

**Story Contracting Holdings Limited**

**Annual report and consolidated financial statements**

**for the year ended 31 March 2023**

Registered number: **11105510**



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## Company information

<b>Directors</b>	N F Story J F Story <i>F M Porter</i>
<b>Company secretary</b>	R N Gass
<b>Registered number</b>	11105510
<b>Registered office</b>	Burgh Road Industrial Estate Carlisle Cumbria CA2 7NA
<b>Independent statutory auditor</b>	UNW LLP Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Lloyds Bank plc PO Box 60 Carlisle CA3 8GH
<b>Solicitors</b>	Ward Hadaway Sandgate House 102 Quayside Newcastle upon Tyne NE1 3DX

# **Story Contracting Holdings Limited**

## **Strategic report**

For the year ended 31 March 2023

This strategic report has been prepared for the Group as a whole and therefore gives greater emphasis to those matters which are significant to Story Contracting Holdings Limited and its subsidiary undertakings when viewed as a whole.

### ***Principal activity of the Group***

The Directors do not deem there to be one principal activity for the Group however Story Contracting Limited makes up 87% of the Group turnover and is a Rail and Construction contracting business, most of the remaining turnover comes from Story Plant Limited an operated rail plant business.

### ***Review of the business***

#### ***Group***

Story Contracting Limited accounts for 87% of the Group turnover and, as a result, the Group performance is determined by the performance of that Company. Group turnover increased by 27.9% in the year and the Group had operating profits of £3.1m in the year (2022: 8.3m).

#### ***Story Contracting Limited (SCL)***

2022/23 was another year of considerable growth for the business, notably reflected in the substantial increase in sales within its Rail division. Nonetheless, the year posed persistent macroeconomic challenges, including escalating inflation and ongoing disruptions in the global supply chain that have impacted margins on several projects tendered prior to the current period. Additionally, client funding restrictions due to the current economic climate as well as ongoing industrial action by the RMT have collectively contributed to a challenging year for the business.

Story Contracting Limited depends heavily on the rail sector so, in order to mitigate risks, continues to reinforce its resilience through strategic reinvestment of profits into its diversification strategies. While actively pursuing diversification, the rail sector remains central to its operations. Throughout 2022/23, the business continued its tendering process for the upcoming Network Rail framework contracts (CP7) in England. Our current (CP6) frameworks were extended in Scotland until December 2025, while the CP6 framework in England is set to expire in March 2024.

Sales for the year to 31 March 2023 of £206.4m, representing an increase of 30% compared to sales for the year to 31 March 2022 of £158.4m. The growth in both Rail divisions stemmed from increased volumes through the CP6 frameworks with Network Rail. Additionally, projects such as the Hope Valley Joint Operation with Volker Rail, and our delivery as a subcontractor in the Oldhall Waste to Energy plant project in Scotland has contributed to this growth. Sales in the Construction division have shown moderate growth in the period, with sales now having returned to pre-pandemic levels. The discontinued Reiver Homes division also completed 2 sites in the year with a small number of self-build plots at Derwent Forest remaining.

The underlying gross margin was £22.7m (10.7%) before a £3.3m provision for future losses, which resulted in an overall gross margin in 2022/23 of £19.4m (9.4%), reduction in gross margin from 2021/22 of £25.0m (15.8%). This is attributable to; continued inflationary cost increases, reduction in gross margin for CP7 frameworks in England, change in sales mix from renewals to enhancements, as well as additional activity through the Hope Valley project that attracts a reduced gross margin percentage. Disruption in delivery through ongoing industrial action by the RMT as well as global supply chain issues has impacted efficient delivery.

# Story Contracting Holdings Limited

## Strategic report (continued)

For the year ended 31 March 2023

### *Review of the business (continued)*

#### *Story Contracting Limited (SCL)(continued)*

Administrative expenses in the year decreased to £16.9m (8.2%) (2021/22: £17.9m (11.3%)) predominantly through reduced staff costs relating to performance incentives not being met in the period. Underlying administration expenses were in line with previous year, albeit against an increased level of sales demonstrating economies of scale within the central service functions, where the business continued to focus on efficiency improvements and effective cost management strategies. Operating profits were £2.9m (2021/22: £7.7m).

High inflation, industrial action by the RMT and potential funding restrictions are likely to continue to result in tighter margins for the business in 2023/24. Nevertheless, the business is in a strong position with a healthy orderbook, where we are predicting turnover to be above £240m and margins returning towards previous levels with the diversification strategy remaining on track.

The business has continued to prioritise cash collection and has increased investment activity in non-core activities to optimise returns from cash surpluses. In the period, the business was able to extend loans to Story Capital Investments Limited, a wholly owned subsidiary Company of Story Contracting Limited setup to focus on non-core investments and working capital loans to Story Plant Limited. As a result, cash balances at the end of the year totalled £3.5m (2022: £7.2m).

The balance sheet continued to show a strong net asset position with profits being retained in the business to strengthen our diversification strategy.

#### *Story Plant Limited (SPL)*

Turnover of £30.5m (2022: £26.1m) underlines Story Plant Limited's position as a key supplier to the rail industry. However, the Company continued to be impacted by delays to major infrastructure projects with the increase in sales being the full year impact of the decision to widen the Company's geographical network during 2021/22. The impact of strike action within the Rail Industry continued to adversely affect performance during the year to 31 March 2023 which, coupled with the increased cost of supply and fuel due to inflationary pressures within the UK economy, had a negative impact on profit margins.

The reliability, compliance and performance of the RRV fleet continues to be a key area of focus. Investment in our own machine upgrade facility is continuing to provide benefits in terms of completing recertifications to a time bound programme and improving machine availability. It has also reduced our reliance on external providers for statutory refurbishments.

The Company continued its strategy of investment in new environmentally friendly assets investing £3.7m in the financial period on new RRVs and associated attachments. This investment is supplemented by continued direct investment in the research and development of innovative Rail Plant equipment with a view to obtaining Network Rail Product Acceptance and introducing these products to the Rail Industry.

# **Story Contracting Holdings Limited**

## **Strategic report (continued)**

For the year ended 31 March 2023

### ***Review of the business (continued)***

#### ***Story Capital Investments Limited (SCIL)***

SCIL's primary purpose is to hold non-core investments and allow more efficient use of cash generated.

Planning permission was granted in November 2022 for 54 dwellings on the site at Wilmslow, Cheshire. The site is being developed and managed by Story Homes Limited, a business also owned by the Story family. Work on the site commenced during the 2023/24 financial year and the first plot completion is forecast for 2024/25.

SCIL had no turnover during the year (2022: £nil).

#### ***Story Energy Limited (SEL) – formerly Story Future Energy Limited (SFEL)***

At 31 March 2023 SEL had invested in 3 renewable energy projects via subsidiary companies owned by SEL. SEL continues to seek new investment opportunities including securing strategic land for renewable energy projects in the UK.

#### ***Galloway Escapes Limited (GEL)***

Turnover decreased by £66k to £2k in the year. The Company made a profit after tax of £99k (2022: £30k).

#### ***Story Contracting Holdings Limited (SCHL)***

The Company is the parent Company of the Group and operates wholly as a Holding Company with dividends from and loans to subsidiary companies.

# Story Contracting Holdings Limited

## Strategic report (continued)

For the year ended 31 March 2023

### Section 172(1) statement

#### *Employment engagement*

The Group understands how important employee engagement is, to ensure all members of the business are fully committed to Company goals and values, and motivated to contribute to the business's collective success with an enhanced sense of their own well-being.

