas of innovation; and (c) product developments that support our carbon reduction goals, such as the use of ultra-low carbon reinforcement from one of our key suppliers.

- **Local community**
  We look to maximise the social value and beneficial impact that we bring to the communities in which we operate, both during the course of our works and once we have completed our projects. Before we submit tenders, we get to know the area where we will be working, understand the local authority needs and identify what is valuable to the local community. We measure our social value using the National Themes Outcomes and Measures (TOMs) Framework, with categories such as employing local people, ensuring satisfied residents and reducing crime. An example of our work in this area is the successful partnership with Milton Keynes College – we work with the College to recruit apprentices, highlight careers in construction and help us deliver operational excellence.

- **Financial institutions, Regulators, Insurers etc**
  Our desire to maintain a reputation for high standards of business conduct remains paramount to our business. We have consciously taken a pro-active approach to working with those external bodies that support or have an interest in our business activities. Through regular communication about our business model and performance, we are able to respond and share thinking to ensure that we operate a safe place to work with appropriate training for colleagues and risks managed appropriately. The Board seeks advice from internal and external subject experts as may be required to ensure the Group is able to continue to operate successfully, whilst balancing the need to simplify our processes as far as possible and ensure we keep getting the basics right.

OUR PEOPLE, HEALTH & SAFETY, ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG)

At Careys, we care. It's in our name and can be felt in the conversations we have, the decisions we make and the way we go to work. Following the launch of the Carey Group Sustainability Strategy two years ago, we have been continuing our focus on the three C's, (Carbon, Compliance+ and Community), but recognise this activity often overlaps with that of our People and Health, Safety & Quality functions.

In the last year we have undertaken a materiality assessment of the 17 United Nations Sustainable Development Goals (SDG) and along with the re-alignment of the Carey Group Strategy, aim to simplify our message and ensure we continue to care for our people, our other stakeholders, the environment, and communities in which we operate, to continue to build a truly sustainable business for the long term.

In the next year we will evolve our risk management in this space but as a first step, we have re-aligned our activity from the last year into the categories of People, Health & Safety, Environment, Social & Governance (ESG).

Aligning with the United Nations SDG's

OUR PEOPLE

OUR TEAMS ARE OUR BIGGEST ASSET

People are our biggest asset and the last 12 months have proven tough for many as we have stablised the business. This has necessitated a focus on bringing our people together through the change, supporting their mental health and wellbeing as well as laying the foundation for a performance management culture, based on living our values every day. The People function has supported the business through considerable organisational change and has itself embarked on a change management process to ensure a lean but effective people structure and service.

We understand the importance of rewarding our people for their hard work and contribution to our overall performance. Total reward packages help us to ensure our colleagues have flexibility to support their individual lifestyle choices and we continue to review our benefit offerings with a focus on 3 pillars of health, wealth and lifestyle and are pleased to report strong feedback from our benefits partner on the options available to our colleagues. Following on from the enhancement of our Family Leave pay entitlements this year, we're looking forward to introducing a new menopause support benefit that can offer support to both our female colleagues and their partners.

The performance of our business is key and the support and development we provide our people helps us to create a great place to work while encouraging a high performing culture by shaping teams that can work efficiently. Over the last 12 months we have seen a number of internal promotions supporting our retention of talent and helping us manage some of the skills shortages faced within the industry. During 2024 we will continue to support the growth of our people through various development opportunities including mentoring programmes and clear career pathways while continually evaluating performance through the setting of clear objectives and 1-2-1 discussions.

The learning and development team have facilitated over 828 training events, for 3,514 attendees, 30% of which were delivered internally. Our Black Hat / Supervisor development programme was completed by 36 managers across 40 workshops and 10 business areas, with attendees giving a 95% satisfaction score on the quality of modules. 2024 will see a further 42 Construction Managers/Site Supervisors complete the programme.

The welfare and support of our employees is very important to us, so our people can bring their authentic selves to work. This year we implemented a Wellbeing Community made up of various employees across the business to review and discuss how we can support the physical, mental, financial, and emotional wellbeing of our workforce to ensure we continue to deliver our strategic goal of creating a great place to work and help our employees understand the different support services available to them. We also have 49 Mental Health First Aiders across the business with plans to significantly increase this number next year.

We are looking forward to introducing a new menopause benefit to support our female colleagues and their partners

HEALTH, SAFETY

INVESTING IN SAFER, GREENER, PAPERLESS SITES

The Carey Group HSSQ Policy has once again been reviewed, amended, and approved by Jason Carey (Group Chief Executive Officer) reaffirming his personal commitment to the active promotion and implementation of the highest HSSQ standards and service to our stakeholders.

This year also saw the continued roll out of our health & safety module, as part of our Black Hat/Supervisor development programme and ongoing development of our Visual Standards to simplify compliance and provide easy reference for what good looks like.

The business saw 10 RIDDOR injuries during the reporting period 1st October 2022 to 30th September 2023 and recorded an Accident Frequency Rate (AFR) of 0.21, an increase on the prior year. The increase in injuries correlates with significant change undertaken by the organisation in the period.

During 2023 we updated and rolled out the latest version of our internal behavioural safety programme Safe Home Every Day (SHED). The updated training material has been translated into various languages and been delivered throughout the business via a network of internal facilitators, the programme has also been approved by the Royal Society for the Prevention of Accidents (RoSPA). In addition to SHED, sites have also been focused on improving the quality of Daily Activity Briefs (DABs), which take place on all sites before the commencement of work and allow supervision to reinforce our safety message every day. DABs are supported by Golden Hour, the first collective task of our site management teams each day, to walk their job and speak to colleagues and operatives to ensure that they have everything they need to get their job done safely and efficiently.

The last year has seen a renewed focus on Golden Hour, SHED and our Black Hat Development Programme

BLACK HAT

Safe Home Every Day

Golden Hour focuses on 7 key elements:

Housekeeping - Sites must match the Careys Visual Standards, especially housekeeping, walkways, and storage areas to safely control the working environment and be displayed as closely as possible to the workface for the teams to use as a point of reference.

Administration - The necessary paperwork such as RAMS, DABS, permits etc must be in place and fully briefed to staff before starting work.

Resources - There must be the right number of colleagues and operatives, with the correct competencies and training, to deliver the work safely.

Plant – There must be the correct plant and equipment available to undertake the tasks safely and daily plant checks must have been completed.

Materials - The correct materials should already be on site and daily deliveries such as concrete should be booked and organised.

Outputs - The team delivering the work must know exactly what, when, where and how they are delivering that day, to achieve their daily outputs safely.

Quality - The right quality of work must be installed first time, no on-site, unapproved changes allowed. If changes are required, these need to be confirmed and approved with the client in writing.

To aid in the effective delivery of DABs and Golden Hour, we've been piloting a new digital app across several sites. Following the success of this pilot we plan to roll the app out across the wider business in 2024.

The focus for 2024 will be on refocusing on the basics of Golden Hour and SHED.

In addition, 2024 will see further alignment with the digital transformation programme to simplify compliance for operations, reviewing and digitisation of all our forms and procedures. Later in the year, this digital information will provide increasing objective evidence to validate compliance and inform future risk management improvement activity.

ENVIRONMENTAL

OUR JOURNEY TO DECARBONISE THE BUSINESS

Following the launch of the Carey Group Sustainability Strategy two years ago, we have been continuing our journey to decarbonise the business. In the last year, focusing on our direct emissions (Scope 1 & 2), we have continued to increase our transition towards the use of sustainably sourced Hydrotreated Vegetable Oil (HVO) over standard diesel within our owned HGV fleet. Some of our sites, including the Natural History Museum and Silvertown operated fully diesel free, utilising only electric and HVO plant.

We have increased utilisation of battery storage to support temporary power and improve efficiency on our sites with successful trials at Imperial College and our new facility at Aston Clinton. We purchase electricity and gas tariffs that are Renewable Energy Guarantees of Origin (REGO) certified.

In 2023 we diverted 99% of waste generated on our projects from landfill

The business continues to work hard and engage with our top material suppliers to further improve transparency and quality of our indirect (scope 3) carbon data and worked with them to identify materials with lower carbon footprints. This has seen us significantly reduce concrete carbon emissions on our 1 Leadenhall Project against the original baseline specification.

Through trials with some of our key clients and suppliers we have delivered full scale mock trials of cement free and low emission concretes to test and become familiar with the performance and specifications both in operation and during installation of these innovative products.

We have also worked closely with our steel reinforcement supplier to select a fully recycled product, produced with renewable energy with comparably low embodied carbon. We continue our involvement as a founding member of the concrete zero group, committed to using 30% low emission concrete by 2025 and 50% by 2030, setting a clear pathway to using 100% net zero concrete by 2050.

