

Company registration number SC254742 (Scotland)

CAMPION HOMES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

CAMPION HOMES LIMITED

COMPANY INFORMATION

Directors	Mr P Bell Mr A Chalmers Mr A Graham Mr D Herd Mrs S Jackson Mrs M Scott Mr J Cassie (Non Executive)
Secretary	Mrs S Jackson
Company number	SC254742
Registered office	Pitreavie Drive Pitreavie Business Park Dunfermline Fife KY11 8US
Auditor	Thomson Cooper 3 Castle Court Carnegie Campus Dunfermline Fife KY11 8PB
Business address	Pitreavie Drive Pitreavie Business Park Dunfermline Fife KY11 8US
Bankers	The Royal Bank of Scotland 52-54 East Port Dunfermline Fife KY12 7HB
Solicitors	Addleshaw Goddard Exchange Tower 19 Canning Street Edinburgh EH3 8EH

CAMPION HOMES LIMITED

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CAMPION HOMES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present the strategic report for the year ended 30 June 2023.

Fair review of the business

The principal activity of the Company continued to be that of constructing residential houses within the private and social housing markets.

The company returned a pre-tax loss of £864k in the year to June 2023. This result is disappointing for the business following a number of years of positive financial performance. During this financial year the business was significantly impacted by the effects of high inflation which resulted in regularly increasing costs across all areas of the supply chain. A number of our fixed price contracts came to a conclusion during the year which had been negotiated and signed late 2019/early 2020 when the financial situation was considerably more stable and before the full impact of post-Covid inflationary pressures. Unfortunately the combined impact resulted in losses being recognised across these contracts.

Turnover levels were also impacted by delays in expected site starts. The specific reasons for delays vary site by site but ultimately have resulted in activity levels for the business being lower than anticipated and that which the overhead base could sustain.

Despite this year's losses the balance sheet remains strong with net assets of £10.7 million.

The underlying financial strength of the business, continued excellent relationships with clients and suppliers and the hard work and dedication of staff and subcontractors, has ensured the business has withstood the difficulties of the last three years post-Covid. The company has an excellent pipeline of work ahead of it in both the Affordable and Private Housing divisions and confidence remains that higher margin turnover levels will return over the coming years.

Operating Performance

	2023	2022
	£'000	£'000
Turnover	36,376	48,523
Gross Profit	3,414	6,088
Operating (Loss)/Profit	(851)	1,493
(Loss)/Profit before tax	(864)	1,309
(Loss)/Profit after tax	(729)	1,092
Net Assets	10,685	11,638
Gross Margin %	9.4%	12.6%
Operating Profit %	(2.3%)	3.1%

For the 12 months to June 2023 gross profit reduced by 44% compared with the prior year. Turnover decreased by 25%. Net assets decreased by £953k.

During the year the company progressed with its development at Oak Bank, Glenrothes, where sales levels remained steady in a very competitive market area and 13 handovers were achieved by year end. The company also launched its new development, Strathearn Gait, Crieff. Early reservation numbers were steady and first handovers commenced in the last quarter of 2023.

The company recently secured planning on two private development sites with one further live planning application ongoing, so there is potential for a steady pipeline of private development sales over the coming years. The Board is monitoring closely the current market conditions of continued high interest rates, mortgage affordability and levels of homebuyer confidence as it plans ahead for the launch of future sites. The business is well placed to accelerate site development when market confidence returns.

CAMPION HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Fair Review of the Business (continued)

During the year the Company handed over 368 homes to Housing Association and Local Authority clients and commenced construction on 137. 167 Affordable homes were under construction at the year end. The majority of the homes completed during the year to June 2023 were built under fixed price contracts as noted previously.

The Company continues to focus on its partnership relationships with RSL clients and Local Authorities. The approach of identifying suitable land opportunities and, working with all partners, bringing them forward for development continues to strengthen these relationships and delivers a significant proportion of the Company's turnover. The Company also continues to bid for competitive tenders for Affordable Housing Contracts and has successfully grown its client base within the Affordable Housing market through this approach.