Several initiatives are in place, which include, conducting regular employee engagement surveys, and operating the 'Great Place to Work Forum'. The Forum is an outlet to give employees, at all levels in the Company, a voice to facilitate improvements throughout the business. Attended by the Company's CEO, and members of the Executive Leadership Team, the feedback collected from the forum is used to identify areas of business improvement enabling the development of action plans.

In addition, weekly electronic internal newsletters and business updates are produced and distributed to all employees. This enables the Group to update its people, to keep them informed and involved in all decisions. There are regular business updates, normally followed by social events to ensure everyone feels engaged and can ask direct questions to members of the Company board.

Employees can partake in volunteering for local community organisations, with each given two 'Community Days' per annual leave year. We encourage all team members to harness their skills to add value to the many voluntary and community organisations who rely on volunteers to achieve their objectives.

To foster engagement and effective communication across all levels of the organisation, all staff members undergo 'Insights' training and development. This program serves as a personality profiling tool aimed at promoting the inclusion of diverse individuals within each team, ultimately contributing to the creation of positive outcomes.

Our 'Every Story' initiative is supported by a working Group who look at ensuring everyone is engaged in the business regardless of their backgrounds, beliefs, gender, race, or sexual orientation. This Group was setup by our Executive Leadership Team (ELT) who have made a strong commitment to ensuring Equality, Diversity, and Inclusion (ED&I) is embedded throughout the organisation. We regularly sponsor Pride Events, multi-cultural projects and support homelessness campaigns and fund raising. We also have a close working relationship with organisations such as Women in Rail, the Armed Forces Employer Recognition Scheme and Business in the Community.

An integral component of our ED&I strategy involves acknowledging that within our industry, progress towards diversity has been comparatively slower. To ensure we fully understand our progress, opportunities, and challenges, we have developed reverse mentoring by pairing senior staff with junior employees or employees from a minority Group. We ensure that this includes employees who have both been with the business several years, as well as new starters to make sure our policies and processes are working. The basis of the reverse mentoring is the junior staff member working alongside a senior person and imparting details of their lived experience. In addition, we operate a shadow board of diverse junior personnel, each of whom we pair with a member of our ELT. These monthly events build empathy and promote diversity of thought across our business.

We recognise our people are our most important asset, and they are vital in the delivery of the high level of service and quality we provide to our clients across the UK. We are committed to looking after our people, including their health and wellbeing. So far in 2023, we have had over 350 staff attend mental health awareness training and 13% of the team are now Mental Health First Aiders. We previously introduced a Health Benefits and Employee Assistance Programme which gives all members of Team Story, and their family members, access to six free counselling sessions.

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# Story Contracting Holdings Limited

## Strategic report (continued)

For the year ended 31 March 2023

### Section 172(1) statement (continued)

#### *Engagement with supply chain*

The Group is a family-owned business and recognises the value small to medium-sized enterprise “SME” partnerships bring to the Group and the wider industry. The Group is committed to building considerate and positive relationships throughout the supply chain, with over 50% of Group spend directly invested in SME’s.

To provide support to the Group supply chain, the business actively identifies SMEs amongst potential suppliers, encouraging teams to utilise locally based SMEs on projects, where possible, within geographical restraints. The Group both encourages and supports local SMEs who are considering entering the market and actively looks for investment opportunities to enable them to expand their capacity and capabilities. The Group works with SMEs to understand their business drivers so that workload opportunities can be aligned and be mutually beneficial. Where possible the Group encourages the usage of Charitable organisations (inc Voluntary Organisations and Social Enterprises).

As part of the signed Group supply chain charter, the Group commits to paying its supply chain partners within the set payment charter and providing a safe and healthy working environment for all.

#### *Engagement with customers*

The Group is dedicated to delivering quality work to agreed time schedules and costs and to working collaboratively, enabling continuous improvement and development. The Group is committed to sharing ideas, plans and innovation, whilst displaying high ethical standards in all actions. In addition, the Group is devoted to acting respectfully to the environment and the people it works with, whilst ensuring the supply chain is paid on time for work delivered.

#### *Engagement with local communities*

The Group actively seeks to create social value in the communities that it works within whilst investing in future talent through apprenticeships, graduates, and training schemes. The Group provides 2 paid volunteering days per year to all employees, encouraging its employees to volunteer to support the local community and to fundraise to support the Group’s chosen charity partners.

We are dedicated to inspiring and developing the next generation of talent in our industry and our early careers programme trains, develops, and challenges our apprentices, trainees, undergraduate engineers, and graduates through a combination of experience and education.

We work with primary schools, secondary schools, colleges, and universities across the country to engage students through STEM sessions, careers events, and employment programmes. In 2023, we have delivered work experience to over 300 school children and recruited 37 apprentices and trainees. Since its launch in 2020 to give children work experience opportunities during Covid-19, Story Summer School has changed from a virtual experience to an in-person experience and welcomed five full cohorts of 15–18-year-olds in 2023, resulting in several apprentices being offered.



# Story Contracting Holdings Limited

## Strategic report (continued)

For the year ended 31 March 2023

### *Principal risks and uncertainties*

The principal aim of the Group is to maximise long term returns whilst minimising risks. Responsibility for management of each key risk is clearly identified and delegated by the Directors to specific senior staff within the Group. The Group's activities expose it to several financial risks including credit risk, cash flow risk and liquidity risk. These risks are managed through working cash flow management and are discussed in more detail in the Strategic report. The Group regards excellent customer relationships as a keystone of the business and continues to place great emphasis on this area.

### *Inflation risk*

The Group, like many others globally, have been impacted by national supply chain issues, high inflation, and increased cost of living. Oil (petrol & diesel), steel and timber have all seen significant price increases from March 2022. The Group has some commercial protection against most of these increases as projects are priced on a project-by-project basis, or in the case of Frameworks, are indexed linked, however as the increases impact end users and clients it has already started to impact margins in the Group.

The Group has put mitigation measures in place against high inflation. Forward orders with suppliers and supply chain ensure that prices tendered are secured. Overhead cost control and variable spend reductions are key controls in the business which will ensure we can continue to offer best value to our clients. Labour shortages and rising wage costs remains a key risk which the business continues to manage.

### *Industrial action*

In June 2022, the RMT and its members commenced industrial strike action in a dispute over pay, conditions, and redundancies. Whilst the industrial action didn't have a direct impact on the Group, it has resulted in projects being delayed due to uncertainties and other priorities within Network Rail. We expect many of the delayed projects to be recovered in year as most of our works are essential to maintaining the railway infrastructure.

All Network Rail frameworks have a degree of commercial protection with costs recovered for overhead staff working directly on Network Rail contracts. The disruption however will have consequences on performance.

### *Environmental policy*

Our Nature, Carbon, and Sustainability (NCS) strategy is a key component in our approach to delivering and enhancing the sustainability of our business. The Group has a significant impact on both society and the environment, and as such, our approach to NCS is an integral part of our strategy and how we do business. Recognising our key stakeholders focus on NCS, materiality assessments are completed on our projects to determine environmental and social impacts to drive 5 key priority areas; (1) Scopes 1 and 2 Net Zero across all fixed locations by 2035; (2) Biodiversity Zero Net Loss across fixed and transient locations by 2030; (3) Evaluate and improve procurement practices in line with ISO20400; (4) Develop climate change resilience and adaptation strategies for the products and services we deliver, and (5) Ensuring our people plan, work, and go home safe and well every day and positively impact the communities in which we operate. We continue to develop our approach to Environment-Social-Governance (ESG) reporting: we have reported annually against the Streamlined Energy and Carbon Reporting (SECR) requirements since 2019 and continue to drive towards our 2030 Science Based Target Initiative (SBTi). The Group has committed to the following: reduction in absolute scope 1 and scope 2 greenhouse gas (GHG) emissions by 46.2% by 2030, resource 100% of electricity from renewable sources by 2025, reduce absolute scope 3 GHG emissions by 25% by 2030, as part of this plan, we are also actively working towards compliance with the new 2021 Global Reporting Index (GRI) framework and implementing accreditation to PAS 2050.