Since the validation of our science -based targets, we've been measuring and tracking our performance annually and will be publishing details of our progress on our website in 2024 and in next year's annual report, in line with our public disclosure commitments.

As well as our focus on carbon, we continue to reduce waste and divert it from landfill, by harnessing the principles of the circular economy. In 2023 we diverted 99% of waste generated on our projects from landfill. In BDL we continued our work to minimize waste with plasterboard repurposing stations as standard on our projects, avoiding waste and maximizing the value from our products. We are now piloting the same process with plyboard.

Careys project at the National Gallery worked with GlobeChain to avoid waste and we were able to donate 553 items of material for re-use to charities and individuals avoiding 12 tonnes of waste and 9 tonnes of carbon. We have also had external assurance of our timber and plywood suppliers to ensure continued compliance with FSC requirements.

In 2024 we will be focusing on further diesel reduction which contributes 95% of our direct emissions. In addition, we will be working to improve our data quality and flow to help improve efficiency and track our performance against carbon, and all our sustainability measures. We will continue to work closely with our supply chain and material suppliers to trial and utilise innovative materials on our sites.

EMISSIONS

ENERGY AND CARBON REPORT

The Carey Group have committed to a 50% reduction in scope 1 & 2 Emissions by 2030 compared to our 2019 base year. And a 50% reduction in Scope 3 emissions from purchased goods and services within the same time frame.

The summary report below shows that our emissions reported under SECR when normalised to our turnover have continuously reduced over the past 3 reporting years. With a reduction of 24% over the last year. This has been driven by the initiatives we have been implementing which include efforts to utilise more efficient plant, an increase in our utilisation of HVO fuel and investment in battery powered tools.

Carey Group Limited Energy and carbon report for the year ending September 2023		Oct 2022 – Sep 2023	Oct 2021 – Sep 2022	Oct 2020 – Sep 2021
	Emissions Scope	t CO2e	t CO2e	t CO2e
Emissions from combustion of gas	1	34.26	45.64	65.50
Emissions from combustion of fuel for transport purposes	1	2,034.80	2,494.31	4,643.94
Emissions from other activities which the Company own or control including operation of facilities	1	6,322.62	7,629.85	8,082.91
Emissions from purchased electricity (LOCATION- BASED)	2	236.43	217.15	552.18
Emissions from purchased electricity (MARKET-BASED)	2	98.06		
Scope 1 + 2 (LOCATION-BASED)		**8,628.11**	**10,386.95**	**13,344.52**
Emissions from business travel in rental cars or employee-owned vehicles where the business is responsible for purchasing the fuel	3	345.00	377.38	210.64
Scope 1 + 2 + 3		8,973.11	10,764.33	13,555.17
Underlying energy (kWh)		41,005,072.15	43,544,318.71	54,404,580.15
t CO2e / £m turnover (Scope 1 + 2)		21.44	28.37	31.70
t CO2e / £m turnover (Scope 1 + 2 + 3)		22.29	29.40	32.20

Methodology

A location-based calculation of CO2 equivalent emissions was made using energy data collected from utility energy suppliers. Energy and emissions from owned transport were modelled using fuel card data. Energy and emissions from business mileage were modelled using an average UK vehicle.

The total disclosed energy is calculated on a gross calorific value basis with the exception of bussiness mileage energy which is calculated on a net calorific value basis. For any missing consumption, estimations were done by using Direct comparison methodology, defined in the Enviornmental Reporting Guideline.

The methodology is consistent with the 2023 edition of the UK Government GHG Conversion Factors for Company Reporting.

https:/www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2023

SOCIAL

IMPROVING THE SUSTAINABILITY OF OUR SUPPLY CHAIN AND ENHANCING SOCIAL VALUE

We have been continuing our journey to improve the sustainability of our supply chain and enhance the social value delivered by our projects. We have already heat mapped supply chain risk across all our main commodities and plan to target the highest risk areas with specific action plans during 2024. We are also completing a full audit of our labour suppy chain regarding ethical and pay standards.

Policies are in place to support our aim of combatting modern slavery and human trafficking. We have developed training for all our employees and others who work on our sites regarding the threat of modern slavery and to be aware of the potential signs. We continue to develop our systems to mitigate the risk of slavery and human trafficking occurring in our supply chain.

Engaging early talent, those in long term unemployment and candidates from local communities are key to addressing our own and the industry's resourcing needs and skills shortage. In Birmingham, in partnership with BMet College, our SWAP scheme has seen Careys turn a redundant loading area at the back of the college into a simulated construction site experience for those interested in gaining employment in the construction industry. This SWAP scheme has now run for two successful cohorts resulting in long term employment for six individuals who had been long term unemployed.

Our partnership with Milton Keynes College has entered its third successful year, with groundworkers completing their apprenticeships to gain successful employment with us and other contractors in the Milton Keynes region. We continue to work with the college to improve the apprenticeship standard, ensuring what is being taught at the college is relevant and up to date as our industry moves forward with technology.

Engaging early talent, those in long term unemployment and candidates from local communities are key to addressing resourcing needs and skills shortages

We regularly engage with school and college leavers offering progression employment and easily navigated routes into our industry. This year we have recruited a further 20 apprentices and seen 9 complete their apprenticeships across Steel Fixing, Formwork, Civil Engineering, Procurement and Quantity Surveying. Our total number of apprentices currently employed is 66.

Employing in our local community has always been important to us. As we move into different geographies delivering our projects, we have focused more on offering employment, both skilled and unskilled onto our projects. Data from our recently commenced projects shows we employ 65% of roles within a 10-mile radius.

Through our diversity policy, we seek to ensure that all our people, without exception, are treated equally and fairly and that all colleagues are aware of their responsibilities. The business has a commitment to continue to improve diverse representation, close its gender pay gap and continue building an inclusive culture that allows employees, suppliers and stakeholders to be at their best.

Our Diversity and Inclusion council meets monthly with colleague representatives from across the Group from different backgrounds, tenures, ethnicities, genders, sexual orientation, disabilities, neuro-diversities, ages, economic and educational backgrounds, caring responsibilities and more.

Diversity and Inclusion Council

The Council's simple aim is to make the Carey Group a more inclusive and diverse workplace, allowing our employees to come to work and be their authentic selves.

GOVERNANCE/QUALITY

OUR QUALITY, COMPLIANCE AND INDUSTRY ACCREDITATIONS

Internal and external governance is essential to provide objective evidence of the effectiveness of our internal controls. This section highlights some key activities beyond the annual external audit of our financial accounts, statements, and annual report.

The quality of the infrastructure we build is monitored during construction through robust contract review meetings and supported and monitored through compliance with our Business Management Systems (BMS) certified to ISO 9001, 14001 & 45001. During 2023 we completed our three yearly recertification of the BMS. In addition, we have been assessed by numerous external audits conducted across the group to ensure we maintain our accreditations, subscriptions, and memberships to several third-party verifying organisations, including Achilles, Lloyds, Constructionline, and the Common Assessment Standard.

Careys is a registered member of the Considerate Constructors' Scheme (CCS), that uses the Code of Considerate Practice to set high standards for the construction industry. The Code exists to help constructors make positive changes to the way they work and to operate more responsibly and respectfully. It focuses on three key sections: respecting the community, caring for the environment, and valuing the workforce.

As part of our commitment to this Code, we recently undertook a company and site audit at our Stratford Waterfront project. We scored full marks across all three categories of the assessment and received an 'Excellent' standard. Our CCS monitor who carried out the assessments, commented that 'Careys is a leader in the sector in upholding the CCS ethos and carrying out the Code of Considerate Practice.'

In addition to our rolling programme of HSSQ audits, during 2023 our internal auditor investigated two areas of compliance risk to determine the effectiveness of our internal controls. The first was a review of onboarding and payment of staff and contractors, spanning six consecutive weeks of payroll and onboarding data. Some inconsistencies in data were identified and solutions developed using PowerBI to track onboarding and payments going forward.

In 2023, we completed our three year recertification of the Business Management System (BMS) certified to ISO 9001, 14001 and 45001

The second, was an ethical labour management system audit at our Argyle Street project reviewing operative contract records against the Carey Groups Minimum Standards Ethical Labour Code of Conduct Policy. Our procurement team have also instigated supply chain audits focusing on ethical labour standards for our key labour agencies, with all remaining agencies being audited in 2024. We also aim to undertake audits of key suppliers on embodied carbon and their science-based carbon targets.

Having undertaken a needs assessment of all job roles in 2023, 2024 will also see the launch of Vinci Works, an online platform to manage our refresher compliance training in seven key areas relating to Anti-Bribery & Corruption, GDPR, The Criminal Finance Act, Modern Slavery, Right to Work, Cyber Awareness, Competition Law and Equality & Diversity. All refresher training is aimed to be complete by the end of April 2024.