The Company recognises the exceptional response that all its employees, subcontractors and suppliers have given again this year. Once again the Company has demonstrated that its people and relationships and the quality of its product are integral to the success of its business. Going forward the Company will continue to recruit locally where possible to invest in the team. The Company is focused on supporting the development of young people and is proud to have provided six new apprenticeship opportunities this year across several different trades, bringing the total number of apprentices employed at the year end to 24.

Continuous improvements are being driven throughout the company on all quality, environmental and health and safety areas. During the year the Company was recertified its accreditation with UKAS for ISO9001 (Quality Management), ISO14001 (Environmental Management) and ISO45001 (Health and Safety Management).

Principal risks and uncertainties

The Company's financial and operational performance is subject to a number of risks and as a result the Board seeks to ensure that appropriate processes are put in place to manage, monitor and mitigate these risks. The principal risks and uncertainties facing the company are:

Resources risk

The labour market over the last few years has been extremely challenging as inflationary pressures have been felt in both direct and indirect labour costs. As noted above, significant material price increases have been experienced over the last 12 months and this continues to be an issue across the industry. This environment continues to put significant pressure on the margins achievable on fixed price contract work and makes recruitment of high-quality labour more challenging.

The Company mitigates against this risk through regular communication with major suppliers, ensuring where possible any increasing material prices can be factored into tenders as required. Market rates for sub-contract labour are consistently monitored and any adjustments are applied. However, with benchmarks rates for Affordable Housing remaining static during FY23 it was not possible to negotiate significantly higher cost contracts with our Affordable Housing partners.

Internally the Company has strategies in place to continue its strong relationship with employees and continue its history of a low staff turnover. These include consistent benchmarking of remuneration and reward against others in the industry and developing the workforce through training, further education, or apprenticeships. The Company utilises the Investors in People frameworks to ensure there is continuous improvement in employee engagement, learning effectiveness and organisation performance driven by the relevant accreditations.

CAMPION HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Principal Risks and Uncertainties (continued)

Land Supply and Planning risk

The extent of information and the continuous increase in statutory consultees required through the planning process together with the uncertainty around the capacity and capability of utility providers to service the housing needs in Scotland is resulting in extending the timescales for the Company to bring forward land for development.

The Company maintains strong relationships within the land sector to ensure appropriate supply opportunities are brought forward for consideration regularly by the Board. As the time taken to achieve planning and the required statutory consents continues to be protracted, this is factored into all forecasts for future development and contract delivery.

The risk of securing sufficient land has been reduced during FY23 by the growing supply of land owned or secured under contract.

Price and demand risk

Within its Private Housing division, the company undertakes regular reviews of market conditions, product range and pricing. Consideration is given to geographical spread to ensure the right homes are delivered for the relevant area. The Company carefully monitors demand within the private housing division. The principal risk in this division is a reduction in sales volumes driven by the macroeconomic environment, namely higher interest rates, the availability of mortgage finance for house purchases and inflation. The Board continuously considers economic risk within this market and remains flexible to adapt plans if required and there is a weekly review of key trading indicators including reservations, visitor levels and competitor activity.

The Company continues to mitigate against its exposure to demand risk by the spread of work between private housebuilding and social housing contracts. The Company works hard to maintain its strong partnerships with a wide variety of Housing Associations and Local Authorities, whilst actively working on expanding its client base and anticipates continued contracts from this sector. The Company has a healthy pipeline of work for a variety of housing association and local authority clients. The Company was delighted to be recognised as "Affordable Housing Provider of the Year" at the 2023 Homes for Scotland Awards and believes this is just recognition for its commitment to supporting the Scottish Government's target of 110,000 new homes by 2032.

The Company gives the highest priority to customer service, quality of product and client satisfaction across both divisions and ensures this focus maintains the reputation of the company. The Company is proud to have once again successfully secured Five Star customer satisfaction rating status in the Homes for Scotland/House Builders Federation customer survey and was pleased to be recognised at the Scottish Home Awards by being awarded the "Excellence in Customer Service" award.