# Story Contracting Holdings Limited

## Strategic report (continued)

For the year ended 31 March 2023

### *Key performance indicators*

The main measures of financial performance within the Group are Gross Profit, Gross Margin % and Net Profit and have been detailed in the Business Review section on Page 2 above. In non-financial measures, safety, health, and wellbeing is core to everything we do, and we are committed to ensuring everyone who works for or on behalf of us plans, works and returns home safe and well each and every day. The Group primarily uses KPIs based on RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) guidelines to measure the occurrence of accidents. The KPIs are based on frequency rates and incidence rates. The Group proactively monitors the results which are reviewed by the board on a regular basis. The board is satisfied that these measures show the Group has an excellent record on Health and Safety matters, underpinned by our seventh consecutive industry RoSPA gold award. The Group had 0 RIDDOR reportable incidents during 2023 (2022:1) and 2 lost time incidents in 2023 (2022:2). The board is satisfied that the business has a positive safety culture, recognised by the Royal Society of the Prevention of Accidents (RoSPA) in their award detailed above.

### *Future developments*

The Group experienced controlled growth in line with management expectations in the year to 22/23 which has continued in 23/24. Much of this growth has come from Story Contracting Limited within the Rail sector with some large projects on the horizon. *The management team remain focused on retaining the Story culture and controlling the growth by selecting quality work from mature clients and working with trusted supply chain partners and continuing to invest in our people.*

As part of a planned succession announced in October 2022, Jason Butterworth who had been CEO since November 2016 moved into a new role as Vice Chairman from 1st May 2023. As CEO, Jason delivered exceptional growth and has transformed the business.

Andy Joy was appointed as CEO on 1st April 2023, who Jason brought in as part of the succession plans announced in October. Andy joined the business in November 2021 with a wealth of experience in senior positions with major construction firms.

Story Plant Limited and Story Capital Investments Limited, currently both subsidiaries of Story Contracting Limited formed part of a corporate restructure effective 1st April 2023. Both Story Plant Limited and Story Capital Investments Limited have become wholly owned subsidiaries of Story Contracting Holdings Limited and report directly to the Holdings board.

This report was approved by the Board and signed on its behalf by:



**R N Gass**  
Company Secretary  
22 December 2023

# **Story Contracting Holdings Limited**

## **Directors' report**

For the year ended 31 March 2023

The Directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 March 2023.

### ***Results and dividends***

The profit for the Group for the year, after taxation, amounted to £2,318,000 (2022: £7,137,000).

The Directors do not recommend payment of a final dividend, no dividend was declared and paid in the year (2022: £2,020,000).

No dividends have been proposed after the balance sheet date and prior to the date of signing of these financial statements.

### ***Directors***

The Directors who served throughout the year were as follows:

N F Story

L J Pownall (resigned 30 September 2022)

J F Story (appointed 15 December 2022)

The Group has made qualifying third-party indemnity provisions for the benefit of its Directors and the Directors of all Group undertakings. These provisions were made during the year and remain in force at the date of this report.

### ***Charitable donations***

During the year the Group made £70,613 (2022: £136,000) in-kind donations, including over 1,900 volunteering hours and specialist support within the community.

As part of the Group motto 'Do It Right', Story Contracting Limited have delivered several meaningful and sustainable charitable projects, including continuing a charity partnership with mental health charities MIND UK and the Scottish Association for Mental Health (SAMH).

This year we have also supported the following regional charity partners; Ukraine Support, Focus for Hope, Cornerstone, Homeless Hub, Camden Foodbank, Simon Community, Groundwork and Carlisle Youth Zone.

The Group and its employees have raised and donated £4,620 (2022: £90,000) for its charity partners. This has included sporting competitions and Dress Down Fridays, which has helped raise staff awareness and reduce the stigma of mental health issues.

### ***Future developments***

Details of future developments can be found in the Strategic Report and form part of this report.

# **Story Contracting Holdings Limited**

## **Directors' report (continued)**

For the year ended 31 March 2023

### ***Going concern***

The Directors have prepared cash flow forecasts to March 2025 ensuring the Group has sufficient and liquid resources to continue to operate for a period of at least 12 months from the date these financial statements are signed. Further sensitivity analysis, reflecting the risk and uncertainties outlined in the Strategic Report, along with the potential impact on those forecasts due to reasonably conceivable alterations in the Group's trading prospects have also been considered.

Together with the Group being profitable, the Directors are of the view that it is appropriate to adopt the going concern basis in the preparation of the financial statements.

Further details are included in the accounting policies (note 1).

### ***Material events after the balance sheet date***

For further details of events since the balance sheet date please refer to note 25.

### ***Employment of disabled persons***

It is the policy of the Group to give full and fair consideration to applications for employment received from disabled persons. Within the limitations of their abilities, they are given the same opportunities for training, career development and promotion as are available to other Group employees and if necessary, retraining is given to an employee who becomes disabled whilst in the Group's employment.

### ***Employee involvement and health and safety at work***

Regular meetings are held involving Directors, managers and supervisory staff to convey information about the business. The Group operates the "Great Place to Work" forum with representatives from all parts of the business meeting monthly to consider issues raised by employees. During the year, the Group has provided training for employees at all levels through a structured program of courses, seminars and workshops. The policy of the Group is to ensure, in so far as it is able to do so, the health, safety and welfare of everyone engaged in or affected by its activities.

### ***Employee engagement***

Details on employee engagement can be found within the Group's Section 172 statement in the Strategic Report on pages 2 – 8 in accordance with s414C(11) of the Companies Act 2006 as the Directors consider this to be of strategic importance to the Group.

### ***Business relationships***

Details on how the Group has fostered relationships with suppliers, customers and others can be found within the Group's Section 172 statement in the Strategic Report on pages 2 – 8 in accordance with s414C(11) of the Companies Act 2006 as the Directors consider this to be of strategic importance to the Group.

# Story Contracting Holdings Limited

## Directors' report (continued)

For the year ended 31 March 2023

### *Directors' loans*

Interest is paid/received on loans from/to Directors. See Note 23 for more details.

### *Financial risk management objectives and policies*

#### *Exposure to credit, liquidity and cash flow*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Group's policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and/or satisfy creditworthiness procedures. Details of the Group's debtors are shown in Note 14 to the financial statements.

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing the cash generation of its operations. The business also manages liquidity risk via credit facilities and short-term debt including overdrafts and hire purchase agreements on selected high value assets.

Cash flow risk is the risk of exposure to variability in cash flows and the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate cash flow risk by managing cash flows through cash flow planning, sufficient cash reserves and short-term debt.

#### *Credit risk*

The Group's principal financial assets are bank balances and cash, trade and other receivables, and investments.

The Group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

#### *Liquidity risk*

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Group uses a mixture of long-term and short-term debt finance.