GOVERNANCE STATEMENT

Directors

Mrs Fiona Mary O'Donnell
Mr Jason Anthony Carey
Mr Thomas Noel Carey
Mr Martin Karl Nilsson
Mrs Julie Dawn Welch (resigned 30th September 2023)

Registered Number

02644192

Registered Office

1 Hand Axe Yard
277a Gray's Inn Road
King's Cross
London
WC1X 8BD

Independent Auditors

MHA
Statutory Auditors
2 London Wall Place
London
EC2Y 5AU

The Group, led by Araglin Holdings, continues to apply the Wates Governance Principles for Large Private Companies (the "Wates Principles"), published by the Financial Reporting Council in December 2018. The Board believes these represent best practice for our family-owned businesses and provide the Group with a framework to benchmark our governance practices against. We continue to review our approach to governance and develop it as our business model and operations evolve.

PURPOSE AND LEADERSHIP

We continue to be guided by our founders and the legacy that they built based on the simple value "to care". The vision, mission, and values that we abide by are woven throughout our strategy and form the basis of our decision-making and approach to working with our employees, clients, suppliers and other important stakeholders.

Behaviours are reinforced through company policies and honest conversations, and we encourage our colleagues to speak up if there is anything that they are unhappy about. Our strategy is cascaded throughout the Group, and we take a collective responsibility in the success of our businesses.

BOARD COMPOSITION

For the year ended 30 Septemeber 2023, Carey Group Limited Board was composed of three Carey family members and our Carey Group CFO. The Board met as required for points of decision making. However, the majority of Board activities are held at parent company level within Araglin Holdings Limited. The Carey Group is always represented at parent company board meetings.

There are no board committees in place for Carey Group Limited.

DIRECTOR RESPONSIBILITIES

Directors have access to external legal and other professional advice as they may request and can also utilise the internal experts we have across the Group to assist them in carrying out their director duties.

The Board adopted a decision-making framework in the operating businesses during the reporting period and monitor compliance against this framework.

OPPORTUNITY AND RISK

As may be expected, we continue to keep focus on managing risks in our businesses and also keep under assessment opportunities that may present themselves. Each of the risks and opportunities that we identified are considered against our strategy and debated openly. Our Risk & Audit Committee (a committee of the Araglin Holdings Limited Board), is led by our independent non-executive director Steve Maslin, continues to play a key role in our risk management, engaging regularly with our business leaders and our auditors wherever necessary to ensure we mitigate risks as far as possible.

A compliance training programme is running to ensure colleagues across the Group are supported in their understanding of compliance risks and we rely on expertise internally such as in our health and safety team to work closely with our sites to ensure day to day risks are carefully managed and safety is never compromised.

REMUNERATION

Jamie Buchan, our other independent non-executive director, chairs our Remuneration Committee (led by our Araglin Holdings Limited Board) and considers remuneration policy matters and decisions across the Group. The committee is supported by our HR team and external advice is taken as required. Benchmarking data is used to ensure our approach to remuneration remains fair and we continue to attract, retain and motivate our talent.

Decisions in relation to executive remuneration are taken with clear understanding of the relationship with the wider workforce.

STAKEHOLDER RELATIONSHIPS AND ENGAGEMENT

We work hard to maintain constructive and positive relationships across our stakeholder groups and engage with them to ensure their views form part of our decision making.

As a family-owned business, our founder shareholders remain close to our operational activities and family directors meet with them regularly to update them on business performance.

Our business has adopted a proactive approach to working with key suppliers and clients as we strive to be the Partner of Choice. We receive excellent feedback on this approach from our stakeholders and we are proud to be recognised for our efforts.

Our boards and leadership teams, when making business decisions, are actively encouraged to consider the impact of decisions on each of our stakeholder groups. Our values of care, humility, passion and authenticity are core to our approach to such relationships.

More information on how the Board seek to promote the success of the Carey Group for the benefit of our ultimate shareholders and who we have regard to when making decisions, can be found in the S172 (1) statement.

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

FOdonnell

Mrs Fiona Mary O'Donnell
Director
Date: 21/02/2024

DIRECTOR'S REPORT

THE DIRECTORS REPORT AND FINANCIAL STATEMENTS FOR YEAR ENDED 30 SEPTEMBER 2023.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Carey Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Carey Group will continue in business.

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

Principal activity

The principal activities of Carey Group Limited during the year were development and delivery of civil engineering solutions and installation of dry lining and drywall suspended ceilings and plaster finishes.

Results and dividends

EBITDA for the year amounted to **£9,313k (2022 - £38,425k Loss)**.

No interim dividend was paid during the year (2022 nil) and the Directors do not recommend that a final dividend is paid.

Directors

The directors who served during the year were:

Mrs Fiona Mary O'Donnell
Mr Jason Anthony Carey
Mr Thomas Noel Carey
Mr Martin Karl Nilsson
Mrs Julie Dawn Welch (resigned 30th September 2023)

Future developments

Information concerning future development is set out in the CEO Review and Operational Review.

Research and Development

The Carey Group continually strives to develop new designs, construction methods and technologies to provide solutions for complex projects. Innovation and development play a key part in the Carey Group's ability to deliver operational excellence and continue being the partner of choice.

Qualifying third-party indemnity provisions

The Carey Group holds the appropriate insurance cover in respect of possible legal action being taken against its Directors and Officers. The Articles provide the Directors and Officers with further protection against liability to third parties, subject to the conditions set out in the Companies Act 2006. Qualifying third-party indemnity provisions were in force throughout the financial year and remains in force as at the date of this report.

Engagement with suppliers, customers and others

The Carey Group is focused on maintaining and growing relationships with our key stakeholders including our supply chain. Many of our suppliers are long-term partners of the Carey Group and we value their contribution.

Disabled persons

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

Disclosure of information to auditors

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

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

Going Concern

The Board of Directors is required to consider the Carey Group's ability to continue as a going concern over a period of at least 12 months from the date of approval of the financial statements.

The Carey Group continues to meet it's day-to-day working capital requirements. At the reporting date the Carey Group had net assets of £78m which included £56m of real estate and £25m of net cash.

The Board of Directors has reviewed the Carey Group's short-term cash flow forecasts for the going concern period, which have been prepared using certain key assumptions and include a number of stressed but plausible downside scenarios. These scenarios include a consideration of the risks which may arise to the Carey Group's available liquidity and its ongoing compliance with its financial covenants within the Carey Group's debt.

The Board of Directors also considered the macroeconomic and political risks affecting the UK economy. The Board of Directors noted that the Carey Group's forecasts are underpinned by a significant proportion of revenue that is either secured or considered probable, and that the Carey Group operates primarily in sectors, which are considered likely to remain largely unaffected by macroeconomic factors. In addition, significant cost reduction actions have already been taken to improve the Carey Group's profitability.

As a result, the Board of Directors is satisfied that the Carey Group has sufficient financial resources to continue to operate for a period of at least 12 months from the signing of the financial statements and therefore it continues to adopt the going concern basis in preparing the Carey Group's annual financial statements.

Auditors

A resolution to reappoint MHA as independent auditor will be proposed at the next Board Meeting

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

FDonnell

Mrs Fiona Mary O'Donnell
Director
Date: 21/02/2024

CAREYS FOUNDATION

Celebrating 10 years of Careys Foundation

2023 was a special celebration at the Carey Group as we are proud to celebrate 10 years of Careys Foundation. Careys Foundation was established in 2012 and became a registered charity in 2015. Through the activities of the Foundation, we are able to leave a positive legacy on the communities we work within. We take considerable pride in the Foundation's commitment and approach to helping others, which is firmly grounded in the strong Carey family values which have underpinned the wider Group since 1969. To date, the Foundation has contributed over £2.9m to charitable and worthy causes.

The Foundation focuses its efforts on three key areas – people, charity and volunteering. In the reporting period 2022/23 we:

- Supported 58 charities
- Gave 301 volunteering hours
- Championed numerous community events

People

Carey Group employees play a vital role in the positive work of the Foundation in giving back to the communities they work and live in by supporting local community initiatives. In return, we endeavour to support them in their various times of need.

We want everyone to be aware that in their time of need, Careys Foundation is here to support them. Not only do we want to encourage people to engage with the Foundation' volunteering and fundraising projects, but we also have a clear, accessible structure which explains how we use our funds to make a positive difference to our people in their time of need.

The introduction of 'The People's Pot', these are funds raised by Careys people and matched by the Foundation that are set aside to support Carey Group employees, with a helping hand during times of need. The pot was called on in 2022 when employees requested support for the Ukraine crisis. Over £20k of materials and donations were provided for the cause.