CAMPION HOMES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Section 172 (1) Statement

As Directors of the Company we have acted, and continue to act, in a way that we consider to be most likely to promote the continuing success of the Company for the benefits of its members. In doing so we have had regard, amongst other matters, to:

1. *The likely consequences of any decision in the long term*; The Directors continue to take a long-term view on the business, looking at market conditions and adapting future plans accordingly where required.
2. *The interests of the Company's employees*; The Company is proud of its long standing, committed workforce. It invests heavily in regulatory Health and Safety training and wider training enabling all employees to develop in their roles. It offers competitive remuneration packages and has developed a wide-ranging benefits package with a variety of offerings available to all employees.
3. *The need to foster the Company's business relationships with suppliers, customers and others*; The Company's relationships with customers and suppliers are critical to maintaining high-quality standards that the Company prides itself on. The Company engages closely with its RSL clients to ensure their requirements are met on a partnership basis across all contracts.
4. *The impact of the Company's operations on the community and the environment*; The Company is committed to engaging with all the communities within which it builds. It has a long history of investing in those communities and commits funds each year to support local good causes, including foodbanks, various charities and local sports teams. The Company is committed to reducing its carbon footprint utilising best working practices to enhance the environment for the future.
5. *The desirability of the Company maintaining a reputation for high standards of business conduct*; The Directors continuously review quality and safety in the workplace and ensure compliance with all main regulatory requirements.
6. *The need to act fairly as between members of the company*; The Board of Directors meet quarterly during which key strategic, operational and business risks are discussed. In addition, the Executive team meet bi-weekly to discuss and plan for key strategic and operational activities of the business.

On behalf of the board

Mr P Bell
Director

13 December 2023

CAMPION HOMES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2023

The directors present their annual report and financial statements for the year ended 30 June 2023.

Principal activities

The principal activity continued to be that of constructing residential houses.

Results and dividends

The results for the year are set out on page 11.

Ordinary dividends were paid amounting to £221,756 in respect of the prior year. The directors do not recommend a dividend in respect of this period.

Preference dividends were paid amounting to £4,053.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr P Bell
Mr A Chalmers
Mr A Graham
Mr D Herd
Mrs S Jackson
Mrs M Scott
Mr J Cassie (Non Executive)
Mr E Baxter (Resigned 7 July 2022)

Auditor

In accordance with the company's articles, a resolution proposing that Thomson Cooper be reappointed as auditor of the company will be put at a General Meeting.

Energy and carbon report

The Company's energy use includes purchased electricity, gas and fuel for company transport and was collated by gathering information from sites and suppliers. Meter readings were predominantly used for gas and electricity and fuel data was gathered from mileage data and fuel spend. Where actual data was not readily available, estimates have been used. The conversion factors used to calculate the emissions are those published in UK government GHG Conversion Factors for Company Reporting 2023, updated 28 June 2023.

	2023 kWh	2022 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	58,298	65,725
- Electricity purchased	106,991	41,973
- Fuel consumed for transport	2,223,604	2,092,881
	<u>2,388,893</u>	<u>2,200,579</u>

CAMPION HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

	2023 metric tonnes	2022 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	10.49	11.83
- Fuel consumed for owned transport	508.28	483.07
	<u>518.77</u>	<u>494.90</u>
Scope 2 - indirect emissions		
- Electricity purchased	22.16	8.12
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company	28.58	21.80
	<u>569.51</u>	<u>524.82</u>
Total gross emissions		
	<u>569.51</u>	<u>524.82</u>
<i>Intensity ratio</i>		
tCO2 e per £m of turnover	15.66	10.82
	<u>15.66</u>	<u>10.82</u>

Quantification and reporting methodology

Intensity measurement

The reporting intensity ratio used is tonnes of CO2 per £m turnover. It is considered that this provides the best representation of activity across the Company and comparison through the industry.

Measures taken to improve energy efficiency

The Company is committed to making continuing progress in improving the environmental management of its operation and helping to build a sustainable environment as evidenced by its ISO14001 Environmental Management System accreditation (recertified July 22 and successful annual surveillance audited June 23). The Company is also committed to embedding a culture of measurement and reporting in this area in order to drive a reduction in emissions going forward. This has been developed further this year with all sites now reporting energy consumption on a monthly basis.