#### *Political contributions*

No political contributions were made during the year.

## Story Contracting Holdings Limited

### Directors' report (continued)

For the year ended 31 March 2023

#### Energy and carbon reporting

We have reported on all sources of GHG emissions and energy usage as required under The Large and Medium-Sized Companies and Groups (Accounts and Reports) Regulations 2008 as amended.

Energy consumption used to calculate emissions (Fuel Type and GHG Reporting Scope)	Unit of Measure	Year ending 31 <sup>st</sup> March 2023 UK and offshore	Year ending 31 <sup>st</sup> March 2022 UK and offshore
<b>Scope 1, Direct Emissions:</b>			
Natural gas <sup>1</sup>	kWh	803,072	590,101
Burning Oil (kerosene)	kWh	0	10,294
Diesel – average biofuel <sup>2</sup>	kWh	28,099,103	13,386,916
Gas oil (Red Diesel) <sup>2</sup>	kWh	4,139,883	15,335,410
Petrol – average biofuel	kWh	819,981	1,114,366
Biofuel, Biodiesel – HVO <sup>3</sup>	kWh	369,056	252,965
<b>Scope 1 Total Consumption</b>	<b>kWh</b>	<b>34,231,095</b>	<b>30,690,052</b>
Emissions from combustion of gas tCO <sub>2</sub> e (Scope 1) <sup>1</sup>	Carbon as tCO <sub>2</sub> e	148.00	108.08
Emissions from combustion of fuel for transport	Carbon as tCO <sub>2</sub> e	8.031	7.368
Emissions from purchased electricity (Scope 2, location-based)	Carbon as tCO <sub>2</sub> e	155	340
<b>Intensity Ratio: tCO<sub>2</sub>e gross figure based on mandatory Scope 1+2 fields/£1,000,000 revenue</b>	<b>Carbon as tCO<sub>2</sub>e</b>	<b>36.27</b>	<b>44.55</b>

The table above shows SCHL carbon use and the associated emissions in line with the UK Government Streamlined Energy and Carbon Reporting requirements.

SECR Chapter 2, section 7 of the Environmental Reporting Guidelines requires all Scope 1 & 2 activity to be reported as kWh and CO<sub>2</sub>e.

All gas and electricity calculations are based upon BEIS CO<sub>2</sub>e per kWh conversion factors.

All liquid fuel CO<sub>2</sub>e values are based upon the CO<sub>2</sub>e emissions per litre of fuel.

All liquid fuels are converted to kWh as follows, using BEIS carbon factors.

Our Scope 1 & 2 reduction targets were formally verified and approved by SBTi in July 2022.

Our Scope 1 & 2 target is an emissions reduction of 46% by 2030.

For Scope 1 emissions, we continue to focus on reducing our fuel use. The number of full EV cars in our Company car fleet has increased significantly over the last 12 months and we are actively evaluating the options to switch many of our vans to electric or hybrid models. Switching to electric HGVs is not seen as a viable option in the medium future but the development of hydrogen engines may provide a low emission opportunity.

To address Scope 2 emissions, we are ensuring that all existing and new electricity contracts are based on REGO-certified 100% Renewables-derived power generation sources. This will be achieved by 2025 when all existing contracts will have been renegotiated. New contracts for new premises, such as our Birmingham and Normanton depots, are already based on REGO-certified 100% Renewables tariffs.

This will be achieved mainly through a switch to lower carbon alternative construction materials and products, and through engagement with our supply chain to reduce upstream and downstream impacts, including a reduction in travel and transport mileage.

# Story Contracting Holdings Limited

## Directors' report (continued)

For the year ended 31 March 2023

### *Disclosure of information to auditor*

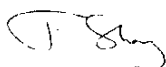
Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Group's auditor is unaware; and
- the Director has taken all the steps that he/she ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Group's auditor is aware of that information.

The confirmation is given and should be interpreted in accordance with provisions of s418 of the Companies Act 2016.

UNW LLP were appointed as auditor post year end. Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and UNW LLP will therefore continue in office.

This report was approved by the board on 22 December 2023 and signed on its behalf by:



N F Story  
Director  
22 December 2023

Burgh Road Industrial Estate  
Carlisle  
Cumbria  
CA2 7NA

# **Story Contracting Holdings Limited**

## **Directors' responsibilities statement**

For the year ended 31 March 2023

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), including FRS 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 and of the profit or loss of the Group and parent 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Group 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# **Story Contracting Holdings Limited**

## **Independent Auditor's Report to the Members of Story Contracting Holdings Limited**

For the year ended 31 March 2023

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Story Contracting Holdings Limited ('the parent Company') and its subsidiaries ('the Group') for the year ended 31 March 2023, which comprise the consolidated statement of comprehensive income, the consolidated and Company balance sheets, the consolidated and Company statements of changes in equity, the consolidated statement of cash flows 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 Group's and of the parent Company's affairs as at 31 March 2023 and of the 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 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 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 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.

## **Story Contracting Holdings Limited**

### **Independent Auditor's Report to the Members of Story Contracting Holdings Limited (continued)**

For the year ended 31 March 2023

#### **Other information**

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

We have nothing to report in this regard.

#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the 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 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 4, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

# **Story Contracting Holdings Limited**

## **Independent Auditor's Report to the Members of Story Contracting Holdings Limited (continued)**

For the year ended 31 March 2023

### **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 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:

We identified areas of law and regulations that could reasonably be expected to have a material effect on the financial statements from our general and sector experience and through discussions with the Directors and other management (as required by Auditing Standards) and from inspection of the Group's legal correspondence and we discussed with the Directors and other management the policies and procedures in place regarding compliance with the laws and regulations. We communicated identified laws and regulations throughout our audit team and remained alert to any indications of non-compliance throughout the audit.

Firstly, the Group is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect; health and safety, employment law, data protection, environmental law and certain aspects of Company legislation, recognising the nature of the Group's activities. Auditing Standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any. Through these procedures we did not become aware of any actual or suspected non-compliance material to the financial statements.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

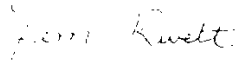
## **Story Contracting Holdings Limited**

### **Independent Auditor's Report to the Members of Story Contracting Holdings Limited (continued)**

For the year ended 31 March 2023

#### **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.



**Fern Rivett BA ACA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne  
22 December 2023

# Story Contracting Holdings Limited

## Consolidated Statement of Comprehensive Income

For the year ended 31 March 2023

<b>Profit and loss account</b>	<b>Note</b>	<b>2023 £'000</b>	<b>2022 £'000</b>
<b>Turnover</b>	3	226,762	177,357
Cost of sales		(201,026)	(146,588)
<b>Gross profit</b>		25,736	30,769
Administrative expenses		(23,057)	(22,995)
Other operating income	3	457	559
<b>Operating profit</b>		3,136	8,333
(Loss)/gain on financial assets at fair value through profit and loss account	5	(367)	605
Finance costs	4	(104)	31
<b>Profit before taxation</b>	5	2,665	8,969
Tax on profit	8	(347)	(1,832)
<b>Profit and total comprehensive income</b>		2,318	7,137

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

The notes on pages 25 to 47 form part of these financial statements.