Charities

We actively encourage and support all our people to fundraise for charitable causes – they reflect our values with their amazing actions and are keen to get involved. Typical activities include challenges such as mountain climbs and extreme races in order to raise awareness and funds for charity.

Volunteering

Offering our time and resources to help improve the lives of others is in our Company DNA and a fundamental part of living our values. We provide volunteering opportunities and support for all of our people to apply their skills outside of the workplace. Through our volunteering scheme, everyone is entitled to one paid day of leave each year that they can use to volunteer for a charity of their choice.

Through our volunteering activities, we have seen first-hand that small gestures of support, provided enthusiastically by thousands of people, can provide incredible benefits for worthy causes.

Partnering with Church Farm, Stevenage has given our teams various opportunities to get involved and support a local community project on a long-term basis. From creating new outdoor learning experiences for children and young people to building safe and secure animal shelters it has bonded teams and made a difference to a local worthy cause.

During 2022/23 the Lighthouse Construction Industry Charity (the Lighthouse Club) is Careys Foundation's key charity partner. As our key charity partner Careys Foundation are committed to raising awareness and funds for the Lighthouse Club, supporting numerous events and initiatives. To date, this has included:

Lighthouse Club **branded vehicles** - We launched our partnership with a branded truck promoting the Lighthouse Club and their support helpline – 0345 605 1956 (ROI 1800 939 122). To further raise awareness and funds, we have branded two additional Careys Plant & Fleet support vehicles. These are highly visible on UK roads spreading the message and promoting the Lighthouse Club, the great work they do and the services and support they offer to the people in our industry.

Promoting the '**#MakeItVisible** On-Site' initiative with a tour across our project sites - A campaign to raise awareness of poor mental health within our industry. In the UK, two construction workers take their own lives every working day and stress, anxiety and depression account for a fifth of all work-related illnesses. A huge focus of the campaign and tour was awareness of the pro-active support and resources for our construction community including the 24/7 Construction Industry Helpline, free app and mental health training. Over 500 sites have been reached to date throughout the UK & Ireland, with 31,734 people attending and 280 lives rescued.

The Careys Foundation/Lighthouse Club **Golf Fundraiser** – a highly successful day which was well supported by Careys, BDL and various suppliers and clients. The day was attended by 100 guests and raised over £20,000.

In addition to our key charity partner, each Carey Group region is given the opportunity to support a smaller, local charity within their community. The 2022/23 chosen regional charities are:

Mind | Northamptonshire

Tommy's – Together, for every baby

Maggie's – Everyone's home of cancer care

Fundraising Activities – Carey employees are given opportunities to engage in various fundraising opportunities for both Careys Foundation and the regional charities. These can range from skydiving, hikes, cycle challenges and fundraising collections. As well as participating in events co-ordinated by the Foundation, staff are encouraged to participate in fundraising events focusing on the regions chosen charity.

AUDITORS REPORT

OPINION

We have audited the financial statements of Carey Group Limited (the 'parent Company') and its subsidiaries ('Carey Group') for the year ended 30 September 2023, which comprise the Consolidated statement of comprehensive income, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows, the Consolidated statement of changes in equity, the Company statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Carey Group's and of the parent Company's affairs as at 30 September 2023 and of the Carey Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS OF OPINION

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

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' responsibilities statement set out on page 25, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Carey Group's and the parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Carey Group or the parent 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 Carey Group financial statements.

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

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff in compliance functions to identify any instances of non compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

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

USE OF OUR REPORT

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Atul Kariya, FCCA (Senior statutory auditor)

MHA

for and on behalf of
MHA

Statutory Auditors

London
Date: 23.02.2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

REGISTERED NUMBER: 02644192

CAREY GROUP LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

CAREY GROUP LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Note	2023 £000	*Restated 2022 £000*
Turnover	4	**402,412**	*364,492*
Cost of sales		**(362,704)**	*(364,793)*
Gross profit/(loss)		**39,708**	*(301)*
Administrative expenses		**(38,902)**	*(44,686)*
Other operating income	5	**4,180**	*1,744*
Fair value movements	17	**(370)**	*(100)*
Operating profit/(loss)	6	**4,616**	*(43,343)*
Income from participating interests		**1,003**	*210*
Interest receivable and similar income	10	**20**	*608*
Interest payable and similar expenses	11	**(45)**	*(416)*
Other finance income		**558**	*(335)*
Profit/(loss) before tax		**6,152**	*(43,276)*
Tax on profit/(loss)	13	**(1,284)**	*8,815*
Profit/(loss) for the financial year		**4,868**	*(34,461)*
Other comprehensive income for the year			
Revaluation of land and buildings		**674**	*(2,151)*
Retranslation of foreign subsidiaries		**(62)**	*267*
Actuarial gains/(losses) on defined benefit pension scheme		**(298)**	*13,259*
Total tax on components of other (expense)/income		**(154)**	*(3,917)*
Other comprehensive income for the year		**160**	*7,458*
Total comprehensive income for the year		**5,028**	*(27,003)*
Profit for the year attributable to:			
Owners of the parent company		**(4,868)**	*34,461*
		(4,868)	*34,461*

The notes on pages 44 to 79 form part of these financial statements

CAREY GROUP LIMITED
REGISTERED NUMBER: 02644192

CONSOLIDATED BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note		2023 £000		*Restated 2022 £000*
Fixed assets					
Intangible assets	14		**2,671**		*847*
Tangible assets	15		**41,273**		*49,415*
Investments	16		**770**		*767*
Investment property	17		**16,396**		*7,700*
			61,110		*58,729*
Current assets					
Stocks	18	**5,685**		*9,538*	
Debtors: amounts falling due after more than one year	19	**5,781**		*6,236*	
Debtors: amounts falling due within one year	19	**81,308**		*86,406*	
Current asset investments	20	**57**		*57*	
Cash at bank and in hand	21	**30,392**		*13,244*	
		123,223		*115,481*	
Creditors: amounts falling due within one year	22	**(90,299)**		*(72,034)*	
Net current assets			**32,924**		*43,447*
Total assets less current liabilities			**94,034**		*102,176*
Creditors: amounts falling due after more than one year	23		**(3,730)**		*(5,405)*
Provisions for liabilities					
Deferred taxation	26	**(6,028)**		*(5,945)*	
Other provisions	27	**(8,175)**		*(19,133)*	
			(14,203)		*(25,078)*
Net assets excluding pension asset			**76,101**		*71,693*
Pension asset	31		**2,332**		*1,712*
Net assets			**78,433**		*73,405*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2023

	Note	2023 £000	2022 £000
Capital and reserves			
Called up share capital	28	**250**	*250*
Revaluation reserve	29	**11,982**	*11,391*
Other reserves	29	**2,954**	*2,954*
Profit and loss account	29	**63,247**	*58,810*
		78,433	*73,405*

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

Fiona Mary O'Donnell
Director

Date: 21/02/2024

The notes on pages 44 to 79 form part of these financial statements

COMPANY BALANCE SHEET
AS AT 30 SEPTEMBER 2023

	Note		2023 £000		Restated 2022 £000
Fixed assets					
Intangible assets	14		**2,671**		*847*
Tangible assets	15		**862**		*-*
Investments	16		**2,001**		*2,001*
			5,534		*2,848*
Current assets					
Debtors: amounts falling due within one year	19	**20,273**		*25,604*	
Current asset investments		**5**		*5*	
Cash at bank and in hand	21	**256**		*355*	
		20,534		*25,964*	
Creditors: amounts falling due within one year	22	**(35,153)**		*(38,468)*	
Net current liabilities			**(14,619)**		*(12,504)*
Total assets less current liabilities			**(9,085)**		*(9,656)*
Net assets excluding pension asset			**(9,085)**		*(9,656)*
Pension asset	31		**2,332**		*1,712*
Net liabilities			**(6,753)**		*(7,944)*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2023

	Note		2023 £000		*Restated 2022 £000*
Capital and reserves					
Called up share capital	28		**250**		*250*
Profit and loss account brought forward		**(8,194)**		*(17,417)*	
Profit/(loss) for the year		**1,477**		*(75)*	
Other changes in the profit and loss account		**(286)**		*9,299*	
Profit and loss account carried forward			**(7,003)**		*(8,194)*
			(6,753)		*(7,944)*