It is the Company's policy to help reduce the impact that our products have on the environment as well as reduce the direct impact of the Company's own business activities on the environment. Recent examples of carbon reducing activities include:

- Use of air source heat pumps and electric charging points in house build;
- Installation of District Heating network at a development;
- Handover of Passivhouse accredited homes at a development;
- Building of Net-zero homes at a development;
- Installation of EV Charging points for staff use at Head Office and on site at Crieff;
- Installation of EV charging points for clients in developments;
- Excellent uptake of EV company car scheme for eligible employees;
- Purchase of first EV company van;
- Extensive use of PV panels on developments;
- Highly insulated external envelope on all build;
- Use of recycled material products;
- Recycling of waste at HO and on site;
- Buying local where possible;
- Engineering sites for cut & fill balance;
- Purchase of timber from sustainable sources;
- Cycle to work scheme;
- Encouraging car sharing.

CAMPION HOMES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

Mr P Bell
Director

13 December 2023

CAMPION HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CAMPION HOMES LIMITED

Opinion

We have audited the financial statements of Campion Homes Limited (the 'company') for the year ended 30 June 2023 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

CAMPION HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF CAMPION HOMES LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Extent to which the audit was capable of detecting irregularities, including fraud

We considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: existence and timing of recognition of income, misstatement of work in progress, posting of unusual journals along with complex transactions and manipulating the Company's key performance indicators to meet targets. We discussed these risks with management, designed audit procedures to test the timing and existence of revenue, reviewed a sample of contracts focussing on cut off, tested a sample of journals to confirm they were appropriate, read minutes of Board meetings and reviewed areas of judgement for indicators of management bias to address these risks.

We reviewed areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the officers and other management (as required by the auditing standards). Whilst the company is subject to many laws and regulations, we did not identify any others where the consequence of non-compliance alone could have a material effect on amounts or disclosures in the financial statements.

We reviewed the laws and regulations in areas that directly affect the financial statements including financial and taxation legislation and considered the extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.

With the exception of any known or possible non-compliance with relevant and significant laws and regulations, and as required by the auditing standards, our work in respect of these was limited to enquiry of the officers and management of the company.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

CAMPION HOMES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CAMPION HOMES LIMITED

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

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

Alan Mitchell (Senior Statutory Auditor)
For and on behalf of Thomson Cooper, Statutory Auditors
Dunfermline

14 December 2023

CAMPION HOMES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	2022 £
Turnover	3	36,376,110	48,523,305
Cost of sales		(32,962,205)	(42,435,125)
Gross profit		3,413,905	6,088,180
Administrative expenses		(4,265,048)	(4,595,192)
Operating (loss)/profit	4	(851,143)	1,492,988
Interest receivable and similar income	7	35,928	6,007
Interest payable and similar expenses	8	(48,856)	(189,714)
(Loss)/profit before taxation		(864,071)	1,309,281
Tax on (loss)/profit	9	135,126	(217,547)
(Loss)/profit for the financial year		(728,945)	1,091,734

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CAMPION HOMES LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2023

	2023 £	2022 £
(Loss)/profit for the year	(728,945)	1,091,734
Other comprehensive income	-	-
Total comprehensive income for the year	<u>(728,945)</u>	<u>1,091,734</u>

CAMPION HOMES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Goodwill	11		19,048		38,103
Tangible assets	12		1,340,405		1,601,659
Investments	13		80,100		80,100
			<u>1,439,553</u>		<u>1,719,862</u>
Current assets					
Stocks	16	8,058,622		4,539,931	
Debtors	17	4,761,568		5,508,696	
Cash at bank and in hand		4,128,251		11,557,226	
		<u>16,948,441</u>		<u>21,605,853</u>	
Creditors: amounts falling due within one year	18	<u>(7,051,620)</u>		<u>(10,580,545)</u>	
Net current assets			9,896,821		11,025,308
Total assets less current liabilities			<u>11,336,374</u>		<u>12,745,170</u>
Creditors: amounts falling due after more than one year	19		(470,259)		(906,244)
Provisions for liabilities					
Deferred tax liability	22	181,030		201,346	
		<u>(181,030)</u>		<u>(201,346)</u>	
Net assets			<u>10,685,085</u>		<u>11,637,580</u>
Capital and reserves					
Called up share capital	24		1,111,300		1,111,300
Share premium account	25		97,250		97,250
Capital redemption reserve	26		726,621		726,621
Other reserves			-		(2,259)
Profit and loss reserves	28		8,749,914		9,704,668
Total equity			<u>10,685,085</u>		<u>11,637,580</u>