# Story Contracting Holdings Limited

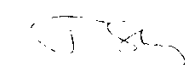
## Consolidated Balance Sheet

As at 31 March 2023

			2023	As restated 2022
	Note		£'000	£'000
<b>Fixed assets</b>				
Tangible assets	11		24,261	21,055
Investments	12		6,034	10,748
			<u>30,295</u>	<u>31,803</u>
<b>Current assets</b>				
Stocks	13		16,446	15,736
Debtors	14		45,532	30,004
Cash at bank and in hand			6,155	9,473
			<u>68,133</u>	<u>55,213</u>
<b>Creditors: Amounts falling due within one year</b>	15		<u>(46,939)</u>	<u>(40,472)</u>
<b>Net current assets</b>			<u>21,194</u>	<u>14,741</u>
<b>Total assets less current liabilities</b>			<u>51,489</u>	<u>46,544</u>
<b>Creditors: Amounts falling due after more than one year</b>	16		(1,513)	(2,211)
<b>Provisions for liabilities</b>	17		(5,136)	(1,811)
			<u>          </u>	<u>          </u>
<b>Net assets</b>			<u>44,840</u>	<u>42,522</u>
<b>Capital and reserves</b>				
Called-up share capital	19		1	1
Profit and loss account			44,839	42,521
			<u>44,840</u>	<u>42,522</u>
<b>Shareholders' funds</b>	19		<u>44,840</u>	<u>42,522</u>

The notes on pages 25 to 47 form part of these financial statements.

The financial statements of Story Contracting Holdings Limited (registered number 11105510) were approved by the board of Directors and authorised for issue on 22 December 2023. They were signed on its behalf by:



N F Story  
Director

# Story Contracting Holdings Limited

## Company Balance Sheet

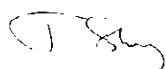
As at 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Fixed assets</b>			
Investments in subsidiaries	12	2,450	2,450
<b>Current assets</b>			
Cash at bank and in hand		15	797
Debtors	14	196	80
<b>Creditors: Amounts falling due within one year</b>	15	211 (184)	877 (881)
<b>Net current liabilities</b>		27	(4)
<b>Total assets less current liabilities</b>		2,477	2,446
<b>Net assets</b>		2,477	2,446
<b>Capital and reserves</b>			
Called-up share capital	19	1	1
Profit and loss account		2,476	2,445
<b>Shareholders' funds</b>	19	2,477	2,446

The Company's profit for the year was £31,000 (2022: £2,075,000).

The notes on pages 25 to 47 form part of these financial statements.

The financial statements of Story Contracting Holdings Limited (registered number 11105510) were approved by the board of Directors and authorised for issue on 22 December 2023. They were signed on its behalf by:



N F Story  
Director

## Story Contracting Holdings Limited

### Consolidated statement of changes in equity

For the year ended 31 March 2023

	Note	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>At 31 March 2021</b>		1	37,404	37,405
Profit and total comprehensive income for the financial year		-	7,137	7,137
Dividends paid on equity shares	10	-	(2,020)	(2,020)
<b>At 31 March 2022</b>		1	42,521	42,522
Profit and total comprehensive income for the financial year		-	2,318	2,318
<b>At 31 March 2023</b>		1	44,839	44,840

The notes on pages 25 to 47 form part of these financial statements.



# Story Contracting Holdings Limited

## Company statement of changes in equity

For the period ended 31 March 2023

	Note	Called-up share capital £'000	Profit and loss account £'000	Total £'000
<b>At 31 March 2021</b>		1	2,390	2,391
Profit and total comprehensive expense for the financial year		-	2,075	2,075
Dividends paid on equity shares	10	-	(2,020)	(2,020)
<b>At 31 March 2022</b>		1	2,445	2,446
Profit and total comprehensive income for the financial year		-	31	31
<b>At 31 March 2023</b>		1	2,476	2,477

The notes on pages 25 to 47 form part of these financial statements.

# Story Contracting Holdings Limited

## Consolidated cash flow statement

For the year ended 31 March 2023

	Note	2023 £'000	2022 £'000
<b>Net cash flows used in operating activities</b>	20	(751)	(8,729)
<b>Cash flows generated from/(used in) investing activities</b>			
Proceeds from sale of fixed assets		989	188
Purchase of fixed assets		(7,425)	(6,307)
Interest received		32	66
Purchase of investments		-	(11,005)
Proceeds from sale of investments		4,758	9,566
Purchase of interest in jointly controlled entity		(400)	-
<b>Net cash flows used in investing activities</b>		(2,046)	(7,492)
<b>Cash flows from financing activities</b>			
Dividends paid		-	(2,020)
Interest paid		(137)	(35)
Hire purchase advance		707	2,572
Repayments of obligations under finance lease		(1,091)	-
<b>Net cash flows (used in)/generated from financing activities</b>		(521)	517
<b>Net decrease in cash and cash equivalents</b>		(3,318)	(15,704)
<b>Cash and cash equivalents at beginning of year</b>		9,473	25,177
<b>Cash and cash equivalents at end of year</b>		6,155	9,473
<b>Reconciliation to cash at bank and in hand:</b>			
Cash at bank and in hand		6,155	9,473
<b>Cash and cash equivalents</b>		6,155	9,473

The notes on pages 25 to 47 form part of these financial statements.

# Story Contracting Holdings Limited

## Notes to the financial statements

For the year ended 31 March 2023

### 1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### *General information and basis of accounting*

Story Contracting Holdings Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on the company information page.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report on pages 2 to 8.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Story Contracting Holdings Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates. The consolidated financial statements are also presented in pounds sterling and rounded to the nearest £000. Foreign operations are included in accordance with the policies set out below.

Story Contracting Holdings Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements, which are presented alongside the consolidated financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### *Basis of consolidation*

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings drawn up to 31 March each year.

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

#### *Going concern*

In determining the appropriate basis of preparation of the financial statements, the Directors are required to consider whether the Group can continue in operational existence for the foreseeable future. The Group's business activities, together with factors that are likely to affect its future development, financial performance and financial position are set out in the Strategic Report and Directors Report. In addition, the material financial and operational risks and uncertainties that impact the Group's performance are outlined in the Strategic report.

The Directors have prepared updated forecasts to March 2025 and have undertaken additional sensitivity analysis. The sensitivity analysis review confirmed that sufficient headroom exists within cash reserves for this forecast period.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 1. Accounting policies (continued)

#### *Going concern (continued)*

The Directors have considered the position of the Group and the Parent Company at the year end, recent trading performance of the Group and forecasts over a period of at least 12 months from the date of signing these financial statements. As a result of this process, at the time of approving the financial statements, the Directors are of the opinion that it is appropriate to adopt the going concern basis of preparation of the financial statements.

#### *Revenue*

Turnover is measured at the fair value of the consideration received or receivable and represents the amount receivable for services rendered, excluding discounts and value added tax. Revenue is recognised in the accounting period in which the services are rendered when the outcome of the contract can be estimated reliably. For contracting activities, the Group uses the percentage of completion method. Any losses on loss making contracts are recognised immediately through the profit and loss account. Interest income is recognised using the effective interest rate method.

#### *Revenue government grants*

Government grants are recognised based on the accrual model and are measured at the fair value of the asset received or receivable. Grants relating to revenue are recognised in income over the period in which the related costs are recognised. A grant that becomes receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs is recognised in income in the period in which it becomes receivable.

#### *Leasing and hire purchase*

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets. The useful life of each category of assets acquired by hire purchase is determined by Senior Management following detailed review and the useful life forms the basis of the depreciation methodology. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of change on the net obligation outstanding in each period.