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

Fiona Mary O'Donnell
Director

Date: 21/02/2024

The notes on pages 44 to 79 form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Called up share capital £000	Revaluation reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
Restated at 1 October 2021	250	13,711	2,954	83,493	100,408
Loss for the year	-	-	-	(34,461)	(34,461)
Currency translation differences	-	-	-	267	267
Actuarial gains on pension scheme	-	-	-	13,259	13,259
Deficit on revaluation of freehold property	-	(2,151)	-	-	(2,151)
Tax on components of other comprehensive income	-	-	-	(3,748)	(3,748)
Tax on freehold property revaluation	-	(169)	-	-	(169)
Restated at 1 October 2022	250	11,391	2,954	58,810	73,405
Profit for the year	-	-	-	4,868	4,868
Currency translation differences	-	-	-	(62)	(62)
Actuarial losses on pension scheme	-	-	-	(298)	(298)
Surplus on revaluation of freehold property	-	674	-	-	674
Transfer between reserves	-	(74)	-	74	-
Tax on components of other comprehensive income	-	-	-	(145)	(145)
Tax on freehold property revaluation	-	(9)	-	-	(9)
At 30 September 2023	250	11,982	2,954	63,247	78,433

The notes on pages 44 to 79 form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Called up share capital	Profit and loss account	Total equity
	£000	£000	£000
Restated at 1 October 2021	**250**	**(17,417)**	**(17,167)**
Loss for the year	**-**	**(75)**	**(75)**
Actuarial gains on pension scheme	**-**	**13,259**	**13,259**
Tax on components of other comprehensive income	**-**	**(3,961)**	**(3,961)**
Restated at 1 October 2022	**250**	**(8,194)**	**(7,944)**
Profit for the year	**-**	**1,477**	**1,477**
Actuarial losses on pension scheme	**-**	**(298)**	**(298)**
Tax on components of other comprehensive income	**-**	**13**	**13**
At 30 September 2023	**250**	**(7,002)**	**(6,752)**

The notes on pages 44 to 79 form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023	*Restated 2022*
	£000	*£000*
Cash flows from operating activities		
Profit/(loss) for the financial year	**4,868**	*(34,461)*
Adjustments for:		
Amortisation of intangible assets	**-**	*1,616*
Depreciation of tangible assets	**3,135**	*3,427*
Interest paid	**45**	*417*
Interest received	**(1,023)**	*(608)*
Taxation charge	**1,284**	*(8,815)*
Decrease in stocks	**3,853**	*4,604*
(Increase) in debtors	**(14,304)**	*(1,385)*
Increase in creditors	**16,334**	*195*
(Decrease)/increase in provisions	**(10,959)**	*10,133*
Contributions to pension fund	**(360)**	*(8,000)*
Net fair value losses recognised in P&L	**370**	*100*
Corporation tax received/(paid)	**9,572**	*(13)*
Net cash generated from operating activities	**12,815**	*(32,790)*
Cash flows from investing activities		
Purchase of intangible fixed assets	**(1,824)**	*(847)*
Sale of intangible assets	**-**	*534*
Purchase of tangible fixed assets	**(2,089)**	*(7,958)*
Sale of tangible fixed assets	**824**	*1,516*
Purchase of investment properties	**(1,455)**	*-*
Interest received	**20**	*935*
HP interest paid	**76**	*(132)*
Income from investments in related companies	**1,003**	*250*
Net cash from investing activities	**(3,445)**	*(5,702)*

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	2023 £000	*2022 £000*
Cash flows from financing activities		
Repayment of loans	**(407)**	*(660)*
Repayment of/new finance leases	**(1,892)**	*(206)*
Loans from group companies	**10,199**	*46,867*
Interest paid	**(122)**	*(285)*
Net cash used in financing activities	**7,778**	*45,716*
Net increase in cash and cash equivalents	**17,148**	*7,224*
Cash and cash equivalents at beginning of year	**13,244**	*6,020*
Cash and cash equivalents at the end of year	**30,392**	*13,244*
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**30,392**	*13,244*
	30,392	*13,244*

The notes on pages 44 to 79 form part of these financial statements

CAREY GROUP LIMITED

CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	At 1 October 2022 £000	Cash flows £000	At 30 September 2023 £000
Cash at bank and in hand	13,244	17,148	30,392
Debt due after 1 year	(2,998)	336	(2,662)
Debt due within 1 year	(407)	71	(336)
Finance leases	(4,186)	1,968	(2,218)
Liquid investments	57	-	57
	5,710	19,523	25,233

The notes on pages 44 to 79 form part of these financial statements

1. General information

Carey Group Limited is a leading family-owned engineering, construction and resource recovery business operating across the UK and Ireland.

The Company is a private company limited by share and is incorporated in England and Wales. The address of the registered office is 1 Hand Axe Yard 277a Gray's Inn Road, Kings Cross, London, WC1X 8BD.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The financial statements reflect a prior year adjustment (note 30).

The financial statements are prepared in pound sterling and rounded to the nearest thousand.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

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

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

2.3 Going concern

The Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements. Please refer to the strategic report for further information.

2. Accounting policies (continued)

2.4 Foreign currency translation

Foreign currency transactions are translated into the functional currency using average exchange rates for the year, as this reasonably approximates the exchange rates at the actual dates of the transactions. At each year end, foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2. Accounting policies (continued)

2.5 Revenue and profit recognition

Revenue comprises the fair value of the consideration received or receivable, net of value added tax, rebates and discounts. It also includes the Group's proportion of work carried out under jointly controlled operations. Where revenue that has been recognised is subsequently determined not to be recoverable due to a dispute with the customer, these amounts are accounted for as a reduction in revenue. Where non-recovery is as a result of inability of a customer to meet its obligations, these amounts are charged to administrative expenses as a credit loss. Amounts received from customers but not yet recognised within revenue in the income statement are recognised as deferred income in the balance sheet.

Revenue is recognised on construction services over time as the benefit is transferred to the customer. The Company uses an output method to measure progress, recognising revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The percentage of completion is measured using the internal value to date as a proportion of the total expected contract revenue to determine the profit to be recognised to date, the profit adjustment is applied to cost of sales.

Revenue is recognised on dry lining services over time as the benefit is transferred to the customer. The Company uses an input method to measure progress, recognising revenue on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The percentage of completion is measured using the costs incurred to date as a proportion of the total expected costs to determine the profit to be recognised to date, the profit adjustment is applied to turnover.

The assessment of the final outcome of each contract is determind by regular review of the revenues and costs to complete that contract. Consistent contract review procedures are in place in respect of contract forecasting.

The general principles for revenue and profit recognition across the Group are as follows:

• Provision is made for any unavoidable future net losses arising from contract obligations, as soon as they become apparent;

• Additional consideration for contract modifications (variations) is only included in revenue (or the forecast contract out-turn) if the scope of the modification has been approved by the customer. If the scope of the modification has been approved but the parties have not yet determined the corresponding change in the contract price, an estimate of the change to the transaction price is made and included in calculating revenue to the extent that any increase in price is highly probably not to reverse;

• Variable consideration amounts (gain-share amounts, KPI bonuses, milestone bonuses, compensation event claims, etc.) are included in revenue (or forecasts to completion) only to the extent that it is highly probably that a significant reversal of the amount in cumulative revenue recognised will not occur;

• Refund liabilities (liquidated damages, pain-share amounts, KPI penalties, etc.) are accounted for as a reduction in revenue (or in forecasting contract out-turns) as soon as it is expected that the Company will be required to refund some or all of the consideration it has received from the customer;

• Claims against third-parties (such as insurance recoveries and claims for cost reimbursements)

CAREY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

2. Accounting policies (continued)

2.5 Revenue and profit recognition (continued)

outside of normal supplier price adjustments are recognised only when the realisation of income is virtually certain. The associated income is accounted for as a reduction in costs rather than revenue;

• Contract mobilisation is not considered to be a separate performance obligation in most situations, as the customer receives little or no benefit from mobilisation activities. Any consideration received from the customer in relation to the mobilisation phase of a contract is deferred and recognised as additional revenue relating to the performance obligations in the contract that benefit the customer; and

• A provision of 20% of the value of the retention of profitable contracts is made in recognition of the risk around recoverability.

Waste management
Revenue is recognised at the date the waste is delivered to the recycling site.

House sales
Revenue is recognised at the date of Legal Completion on the house, apartment and ground rent sales.

Design
Revenue for services is recognised at the date the service is provided.

2.6 Other operating income

Other operating income includes revenue from all the other operating activities which are not related to the principal activities of the Group. Key components were government support in the form of research and development expenditure credit; rental income and revaluation of investment property.

2.7 Operating leases: the Group as lessee

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

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

2.8 Research and development

Research and development is expensed in the period in which it is incurred.

2.9 Interest income

Interest income is recognised in profit or loss in the period in which it is received.

2.10 Finance costs

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

2. Accounting policies (continued)

2.11 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.12 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

a) the increase in net pension benefit liability arising from employee service during the period; and

b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

2. Accounting policies (continued)

2.13 Current and deferred taxation

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

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

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

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

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

2.14 Intangible assets

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

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

2.15 Tangible fixed assets

Property, plant and equipment are stated at cost less depreciation, or fair value.