The financial statements were approved by the board of directors and authorised for issue on 13 December 2023 and are signed on its behalf by:

Mr P Bell
Director

Company Registration No. SC254742

CAMPION HOMES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

	Share capital	Share premium account	Capital redemption reserve	Other reserve	Profit and loss reserves	Total
Notes	£	£	£	£	£	£
Balance at 1 July 2021	1,111,300	97,250	726,621	(4,454)	9,178,726	11,109,443
Year ended 30 June 2022:						
Profit and total comprehensive income for the year	-	-	-	-	1,091,734	1,091,734
Dividends	10	-	-	-	(563,597)	(563,597)
Transfers	-	-	-	2,195	(2,195)	-
Balance at 30 June 2022	1,111,300	97,250	726,621	(2,259)	9,704,668	11,637,580
Year ended 30 June 2023:						
Loss and total comprehensive income for the year	-	-	-	-	(728,945)	(728,945)
Dividends	10	-	-	-	(225,809)	(225,809)
Other movements	-	-	-	2,259	-	2,259
Balance at 30 June 2023	1,111,300	97,250	726,621	-	8,749,914	10,685,085

CAMPION HOMES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2023

	Notes	2023 £	£	2022 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	33				
		(5,463,880)		3,752,177	
Interest paid		(48,856)		(189,714)	
Income taxes refunded/(paid)		11,727		(698,923)	
Net cash (outflow)/inflow from operating activities		(5,501,009)		2,863,540	
Investing activities					
Purchase of tangible fixed assets		(24,857)		16,564	
Proceeds on disposal of tangible fixed assets		31,501		86,150	
Interest received		35,928		6,007	
Net cash generated from investing activities		42,572		108,721	
Financing activities					
Repayment of borrowings		(1,492,500)		(1,078,920)	
Repayment of bank loans		(29,955)		(457,590)	
Payment of finance leases obligations		(222,274)		(328,764)	
Dividends paid		(225,809)		(563,597)	
Net cash used in financing activities		(1,970,538)		(2,428,871)	
Net (decrease)/increase in cash and cash equivalents		(7,428,975)		543,390	
Cash and cash equivalents at beginning of year		11,557,226		11,013,836	
Cash and cash equivalents at end of year		4,128,251		11,557,226	

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

Company information

Campion Homes Limited is a private company limited by shares incorporated in Scotland. The registered office is Pitreavie Drive, Pitreavie Business Park, Dunfermline, Fife, KY11 8US.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Any consideration of the foreseeable future involves making a judgement, at a particular point in time, about future events which are inherently uncertain. At the date of approval of the accounts, the directors are aware of the potential downturn in demand as a result of the current economic climate. The directors are actively taking all steps to mitigate any impact this may have on the company however it is difficult to assess the full implications for the company at this time. However, at the time of approving the financial statements, the directors consider that the company has adequate resources to continue in operational existence for a period of not less than twelve months. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover from sale of private houses and developments are recognised for accounts purposes when consideration is received or receivable on legal completion.

Turnover on affordable housing contracts is recognised according to the stage of completion of the contract when the outcome can be reasonably estimated.