#### *Tangible fixed assets and depreciation*

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. Assets under construction are not depreciated until they are available for use. Depreciation is provided on all other tangible fixed assets at rates calculated to write off the cost, less estimated residual value (where residual value exceeds £10,000), of each asset on a systematic basis over its expected useful life as follows:

Leasehold improvements	16.66% straight line
Plant and machinery	Range from 4.76% to 20% straight line
Plant and machinery (road rail vehicles)	14% reducing balance
Fixture, fittings and computer equipment	25% straight line
Land and buildings	2% straight line

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 1. Accounting policies (continued)

#### *Investments*

Equity investments are initially recognised at cost. Publicly traded investments are subsequently measured at fair value through profit or loss to their quoted market price in an active market. Investments that are not publicly traded on whose fair value cannot otherwise be measured reliably are recognised at cost less impairment.

#### *Investment properties*

Investment properties are measured at fair value at each balance sheet date. The investment property was revalued by the Directors on the 31st of March using readily available market information. Any changes in fair value are recognised in the profit and loss account. Investment properties are not depreciated.

#### *Investments in subsidiaries*

Investments in subsidiaries are accounted for at cost less impairment.

#### *Jointly controlled entities*

The Group has investments in a joint venture established in a separate legal entity (a jointly controlled entity). Investments in associates and joint ventures are recognised initially in the consolidated statement of financial position at cost (including transaction costs). Subsequently, they are accounted for using the equity method.

#### *Jointly controlled operation ("JCO")*

The Company recognises the assets that it controls and the liabilities that it incurs; the expenses that it incurs and its share of the income that it earns from the sale of goods or services by the JCO.

#### *Impairment of fixed assets*

At each reporting date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such evidence exists, the recoverable amount of the asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### *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.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 1. Accounting policies (continued)

#### *Financial instruments*

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction.

If an arrangement constitutes a finance transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### *Financial assets and liabilities*

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

*Subsequent measurement of financial assets at fair value uses a quoted price for an identical asset in an active market as the best evidence. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.*

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) Returns to the holder are (i) a fixed amount; or (ii) a fixed rate of return over the life of the instrument; or (iii) a variable return that, throughout the life of the instrument, is equal to a single referenced quoted or observable interest rate; or (iv) some combination of such fixed rate and variable rates, providing that both rates are positive.
- (b) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
- (c) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in relevant taxation or law.
- (d) There are no conditional returns or repayment provisions except for the variable rate return described in (a) and prepayment provisions described in (c).

Debt instruments that are classified as payable or receivable within one year and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. Other debt instruments not meeting these conditions are measured at fair value through profit or loss. Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 1. Accounting policies (continued)

#### *Financial assets and liabilities (continued)*

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some significant risks and rewards of ownership, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

#### *Stocks*

Consumable stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Stocks are recognised as an expense in the period in which the related revenue is recognised. Cost is determined on the first-in, first-out (FIFO) method. Cost includes the purchase price, and direct costs attributable to bringing the stock to its present location and condition. At the end of each reporting period stocks are assessed for impairment. If an item of stock is impaired, the identified stock is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the statement of comprehensive income.

Work in progress and land held for development are initially recorded at cost. At the end of each reporting period the carrying value is assessed for impairment. Any impairment charge is recognised in the profit and loss account.

#### *Operating leases*

Rentals paid under operating leases are charged to the statement of comprehensive income 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 life of the lease, in line with FRS 102 Section 20.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 1. Accounting policies (continued)

#### *Current and deferred taxation*

Current tax represents the amount of tax payable or receivable in respect of the taxable profit (or loss) for the current or past reporting periods. It is measured at the amount expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date that are expected to apply to the reversal of timing differences. Deferred tax on revalued non-depreciable tangible fixed assets and investment properties is measured using the rates and allowances that apply to the sale of the asset.

#### *Amounts recoverable on contracts*

Short-term contracts and long-term contracts in the early stages, the outcome of which cannot be reasonably assessed, are based on cost less foreseeable losses. Long term contracts, sufficiently advanced for the outcome to be assessed with reasonable certainty are based on cost plus ascertainable profit less foreseeable losses. Contracts awaiting final certificates are based on cost plus attributable profit less foreseeable losses.

#### *Employee benefits*

##### *Short term benefits*

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

##### *Defined contribution pension plan*

A defined contribution pension plan is operated for 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 payments obligations. The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial position. The assets of the plan are held separately from those of the Group in independently administered funds.

#### *Distributions to equity holders*

Dividends and other distributions to the Group's equity shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the Group's shareholders. These amounts are recognised in the statement of changes in equity.

#### *Provisions*

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the profit and loss account in the year that the Group becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties. When payments are eventually made, they are charged to the provision carried out in the balance sheet.



# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's accounting policies, which are described in Note 1, the Directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

#### *Critical judgements in applying the Group's accounting policies*

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### *Revenue recognition – construction contract accounting*

The judgements made which have the most significant effect on the amounts recognised in the financial statements relate to the application of construction contract accounting.

Judgement is required to assess the reliability of estimates used, which are affected by various factors, including the specific requirements of the contract (i.e. whether 'routine' or more specialised in nature), and the stage of completion of ongoing projects. The amount of revenue, costs and profit recognised reflects management's judgement of these factors.

The Directors do not consider there to have been any other significant judgements that were required in the process of applying the Group's accounting policies.

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## Story Contracting Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2023

#### 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### *Key sources of estimation uncertainty*

None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. We have however identified the following areas where estimation is routinely required.

##### *(1) Amounts recoverable on long term contracts*

The estimates which have the most significant effect on the amounts recognised in the financial statements relate to the application of construction contract accounting. The amount of revenue, costs and profit recognised in relation to contracts which are part complete at the balance sheet date is dependent on estimates of the further costs that will be required to complete the contract, and hence the overall profitability of the contract.

Estimates of further costs (and potential revenue variations) are continually evaluated and updated, based on management's detailed knowledge of project status and contractual requirements.

##### *(2) Depreciation charges*

Determination of the appropriate useful economic life of tangible and fixed assets requires estimation by management. Management consider the nature, planned use and current condition of assets capitalised when making this estimation.

##### *(3) Impairment of tangible assets and land*

Provisions for the impairment of tangible assets and land require an estimation as to the value of these assets which are impaired. Management consider the nature, circumstances and likelihood of future events when determining the appropriate provision value for these items.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 3. Turnover and revenue

87% of Group turnover is attributable to SCL. SCL is primarily engaged in the Rail, Construction, and Housebuilding industries operating throughout the United Kingdom. For SCL turnover recognition within the Contracting divisions (Rail and Construction) is based on percentage of completion and Reiver Homes at point of legal completion. Most of the remaining turnover comes from SPL, Plant hire income is based on invoiced works. All turnover arose within the United Kingdom.

An analysis of the Group's revenue (including turnover) by category is as follows:

	2023 £'000	2022 £'000
Income from construction contracts	195,448	156,909
Plant hire	30,501	18,857
House sales	510	1,384
Rental income	2	68
Training and other income	301	139
<i>Total turnover</i>	<u>226,762</u>	<u>177,357</u>
Interest received from loans	33	66
Government grants	-	24
Other operating income	457	535
<i>Total revenue</i>	<u>227,252</u>	<u>177,982</u>

Government grants were received as part of a Government initiative to provide immediate financial support as a result of the coronavirus pandemic. There are no future related costs in respect of these grants which were received solely as compensation for costs incurred in the year. The Group has not directly benefited from any other forms of government assistance.