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- straight line over 50 years
Land	- None
Fixtures and fittings, plant and machinery	- 10-25% per annum reducing balance/straight line
Assets under construction	- None

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

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

2.16 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the balance sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in other comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.17 Impairment of fixed assets and goodwill

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

2. Accounting policies (continued)

2.18 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.19 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2.20 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated Statement of Comprehensive Income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated Balance Sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

2.21 Stocks

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

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

2.22 Debtors

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

2. Accounting policies (continued)

2.23 Cash and cash equivalents

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

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

2.24 Creditors

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

2.25 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.26 Financial instruments

The Group has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance Sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

2. Accounting policies (continued)

2.26 Financial instruments (continued)

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

2. Accounting policies (continued)

2.26 Financial instruments (continued)

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported associated assumptions are income and expense. The estimates and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about the carrying value of assets and liabilities which are not readily apparent from other sources. Actual result may differ from 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 if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Material estimates and assumptions are made in particular with regards to establishing the following policies:

(i) Revenue and profit recognition

The estimation techniques used for revenue and profit recognition in respect of construction contracts require forecasts to be made of the outcome of long-term contracts which require assessments and judgments to be made on the recovery of pre-contract costs, changes in the scope of work, contract programmes, maintenance and defects liabilities and changes in costs.

(ii) Estimation of costs to complete and contract provisions

In order to determine the profit and loss that the Group is able to recognise on its developments and construction contracts in a specific period, the Group has to allocate total costs of the developments and construction contracts between the proportion completing in the period and the proportion to complete in a future period. The assessment of the total costs to be incurred and final contract value requires a degree of estimation, as does the assessment of a development's valuation. However, Group management has established internal controls to review and ensure the appropriateness of estimates made on an individual contract basis, including any necessary contract provisions. Amounts recoverable on construction contracts are disclosed in note 19. The estimation of final contract value includes assessment of recovery of variations which have yet to be agreed with the client, compensation events and claims, where these meet the criteria set out in the Group's accounting policies.

(iii) Amounts recoverable on debtors

Judgements have been made in relation to the recovery of trade debtors and taxation recoverable. Management have concluded that the amounts included as trade debtors and taxation recoverable are fairly valued at the year end.

(iv) Retirement benefit obligation valuations

In determining the valuation of the defined benefit scheme's assets and liabilities, a number of key assumptions have been made. The key assumptions, which have been given below, are largely dependent on factors outside the control of the Group:

• Inflation rate
• Life expectancy
• Discount rate
• Salary and pension growth rates

The Group is exposed to risks through its defined benefit scheme if actual experiences differs from the assumptions used and through volatility the plan assets. Details of the assumptions used, and associated sensitivities, are included in note 31.

3. Judgments in applying accounting policies (continued)

(v) Property, plant and equipment

Tangible fixed assets held under the cost model are depreciated over their useful economic lives considering their projected residual values, where appropriate. Management reviews the assets' useful economic lives considering factors such as anticipated utilisation, maintenance programmes and physical condition of the assets.

(vi) Stock properties under development

The recoverability of property development work in progress is an area which requires significant judgment due to the ongoing volatility in property valuations due to COVID-19. An assessment of the net realisable value of inventory is carried out at each balance sheet date and is dependent upon the Group's estimate of forecast selling prices and build/development costs (by reference to current prices), which may require significant judgement. Where applicable, third-party valuations are used to support the position as at the balance sheet date. In valuing work in progress at the lower of cost and net realisable value the Group has already recognised any expected downside, and any upside is contingent on the Group's continued development of the projects as it is not in the business of selling partly developed sites.

(vii) Investment property valuations

The Directors' fair value assessment of investment properties are aided by valuations undertaken by independent, professional valuers, who perform their valuation in accordance with the RICS Valuation Standards and FRS102. There are significant judgements and estimated involved in valuing these properties which may be subject to uncertainty in outcome, including market rental rates, property appreciation rates, and the climate of the property market in general.

(viii) Provisions

Further information about the Group's provisions is provided in note 27. Significant management judgement relating to provisions and contingent liabilities is required, since the outcome of litigation is difficult to predict.

CAREY GROUP LIMITED

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4. Turnover

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

	2023	*2022*
	£000	*£000*
Contracting	**398,749**	*359,781*
Property development	**3,663**	*4,710*
	402,412	*364,491*

Analysis of turnover by country of destination:

	2023	*2022*
	£000	*£000*
United Kingdom	**398,356**	*351,080*
Rest of Europe	**4,056**	*13,412*
	402,412	*364,492*

5. Other operating income

	2023	*2022*
	£000	*£000*
Other operating income	**333**	*436*
Net rents receivable	**537**	*501*
Profit on disposal of tangible assets	**666**	*300*
R&D expenditure credit	**2,644**	*507*
	4,180	*1,744*

6. Operating profit/(loss)

The operating profit/(loss) is stated after charging:

	2023	*2022*
	£000	*£000*
Depreciation	**3,136**	*3,426*
Exchange differences	**(108)**	*(81)*
Amortisation	**-**	*1,616*

7. Auditors' remuneration

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

	2023 £000	*2022 £000*
Fees payable to the Company's auditors and their associates for the audit of the consolidated and parent Company's financial statements	**175**	*160*

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

8. Employees

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

	Group 2023 £000	*Group 2022 £000*	**Company 2023 £000**	*Company 2022 £000*
Wages and salaries	**54,405**	*66,106*	**2,376**	*8,520*
Social security costs	**6,399**	*6,790*	**315**	*-*
Cost of defined contribution scheme	**2,172**	*2,406*	**114**	*264*
	62,976	*75,302*	**2,805**	*8,784*

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

	Group 2023 No.	*Group 2022 No.*	**Company 2023 No.**	*Company 2022 No.*
Administration	**115**	*133*	*-*	*-*
Managerial	**318**	*360*	*13*	*12*
Technical	**191**	*224*	*-*	*-*
Operations	**197**	*249*	*-*	*-*
	821	*966*	*13*	*12*

9. Directors' remuneration

	2023 £000	*2022 £000*
Directors' emoluments	**2,173**	*1,772*
Group contributions to defined contribution pension schemes	**111**	*264*
Compensation for loss of office	**-**	*30*
	2,284	*2,066*

During the year retirement benefits were accruing to 3 directors *(2022 - 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £556k *(2022 - £358k)*.

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

The Directors are the key management personnel of the company and their remuneration is outlined above.

10. Interest receivable

	2023 £000	*2022 £000*
Other interest receivable	**20**	*608*
	20	*608*

11. Interest payable and similar expenses

	2023 £000	*2022 £000*
Bank interest payable	**119**	*284*
Finance leases and hire purchase contracts	**(76)**	*132*
Other interest payable	**2**	*-*
	45	*416*

12. Other finance costs

	2023 £000	*Restated 2022 £000*
Interest income on pension scheme assets	**1,327**	*507*
Net interest on net defined benefit liability	**(769)**	*(842)*
	558	*(335)*

13. Taxation

	2023 £000	*Restated 2022 £000*
Corporation tax		
Current tax on profits for the year	**30**	*(8,751)*
Adjustments in respect of previous periods	**(158)**	*(106)*
	(128)	*(8,857)*
Total current tax	**(128)**	*(8,857)*
Deferred tax		
Origination and reversal of timing differences	**1,253**	*(265)*
Changes to tax rates	**82**	*103*
Adjustments in respect of previous periods	**77**	*204*
Total deferred tax	**1,412**	*42*
Tax on profit/(loss)	**1,284**	*(8,815)*

13. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2022 - lower than)* the standard rate of corporation tax in the UK of 22% *(2022 - 19%)*. The differences are explained below:

	2023 £000	*Restated 2022 £000*
Profit/(loss) on ordinary activities before tax	**6,152**	*(43,277)*
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 22% (2022 - 19%)	**1,353**	*(8,223)*
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**1,814**	*250*
Adjustments to tax charge in respect of prior periods	**(70)**	*202*
Non-taxable income	**(2,122)**	*(172)*
Other	**168**	*(477)*
Group relief surrendered	**59**	*(497)*
Tax rate changes	**82**	*102*
Total tax charge for the year	**1,284**	*(8,815)*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

14. Intangible assets

Group

	Development expenditure £000	Computer software £000	Total £000
Cost			
At 1 October 2022	**847**	**14**	**861**
Additions	**1,824**	**-**	**1,824**
At 30 September 2023	**2,671**	**14**	**2,685**
Amortisation			
At 1 October 2022	**-**	**14**	**14**
At 30 September 2023	**-**	**14**	**14**
Net book value			
At 30 September 2023	**2,671**	**-**	**2,671**
At 30 September 2022	*847*	*-*	*847*

CAREY GROUP LIMITED

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14. Intangible assets (continued)