1.4 Intangible fixed assets - goodwill

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Goodwill - 5% Straight line

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Freehold property	2% Straight line
Plant and machinery	25% Straight line
Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Straight line
Tenant's Imp.	10% Straight line

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

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

1.6 Fixed asset investments

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

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

1.7 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.9 Construction contracts

Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

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

The "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

1.10 Cash and cash equivalents

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

1.11 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

1 Accounting policies

(Continued)

1.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

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

Work in Progress

The timing of revenue recognition on long-term contracts depends on the assessed stage of completion of contract activity at the balance sheet date. This assessment requires the expected total contract revenues and costs to be valued based on the current progress of the contract.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2023	2022
	£	£
Turnover analysed by class of business		
Property and land sales	36,350,391	48,510,756
Rental income	25,719	12,549
	<u>36,376,110</u>	<u>48,523,305</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

3 Turnover and other revenue (Continued)

	2023 £	2022 £
Turnover analysed by geographical market		
Scotland	36,376,110	48,523,305

	2023 £	2022 £
Other revenue		
Interest income	35,928	6,007

4 Operating (loss)/profit

	2023 £	2022 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	21,000	19,000
Depreciation of owned tangible fixed assets	176,769	229,882
Depreciation of tangible fixed assets held under finance leases	214,318	137,103
Profit on disposal of tangible fixed assets	(27,277)	(80,254)
Amortisation of intangible assets	19,055	19,055
Operating lease charges	89,078	87,844

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2023 Number	2022 Number
Administration	39	37
Cost of sales	110	121
Total	149	158

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	6,089,362	5,807,037
Social security costs	627,907	594,925
Pension costs	212,739	191,555
	6,930,008	6,593,517

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	802,024	764,651
Company pension contributions to defined contribution schemes	37,144	26,587
	<u>839,168</u>	<u>791,238</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2022 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023 £	2022 £
Remuneration for qualifying services	<u>196,827</u>	<u>183,949</u>

7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	32,519	3,812
Other interest income	3,409	2,195
	<u>35,928</u>	<u>6,007</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>32,519</u>	<u>3,812</u>
--	---------------	--------------

8 Interest payable and similar expenses

	2023 £	2022 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	16,367	7,661
Other interest	32,489	182,053
	<u>48,856</u>	<u>189,714</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

9 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	-	147,365
Adjustments in respect of prior periods	(114,810)	(21,684)
Total current tax	(114,810)	125,681
Deferred tax		
Origination and reversal of timing differences	(20,316)	69,818
Changes in tax rates	-	22,048
Total deferred tax	(20,316)	91,866
Total tax (credit)/charge	(135,126)	217,547

The actual (credit)/charge for the year can be reconciled to the expected (credit)/charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
(Loss)/profit before taxation	(864,071)	1,309,281
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)	(216,018)	248,763
Tax effect of expenses that are not deductible in determining taxable profit	(6,819)	(14,295)
Tax effect of utilisation of tax losses not previously recognised	146,283	-
Adjustments in respect of prior years	(3,454)	-
Permanent capital allowances in excess of depreciation	68,459	(90,793)
Under/(over) provided in prior years	-	(21,684)
Deferred tax	(12,403)	91,866
Other	-	3,690
Tax losses carried back	(111,174)	-
Taxation (credit)/charge for the year	(135,126)	217,547

10 Dividends

	2023 £	2022 £
Final paid	225,809	563,597

Dividends are paid in respect of profits earned in the prior year.

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 July 2022 and 30 June 2023	684,310
Amortisation and impairment	
At 1 July 2022	646,207
Amortisation charged for the year	19,055
At 30 June 2023	665,262
Carrying amount	
At 30 June 2023	19,048
At 30 June 2022	38,103

12 Tangible fixed assets

	Freehold property	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Tenant's Imp.	Total
	£	£	£	£	£	£
Cost						
At 1 July 2022	625,000	2,168,897	184,769	314,995	72,452	3,366,113
Additions	-	119,479	14,578	-	-	134,057
Disposals	-	(75,900)	-	(20,271)	-	(96,171)
At 30 June 2023	625,000	2,212,476	199,347	294,724	72,452	3,403,999
Depreciation and impairment						
At 1 July 2022	46,875	1,341,756	141,651	198,550	35,622	1,764,454
Depreciation charged in the year	12,500	306,308	21,393	43,641	7,245	391,087
Eliminated in respect of disposals	-	(75,900)	-	(16,047)	-	(91,947)
At 30 June 2023	59,375	1,572,164	163,044	226,144	42,867	2,063,594
Carrying amount						
At 30 June 2023	565,625	640,312	36,303	68,580	29,585	1,340,405
At 30 June 2022	578,125	827,141	43,118	116,445	36,830	1,601,659

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2023 £	2022 £
Plant and machinery	504,580	627,899

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

12 Tangible fixed assets (Continued)

Freehold property land and buildings with a carrying amount of £590,625 (2022 - £603,125) have been pledged as security against the bank loan.