### 4. Finance income/(costs)

	2023 £'000	2022 £'000
<i>Interest payable and similar expenses</i>		
Interest paid on finance leases and hire purchase contracts	86	4
Interest paid on loans to related parties	51	-
Interest paid on bank loans and overdrafts	-	31
	<u>137</u>	<u>35</u>
<i>Interest receivable and similar income</i>		
Interest received from overdue debt/loans	(33)	(66)
<i>Total finance cost/(income)</i>	<u>104</u>	<u>(31)</u>

## Story Contracting Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2023

#### 5. Profit before taxation

Profit before taxation is stated after charging/(crediting):

	Note	2023 £'000	2022 £'000
Depreciation of owned tangible fixed assets	11	2,885	3,099
Depreciation of hire purchased tangible fixed assets	11	445	29
Operating lease rentals		4,307	3,187
Gain on disposal of fixed assets		(100)	(64)
Government grants		-	(24)
(Gain)/loss on fair value movement of investments	12	(59)	257
Loss/(gain) on disposal of investments		426	(862)
		<u>426</u>	<u>(862)</u>

The analysis of the auditor's remuneration is as follows:

	2023 £'000	2022 £'000
<b>Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts</b>	10	9
<b>Fees payable to the Company's auditor and its associates for other services to the Group:</b>		
The audit of the Company's subsidiaries	68	95
<b>Total audit fees</b>	<u>78</u>	<u>104</u>
<b>Non-audit fees</b>		
Tax compliance services	15	-
Tax advisory services	19	-
<b>Total non-audit fees</b>	<u>34</u>	<u>-</u>

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 6. Staff numbers and costs

a) *The average monthly number of employees of the Group (including executive Directors) was:*

	2023	<i>As restated</i> 2022
	Number	Number
Production	311	295
Administration	538	436
	<u>849</u>	<u>731</u>

Their aggregate remuneration comprised:

	2023 £'000	2022 £'000
Wages and salaries	47,313	42,469
Social security costs	6,044	4,992
Pension contributions (note 22)	4,290	4,410
	<u>57,647</u>	<u>51,871</u>

### b) *Key management and compensation*

Key management includes the Directors and members of senior management. The compensation paid to key management for employee services is shown below:

	2023 £'000	2022 £'000
Wages and salaries	2,425	3,292
Pension contributions	161	187
	<u>2,586</u>	<u>3,479</u>

The Company had 2 employees during the year (2022: 2 employees) and total aggregate remuneration of £15,000 (2022: £36,000).

## Story Contracting Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2023

#### 7. Directors' remuneration and transactions

	2023 £'000	2022 £'000
<i>Directors' remuneration</i>		
Emoluments	57	70
Group contributions to money purchase pension schemes	-	-
	<u>57</u>	<u>70</u>
<b>The number of Directors who:</b>	<b>Number</b>	<b>Number</b>
Are members of a money purchase pension scheme	-	-

2 Directors are paid by subsidiary Company Story Contracting Limited in respect of their services to the Group. It is not considered practical to allocate these payments between services provided to the Company and other Group Companies.

#### *Directors' advances, credits and guarantees*

Details of transactions with Directors during the year are disclosed in note 23.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 8. Tax on profit

The tax charge comprises:

	Note	2023 £'000	2022 £'000
<b>Current tax on profit</b>			
UK corporation tax		(3)	823
Adjustments in respect of prior years		296	(116)
<b>Total current tax</b>		<u>293</u>	<u>707</u>
<b>Deferred tax</b>			
Origination and reversal of timing differences		229	1,013
Adjustments in respect of prior years		(175)	112
<b>Total deferred tax</b>	17	<u>54</u>	<u>1,125</u>
<b>Total tax on profit</b>		<u><u>347</u></u>	<u><u>1,832</u></u>

The differences between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax are as follows:

	2023 £'000	2022 £'000
<b>Factors affecting the tax charge for the year:</b>		
Group profit before tax	<u>2,665</u>	<u>8,969</u>
Tax on Group profit at standard UK corporation tax rate of 19% (2022: 19%)	506	1,704
Effects of:		
- Expenses not deductible for tax purposes	11	28
- Super deduction in excess of cost	(264)	(235)
- Effects of changes in tax	(155)	445
- Income not taxable	(174)	(106)
- Adjustments to tax charge in respect of previous years	121	(4)
- Capital loss	80	-
- Other differences leading to an increase in tax charge	222	
<b>Group total tax charge for year</b>	<u><u>347</u></u>	<u><u>1,832</u></u>

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 9. Profits attributable to Company

As permitted by Section 408 of the Companies Act 2006, no separate profit and loss account or statement of comprehensive income is presented in respect of the parent Company. The profit attributable to the Company is disclosed in the footnote to the Company's balance sheet.

### 10. Dividends on equity shares

Amounts recognised as distributions to equity holders in the year:

	2023 £	2022 £
Interim dividend for the year ended 31 March of:		
£nil (2022: £20.29) per ordinary A share	-	1,420
£nil (2022: £20.00) per ordinary B share	-	600
	<u>-</u>	<u>2,020</u>

### 11. Tangible fixed assets

#### Group

	Freehold land and buildings £'000	Investment properties £'000	Leasehold improve- ments £'000	Plant and machinery £'000	Fixtures, fittings and computer equipment £'000	Assets under construction £'000	Total £'000
<b>Cost</b>							
At 1 April 2022	935	156	1,604	34,400	2,104	2,165	41,364
Transfers	-	-	1,348	579	-	(1,927)	-
Additions	-	2,090	24	3,634	604	1,073	7,425
Disposals	(935)	-	-	(232)	(67)	-	(1,234)
<b>At 31 March 2023</b>	<u>-</u>	<u>2,246</u>	<u>2,976</u>	<u>38,381</u>	<u>2,641</u>	<u>1,311</u>	<u>47,555</u>
<b>Depreciation</b>							
At 1 April 2022	89	-	1,071	17,413	1,736	-	20,309
Charge for year	1	-	187	2,716	426	-	3,330
Disposals	(90)	-	-	(188)	(67)	-	(345)
<b>At 31 March 2023</b>	<u>-</u>	<u>-</u>	<u>1,258</u>	<u>19,941</u>	<u>2,095</u>	<u>-</u>	<u>23,294</u>
<b>Net book value</b>							
<b>At 31 March 2023</b>	<u>-</u>	<u>2,246</u>	<u>1,718</u>	<u>18,440</u>	<u>546</u>	<u>1,311</u>	<u>24,261</u>
At 31 March 2022	<u>846</u>	<u>156</u>	<u>533</u>	<u>16,987</u>	<u>368</u>	<u>2,165</u>	<u>21,055</u>



# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £'000	2022 £'000
Plant and machinery	<u>3,435</u>	<u>3,111</u>

#### Investment property

The investment property was revalued by the Directors on 31 March 2023 using readily available market information. The valuation of investment property on 31 March 2023 was £2,246,000 (2022: £156,000).

#### Company

There are no tangible fixed assets held by the Company.

### 12. Fixed asset investments

#### Investments - Group

	Listed £'000	Unlisted £'000	Jointly controlled entity	Total £000
At 1 April 2022	9,743	1,005	-	10,748
Additions	-	-	400	400
Disposals	(5,173)	-	-	(5,173)
Fair value adjustments	59	-	-	59
<b>At 31 March 2023</b>	<b><u>4,629</u></b>	<b><u>1,005</u></b>	<b><u>400</u></b>	<b><u>6,034</u></b>

Listed and unlisted investments represent investments in ordinary shares. The fair value of listed investments was determined with reference to the quoted market price at the reporting date. The cost of shares on acquisition was listed shares £4,395,000 (2022: £10,000,000), unlisted shares £1,005,000 (2022: £1,005,000).