Company

	Development expenditure £000
Cost	
At 1 October 2022	**847**
Additions	**1,824**
At 30 September 2023	**2,671**
Net book value	
At 30 September 2023	**2,671**
At 30 September 2022	*847*

15. Tangible fixed assets

Group

	Freehold property £000	Land £000	Long-term leasehold property £000	Fixtures, fitting and plant and machinery £000	Assets under construction £000	Total £000
Cost or valuation						
At 1 October 2022	**16,338**	**20,318**	**-**	**44,240**	**7,611**	**88,507**
Additions	**-**	**-**	**862**	**1,228**	**-**	**2,090**
Disposals	**-**	**-**	**-**	**(3,782)**	**-**	**(3,782)**
Transfers between classes	**-**	**-**	**-**	**-**	**(7,611)**	**(7,611)**
Revaluations	**-**	**674**	**-**	**-**	**-**	**674**
At 30 September 2023	**16,338**	**20,992**	**862**	**41,686**	**-**	**79,878**
Depreciation						
At 1 October 2022	**1,176**	**-**	**-**	**37,916**	**-**	**39,092**
Charge for the year on owned assets	**239**	**-**	**-**	**2,897**	**-**	**3,136**
Disposals	**-**	**-**	**-**	**(3,623)**	**-**	**(3,623)**
At 30 September 2023	**1,415**	**-**	**-**	**37,190**	**-**	**38,605**
Net book value						
At 30 September 2023	**14,923**	**20,992**	**862**	**4,496**	**-**	**41,273**
At 30 September 2022	*15,162*	*20,318*	*-*	*6,324*	*7,611*	*49,415*

15. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2023 £000	*2022 £000*
Freehold	**14,924**	*10,852*
Land	**20,991**	*24,628*
Short leasehold	**862**	-
	36,777	*35,480*

The freehold property was valued at 30 September 2023 by an external valuer, Gibbs Gillespie Surveyors Limited, in accordance with requirements of the RICS Valuation Standards on an open market basis derived from current market rents and investment property yields.

15. Tangible fixed assets (continued)

Company

	Short-term leasehold property £000
Cost or valuation	
Additions	**862**
At 30 September 2023	**862**
At 30 September 2023	**-**
Net book value	
At 30 September 2023	**862**
At 30 September 2022	-

16. Fixed asset investments

Group

	Investment in joint ventures £000
Cost or valuation	
At 1 October 2022	**767**
Change in value	**3**
At 30 September 2023	**770**

The change in value in the year of the investment in joint ventures relates to distributions of £1,000k and a share of profit of £1,003k.

CAREY GROUP LIMITED

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16. Fixed asset investments (continued)

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2022	**2,001**
At 30 September 2023	**2,001**

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
P.J. Carey (Contractors) Limited	Ordinary	100%
P.J. Carey Plant Hire (Oval) Limited*	Ordinary	100%
Careys New Homes Limited*	Ordinary	100%
T.E. Scudder Limited*	Ordinary	100%
Seneca Environmental Solutions Limited	Ordinary	100%
ION Environmental Solutions Limited*	Ordinary	100%
Careys Environmental Services Limited, incorporated in Ireland	Ordinary	100%
Careys Estates Doon Limited, incorporated in Ireland	Ordinary and preference	100%
Careys Shared Equity Limited*	Ordinary	100%
P J Carey (Contractors) Limited, incorporated in Ireland	Ordinary	100%
BDL Group Limited	Ordinary	100%
Careys Design Team Limited*	Ordinary	100%
Careys 35 Baird St Limited*	Ordinary	100%
Careys 1 Hand Axe Yard Limited*	Ordinary	100%
Elfield Park Limited*	Ordinary	100%

* denotes subsidiaries which have taken advantage of the parent company guarantee exemption to produce unaudited accounts in accordance with s479A of the Companies Act 2006.

All companies in the Group are incorporated in England and Wales, unless specified otherwise in the table above.

All subsidiaries hold their registered office at 1 Hand Axe Yard, 277a Gray's Inn Road, Kings Cross, London, WC1X 8BD, UK with the exception of the three Irish companies. The Irish registered companies hold their registered office at Carey House, Dardistown, Cloghran, County Dublin, Ireland.

17. Investment property

Group

	Freehold investment property £000	Property under construction £000	Total £000
Valuation			
At 1 October 2022	**7,700**	**-**	**7,700**
Additions at cost	**-**	**1,455**	**1,455**
Deficit on revaluation	**(370)**	**-**	**(370)**
Transfers between classes	**-**	**7,611**	**7,611**
At 30 September 2023	**7,330**	**9,066**	**16,396**

The 2023 valuations were made by Gibbs Gillespie Surveyors Limited, on an open market value for existing use basis.

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

	2023 £000	*2022 £000*
Historic cost	**5,235**	*5,235*
Revaluations	**2,725**	*2,465*
	7,960	*7,700*

18. Stocks

	Group 2023 £000	*Group 2022 £000*
Raw materials and consumables	**2,742**	*2,967*
Land and buildings not yet under development	**2,943**	*6,571*
	5,685	*9,538*

The difference between purchase price or production cost of stocks and their replacement cost is not material.

CAREY GROUP LIMITED

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19. Debtors

	Group 2023 £000	*Group 2022 £000*	**Company 2023 £000**	*Company 2022 £000*
Due after more than one year				
Trade debtors	**5,781**	*6,236*	**-**	*-*
	5,781	*6,236*	**-**	*-*

	Group 2023 £000	*Group 2022 £000*	**Company 2023 £000**	*Company 2022 £000*
Due within one year				
Trade debtors	**29,539**	*32,926*	**67**	*134*
Amounts owed by group undertakings	**-**	*8,762*	**18,728**	*23,048*
Other debtors	**7,364**	*1,647*	**31**	*2*
Prepayments and accrued income	**3,847**	*3,241*	**1,322**	*1,618*
Amounts recoverable on long-term contracts	**38,045**	*32,202*	**-**	*-*
VAT recoverable	**1,160**	*4,782*	**-**	*-*
Deferred taxation	**1,353**	*2,846*	**125**	*802*
	81,308	*86,406*	**20,273**	*25,604*

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Other debtors include corporation tax recoverable, reimbursement assets and other sundry debtors.

20. Current asset investments

	Group 2023 £000	*Group 2022 £000*	**Company 2023 £000**	*Company 2022 £000*
Listed investments	**57**	*57*	**5**	*5*
	57	*57*	**5**	*5*

21. Cash and cash equivalents

	Group 2023 £000	*Group 2022 £000*	Company 2023 £000	*Company 2022 £000*
Cash at bank and in hand	**30,392**	*13,244*	**256**	*355*
	30,392	*13,244*	**256**	*355*

22. Creditors: Amounts falling due within one year

	Group 2023 £000	*Group 2022 £000*	Company 2023 £000	*Company 2022 £000*
Bank loans	**336**	*407*	**-**	*-*
Trade creditors	**29,734**	*21,953*	**1,297**	*1,256*
Amounts owed to group undertakings	**1,298**	*-*	**29,860**	*35,009*
Other taxation and social security	**1,752**	*1,900*	**126**	*98*
Obligations under finance lease and hire purchase contracts	**1,149**	*1,778*	**-**	*-*
Other creditors	**11,007**	*7,808*	**55**	*54*
Accruals and deferred income	**45,023**	*38,188*	**3,815**	*2,051*
	90,299	*72,034*	**35,153**	*38,468*

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

The bank loans are secured by way of first legal mortgage over investment properties held by subsidiaries acquired in connection with the loans. The bank loans are also secured by first mortgage ebenture over the Group's total net assets and unlimited cross company guarantees. Interest on bank loans was charged at LIBOR plus 3% p.a. and paid quarterly.

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

	Group 2023 £000	*Group 2022 £000*
Bank loans	**2,662**	*2,998*
Net obligations under finance leases and hire purchase contracts	**1,068**	*2,407*
	3,730	*5,405*

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

The bank loans are secured by way of first legal mortgage over investment properties held by subsidiaries acquired in connection with the loans. The bank loans are also secured by first mortgage debenture over the Group's total net assets and unlimited cross company guarantees. Interest on bank loans was charged at LIBOR plus 3% p.a. and paid quarterly.

24. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £000	*Group 2022 £000*
Amounts falling due within one year		
Bank loans	**336**	*407*
	336	*407*
Amounts falling due 1-2 years		
Bank loans	**336**	*336*
	336	*336*
Amounts falling due 2-5 years		
Bank loans	**2,326**	*1,008*
	2,326	*1,008*
Amounts falling due after more than 5 years		
Bank loans	**-**	*1,655*
	-	*1,655*
	2,998	*3,406*

25. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £000	*Group 2022 £000*
Within one year	**1,149**	*1,778*
Between 1-5 years	**1,068**	*2,407*
	2,217	*4,185*

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26. Deferred taxation

Group

	2023 £000	*Restated 2022 £000*
At beginning of year	**(3,098)**	*1,073*
Charged to profit or loss	**(891)**	*158*
Charged to other comprehensive income	**(686)**	*(4,103)*
Utilised in year	**(1)**	*(228)*
At end of year	**(4,676)**	*(3,100)*

26. Deferred taxation (continued)

Company

	2023 £000	*Restated 2022 £000*
At beginning of year	**802**	*4,831*
Charged to profit or loss	**8**	*(69)*
Charged to other comprehensive income	**(686)**	*(3,960)*
At end of year	**124**	*802*

The deferred tax balance is made up as follows:

	Group 2023 £000	*Group Restated 2022 £000*	Company 2023 £000	*Company Restated 2022 £000*
Fixed asset timing differences	**(4,816)**	*(3,922)*	**35**	*42*
Short term timing differences	**50**	*64*	**-**	*-*
Non-trading timing differences	**90**	*760*	**90**	*760*
	(4,676)	*(3,098)*	**125**	*802*
Comprising:				
Asset - due within one year	**1,353**	*2,846*	**125**	*802*
Liability	**(6,028)**	*(5,945)*	**-**	*-*
	(4,675)	*(3,099)*	**125**	*802*

27. Provisions

Group

	Provision for loss on contracts £000	Other provisions £000	Total £000
At 1 October 2022	**10,812**	**8,321**	**19,133**
Charged to profit or loss	**-**	**6,400**	**6,400**
Utilised in year	**(9,037)**	**(8,321)**	**(17,358)**
At 30 September 2023	**1,775**	**6,400**	**8,175**

The provision for loss on contracts relate to contracts for which costs are expected to exceed income. As such, the loss element has been recognised immediately. The contracts are due for completion within the next 2 years.

The Group was involved in a regulatory matter relating to historical breaches due to the behaviour of a former management team. This liability was satisfied in April 2023.

In making this disclosure the Directors have utilised section 21.17 of FRS 102.

A subsidiary company, BDL Group Limited, was joined with two other parties to a warranty claim on a legacy project that BDL Group Limited acted as a subcontractor. After the balance sheet date, the company reached a settlement agreement which was fully provided. This amount is included wihtin other provisions.

28. Share capital

	2023 £000	*2022 £000*
Allotted, called up and fully paid		
250,000 *(2022 - 250,000)* Ordinary Shares shares of £1.00 each	**250**	*250*

29. Reserves

Revaluation reserve

The revaluation reserve represents the cumulative revaluation gains and losses in respect of land and buildings, except revaluations gains and losses in respect of investment properties recognised in profit or loss, net of deferred tax.

Other reserves

The other reserve represents the discount received on acquisition of subsidiaries historically and any subsequent foreign exchange movements.

Profit and loss account

The profit and loss reserve represents the cumulative profit and loss net of distributions to owners.

30. Prior year adjustment

Following the appointment of a professional trustee during the year, the trustees and company are examining a number of technical aspects of the way the scheme was administered historically. Such technical aspects are common among defined benefit pensions schemes. Until the resultant questions are resolved, the Group has provided for the maximum potential liability. The adjustments relate to liabilities that might have accrued many years ago and do not impact current year profit before tax and the professional trustee has confirmed no additional cash will be required for injection into the scheme.

An adjustment has been made to the prior year brought forward reserves of Carey Group Limited, actuarial gains on pension through other comprehensive income, taxation on other comprehensive income, deferred taxation charge, other finance costs, deferred tax and defined benefit pension scheme asset to correct the present value of plan liabilities of the defined benefit pension scheme.

Profit and loss reserves brought forward as at 1 October 2021 have been reduced by £11,173k, actuarial gains on pension through other comprehensive income in the year to 30 September 2022 has increased by £6,497k, taxation on other comprehensive income in the year to 30 September 2022 has increased by £2,270k, deferred taxation charge in the year to 30 September 2022 has decreased by £557k, other finance costs in the year to 30 September 2022 have increased by £327k, deferred tax has decreased by £2,012k and pension assets and retained earnings as at 30 September 2022 have been reduced by £8,727k in respect of this adjustment.

31. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £114k in the year (2022: £264k). Contributions totalling £34k were payable to the fund at 30 September 2023 (2022: £28k) and are included within creditors.

The Group operates a Defined benefit pension scheme.

Certain Group companies, including P.J. Carey (Contractors) Limited, T.E. Scudder Limited and P.J. Carey Plant Hire (Oval) Limited participate in the Carey Group Limited pension scheme, a multi employer defined benefit pension scheme which requires contributions to be made to a separately administered fund. The scheme ceased future pension accrual for active members from 31 March 2006 and became paid up.

The Directors of each Group Company have taken professional actuarial advice and concluded that it is not possible to identify their share of the assets and liabilities within the Carey Group Limited pension scheme on a consistent and reasonable basis. This decision was taken due to the fact that all contributions and assets are invested together, and are not assigned to one employer, and therefore each employer's share of the assets cannot be identified on a consistent basis from year to year. Further, contribution rates paid by each employer bear no relation to the age profile of the members, leading to cross subsidisation between employers, with some employers paying more than actually required to fund the cost of accruals of benefits for each participating employer.

The contributions paid by the subsidiaries, therefore are accounted as if the scheme were a defined contribution scheme, as the subsidiaries are unable to identify their share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis.

The most recent full triennial actuarial funding valuation of the scheme was carried out as at 6 April 2022 by a qualified independent actuary, based on the expected rate of return on the plan assets. Based on this assessment, which took into account material improvements to the funding level that occurred after the 6 April 2022 valuation date, it was agreed with the Trustees of the Scheme that no further ongoing deficit contributions were required. As such contributions to the Scheme ceased from March 2023 and the total contributions to the Scheme in the 2023 are £360k (2022: £8,000k). The funding position and contributions payable will be reassessed at the next triennial valuation due on 6 April 2025.

Reconciliation of present value of plan liabilities:

	2023 £000	*Restated 2022 £000*
Reconciliation of present value of plan liabilities		
At the beginning of the year	**23,687**	*38,636*
Interest cost	**769**	*842*
Actuarial gains	**(2,825)**	*(15,158)*
Benefits paid	**(509)**	*(633)*
At the end of the year	**21,122**	*23,687*

31. Pension commitments (continued)

Reconciliation of present value of plan assets:

	2023 £000	*2022 £000*
At the beginning of the year	**25,399**	*19,424*
Interest income	**1,327**	*507*
Actuarial gains	**(3,123)**	*(1,899)*
Contributions	**360**	*8,000*
Benefits paid	**(509)**	*(633)*
At the end of the year	**23,454**	*25,399*

	2023 £000	*Restated 2022 £000*
Fair value of plan assets	**23,454**	*25,399*
Present value of plan liabilities	**(21,122)**	*(23,687)*
Net pension scheme asset	**2,332**	*1,712*

The amounts recognised in profit or loss are as follows:

	2023 £000	*Restated 2022 £000*
Interest on obligation	**(769)**	*(842)*
Interest income on plan assets	**1,327**	*507*
Total	**558**	*(335)*
Actual return on scheme assets	**(1,796)**	*(1,392)*
	(1,796)	*(1,392)*

The cumulative amount of actuarial gains and losses recognised in the Consolidated Statement of Comprehensive Income was £12,961k *(2022 - £13,259k).*

CAREY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

31. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023 %	*2022 %*
Discount rate	**5.7**	*5.2*
Expeted return on scheme assets	**2.6**	*2.9*
Inflation assumption	**3.2**	*3.5*
Mortality rates		

32. Financial guarantees

The Company and all Group companies are subject to a cross guarantee over the bank borrowings of the Group as a whole. The total bank borrowings within the Group at 30 September 2023 subject to cross guarantee were £5,216k (2022: £7,591k).

33. Transactions with directors

During the year the Group advanced loans at nil interest rate to two Directors amounting to £531,106 (2022 - £167,299) in order for them to fund costs incurred on their behalf. The full amount was outstanding at the reporting date.

34. Related party transactions

During the year the Group advanced loans at nil interest rate to two Shareholders and one director of the ultimate parent company amounting to £429,029 (2022 - £632,515) in order for them to fund costs incurred on their behalf. The amount outstanding at the reporting date was £429,029 (2022- £838,989).

35. Controlling party

Araglin Holdings Limited is the immediate and ultimate parent company. The consolidated accounts of Araglin Holdings Limited are available to the public and may be obtained from C/O Farrow Accounting & Tax Limited Unit T13, Tideway Yard, 125 Mortlake High Street, London, United Kingdom, SW14 8SN.

There is no ultimate controlling party.

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