13 Fixed asset investments

	Notes	2023 £	2022 £
Investments in subsidiaries	14	80,100	80,100

14 Subsidiaries

The subsidiary company is a small dormant company. Under s405 (2) of the Companies Act 2006, there is no requirement to produce group accounts.

Details of the company's subsidiaries at 30 June 2023 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Campion Homes Holdings Limited	Scotland	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Campion Homes Holdings Limited	80,100	-

15 Financial instruments

Financial assets includes trade debtors, other debtors and cash at bank, however excludes work in progress.

Financial liabilities includes trade creditors, accruals, hire purchase creditors and other loans.

16 Stocks

	2023 £	2022 £
Work in progress	8,058,622	4,539,931

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

17 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	3,833,374	5,130,211
Corporation tax recoverable	111,175	8,092
Other debtors	817,019	327,675
	<u>4,761,568</u>	<u>5,465,978</u>
Amounts falling due after more than one year:		
Trade debtors	-	42,718
	<u>-</u>	<u>42,718</u>
Total debtors	<u>4,761,568</u>	<u>5,508,696</u>

18 Creditors: amounts falling due within one year

	Notes	2023	2022
		£	£
Bank loans	20	337,962	25,000
Obligations under finance leases	21	159,384	179,390
Other borrowings	20	-	1,492,500
Trade creditors		1,455,679	1,288,286
Amounts owed to group undertakings		80,100	80,100
Taxation and social security		245,032	279,564
Accruals and deferred income		4,773,463	7,235,705
		<u>7,051,620</u>	<u>10,580,545</u>

19 Creditors: amounts falling due after more than one year

	Notes	2023	2022
		£	£
Bank loans	20	-	342,917
Obligations under finance leases	21	264,012	357,080
Other borrowings	20	206,247	206,247
		<u>470,259</u>	<u>906,244</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

20 Loans and overdrafts

	2023 £	2022 £
Bank loans	337,962	367,917
Preference shares	32,420	32,420
Other loans	173,827	1,666,327
	<u>544,209</u>	<u>2,066,664</u>
Payable within one year	337,962	1,517,500
Payable after one year	<u>206,247</u>	<u>549,164</u>

Other loans include director Peter Bell's loan notes of £173,827 (2022 - £173,827) are repayable on demand, with interest payable at a rate of 11.5%. Other loan notes in respect of Business Growth Fund were repaid in full during the year (2022 - £1,492,500).

The bank loan is secured over Communications House, Pitreavie Drive, Dunfermline. The loan is repayable over 5 years and interest is charged at 2.7% over base rate.

Preference shares represent non-equity interests stated at par value. The shares are redeemable, have priority over ordinary shares in the event of winding up and have no voting rights.

21 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	159,416	179,390
In two to five years	263,980	357,080
	<u>423,396</u>	<u>536,470</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

22 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2023 £	Liabilities 2022 £
Balances:		
Accelerated capital allowances	<u>181,030</u>	<u>201,346</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

22 Deferred taxation (Continued)

	2023 £
Movements in the year:	
Liability at 1 July 2022	201,346
Credit to profit or loss	(20,316)
Liability at 30 June 2023	<u>181,030</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

23 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>212,739</u>	<u>191,555</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

24 Share capital

	2023 Number	2022 Number	2023 £	2022 £
Ordinary share capital				
Issued and fully paid				
Ordinary 'A' shares of £1 each	100,100	100,100	100,100	100,100
Ordinary 'B' shares of £1 each	20,000	20,000	20,000	20,000
Ordinary 'C' shares of £1 each	3,000	3,000	3,000	3,000
	<u>123,100</u>	<u>123,100</u>	<u>123,100</u>	<u>123,100</u>
Preference share capital				
Issued and fully paid				
12.5% Cumulative preference shares of £1 each	<u>988,200</u>	<u>988,200</u>	<u>988,200</u>	<u>988,200</u>
Preference shares classified as equity			<u>988,200</u>	<u>988,200</u>
Total equity share capital			<u>1,111,300</u>	<u>1,111,300</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

25 Share premium account

	2023 £	2022 £
At the beginning and end of the year	97,250	97,250

26 Capital redemption reserve

	2023 £	2022 £
At the beginning and end of the year	726,621	726,621

27 Other reserve

	2023 £	2022 £
At the beginning of the year	(2,259)	(4,454)
Additions	-	2,195
Other movements	2,259	-
At the end of the year	-	(2,259)

The other reserve represents the discounting of the long term debtors. This is unwound in line with the interest receivable.

28 Profit and loss reserves

	2023 £	2022 £
At the beginning of the year	9,704,668	9,178,726
(Loss)/profit for the year	(728,945)	1,091,734
Dividends declared and paid in the year	(225,809)	(563,597)
Transfer to reserves	-	(2,195)
At the end of the year	8,749,914	9,704,668

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

29 Operating lease commitments

Lessee

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

	2023 £	2022 £
Within one year	2,786	1,771
Between two and five years	404,428	468,276
In over five years	60,685	103,521
	<u>467,899</u>	<u>573,568</u>

Lessor

The company rents out part of Communications House to a tenant. Rental and service charge income earned during the year amounted to £24,911 (2022 - £12,500).

At the reporting end date the company had contracted with tenants for the following minimum lease payments:

	2023 £	2022 £
Between two and five years	<u>80,625</u>	<u>103,125</u>

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2023 £	2022 £
Aggregate compensation	885,828	812,731

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2023 £	2022 £	2023 £	2022 £
Key management personnel	1,042	357,183	88,461	87,843

During the year, the company provided goods and services to directors on commercial terms of £1,042 (2022 - £357,166). Included within debtors due in less than one year is £nil (2022 - £1,152) in respect of these.

The company purchased goods and services from an entity in which a director holds an interest of £88,461 (2022 - £87,843). At the year end, £28,999 (2022 - £26,168) was included in creditors due less than one year.

Included in creditors greater than one year is £173,827 (2022 - £173,827) due to a director.

CAMPION HOMES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2023

31 Events after the reporting date

In July 2023 an incident occurred at one of our sites which resulted in one employee sustaining injuries. This incident is subject to an ongoing investigation however it is too early to assess if there will be a financial impact on the company.

32 Ultimate controlling party

For the two years ended 30 June 2023, director Peter Bell, controlled the company by virtue of a controlling interest of 99.9% of the issued 'A' ordinary share capital.

33 Cash (absorbed by)/generated from operations

	2023 £	2022 £
(Loss)/profit for the year after tax	(728,945)	1,091,734
Adjustments for:		
Taxation (credited)/charged	(135,126)	217,547
Finance costs	48,856	189,714
Investment income	(35,928)	(6,007)
Gain on disposal of tangible fixed assets	(27,277)	(80,254)
Amortisation and impairment of intangible assets	19,055	19,055
Depreciation and impairment of tangible fixed assets	391,087	366,985
Movements in working capital:		
(Increase)/decrease in stocks	(3,518,691)	1,127,076
Decrease/(increase) in debtors	852,470	(264,591)
(Decrease)/increase in creditors	(2,329,381)	1,090,918
Cash (absorbed by)/generated from operations	(5,463,880)	3,752,177

34 Analysis of changes in net funds

	1 July 2022 £	Cash flows £	New finance leases £	30 June 2023 £
Cash at bank and in hand	11,557,226	(7,428,975)	-	4,128,251
Borrowings excluding overdrafts	(2,066,664)	1,522,455	-	(544,209)
Obligations under finance leases	(536,470)	222,274	(109,200)	(423,396)
	<u>8,954,092</u>	<u>(5,684,246)</u>	<u>(109,200)</u>	<u>3,160,646</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.