#### Jointly Controlled Entity

At 31 March 2023 the Group had interests in the following joint venture:

Subsidiary undertaking	Registered office address	Holding
London Low Carbon Energy Centre BESS Limited	Burgh Road Industrial Estate, Carlisle. Cumbria, CA2 7NA	50%

On 8 September 2022 Story Energy Limited a subsidiary of Story Contracting Holdings Limited purchased 50% of the share capital of London Low Carbon Energy Centre BESS Limited. London Low Carbon Energy Centre BESS Limited is a private Company and does not have published share price quotations. The Group has no additional commitments relating to London Low Carbon Energy Centre BESS Limited.

## Story Contracting Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2023

#### 12. Fixed asset investments (continued)

##### *Investments in Subsidiary undertakings - Company*

	£000
<b>Cost</b>	
At 1 April 2022 and 31 March 2023	2,845
<b>Provisions for impairment</b>	
At 1 April 2022 and 31 March 2023	395
<b>Net Book Value</b>	
At 31 March 2023	2,450
At 31 March 2022	2,450

The Company holds investments in the following subsidiary undertakings:

Subsidiary undertaking	Principal activities	Registered office address and country of incorporation	Holding	% Held
Story Contracting Limited	Contracting	(a)	A Ordinary shares B Ordinary shares C Ordinary shares	100 100 100
Galloway Escapes Limited	Holiday Rentals	(a)	Ordinary shares	100
Story Plant Limited *	Plant hire	(a)	Ordinary shares	100
Story Construction Limited *	Dormant	(a)	Ordinary shares	100
Story Rail Limited *	Dormant	(a)	Ordinary shares	100
Story Geotech Limited *	Dormant	(a)	Ordinary shares	100
Story Nuclear Limited *	Dormant	(a)	Ordinary shares	100
Story Capital Investments Limited *	Investment	(a)	Ordinary shares	100
Story Energy Limited **	Renewable Energy	(a)	Ordinary shares	100
SFEL Bluebell Limited ***	Renewable Energy	(a)	Ordinary shares	100
SFEL Willow Limited ***	Renewable Energy	(a)	Ordinary shares	100
SFEL Scott Limited ***	Renewable Energy	(a)	Ordinary shares	100
SFEL Windsor Limited ***	Dormant	(a)	Ordinary shares	100
SFEL Whistleberry Limited ***	Dormant	(a)	Ordinary shares	100
SFEL Burgh Limited ***	Dormant	(a)	Ordinary shares	100
Story 123 Limited ***	Dormant	(a)	Ordinary shares	100

(a) Burgh Road Industrial Estate, Carlisle, Cumbria, CA2 7NA, incorporated in England and Wales.

\* Held by Story Contracting Limited

\*\* Held by Story Capital Investments Limited

\*\*\* Held by Story Energy Limited

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 12. Fixed asset investments (continued)

#### *Investments in Subsidiary undertakings – Company*

##### *Audit exemption*

The subsidiary undertakings consolidated at 31 March 2023, all of which were indirectly and wholly owned, unless otherwise stated, and claimed exemption from audit under section 479A Companies Act 2006, were as follows:

<i>Subsidiary undertaking</i>	<i>Registered Number</i>
Galloway Escapes Limited	10106019
Story Capital Investments Limited	06388740
Story Energy Limited	14086033

##### *Jointly controlled operation - Group*

The Group has entered into a Jointly Controlled Operation ("JCO") with Volker Rail Limited known as Volker Rail Story Joint Venture for the purpose of undertaking a specific contract. Volker Rail is incorporated in England and Wales with a registered office at Hertford Road Hoddesdon Hertfordshire EN11 9BX.

### 13. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<i>As restated</i> <b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Consumables	553	519	-	-
Land	15,217	15,217	-	-
Work in progress	676	-	-	-
	<u>16,446</u>	<u>15,736</u>	<u>-</u>	<u>-</u>

There are no material differences between the balance sheet value of stocks and their replacement cost as at the balance sheet date or their latest purchase price.

### 14. Debtors - amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	<b>2023</b>	<i>As restated</i> <b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	15,307	7,686	-	-
Amounts owed by subsidiary undertakings	-	-	8	-
Corporation tax	1,538	1,001	-	-
Other debtors	1,978	1,390	186	79
Prepayments	1,299	1,124	2	1
Accrued income	1,734	1,737	-	-
Amounts recoverable on long term contracts	23,676	17,066	-	-
	<u>45,532</u>	<u>30,004</u>	<u>196</u>	<u>80</u>

## Story Contracting Holdings Limited

### Notes to the financial statements (continued)

For the year ended 31 March 2023

#### 15. Creditors – amounts falling due within one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Trade creditors	4,443	4,602	5	9
Taxation and social security	6,671	4,460	8	9
Other creditors	2,035	1,528	126	822
Obligations under hire purchase leases	1,166	906	-	-
Accruals	27,519	24,907	30	26
Deferred income	5,105	4,069	-	-
Amounts owed to subsidiary undertakings	-	-	15	15
	<u>46,939</u>	<u>40,472</u>	<u>184</u>	<u>881</u>

Other creditors for the Company relates to Director and shareholder loans.

Amounts owed to subsidiary undertakings are interest free and unsecured.

#### 16. Creditors - amounts falling due after more than one year

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Obligations under hire purchase leases	1,351	1,909	-	-
Accruals and deferred income	162	302	-	-
	<u>1,513</u>	<u>2,211</u>	<u>-</u>	<u>-</u>

Future minimum lease payments under hire purchase contracts are as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
<b>Amounts payable:</b>				
Within one year	1,241	985	-	-
In two to five years	1,391	1,970	-	-
Future interest charges	(115)	(140)	-	-
	<u>2,517</u>	<u>2,815</u>	<u>-</u>	<u>-</u>

Hire purchase contracts are used to purchase plant and machinery. Hire purchase financial liabilities are secured against the plant and machinery under finance. There were no individually material leases to disclose.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 17. Provisions for liabilities –

The Group had the following provisions during the year

	Loss making contract provision £'000	Deferred tax £'000	Total £'000
At 1 April 2022	-	1,811	1,811
Charged to profit and loss account	3,271	54	3,325
At 31 March 2023	3,271	1,865	5,136

#### Loss making contract provision

The Group has recognised a provision for loss making contracts during the year. The full amount is expected to unwind during the year ended 31 March 2024.

#### Deferred tax - Group

	2023 £'000	2022 £'000
At 1 April	1,811	686
Charged to profit and loss account	54	1,125
At 31 March	1,865	1,811

#### The provision for deferred tax is made up as follows:

	2023 £'000	2022 £'000
Accelerated capital allowances	2,701	1,999
Tax losses	(647)	
Short term timing differences	(189)	(188)
	1,865	1,811

There is no expiry date on timing differences giving rise to deferred tax liabilities. Accelerated capital allowances of £455,000 and short-term timing differences of £67,000 are expected to reverse in the year ended March 2024. Tax losses of £647,000 are expected to be utilised during the year ended 31 March 2024.

The March 2021 Budget announced that the UK corporation tax rate will increase to 25% with effect from 1 April 2023. As this change was substantively enacted as at 31 March 2023, deferred tax balances expected to reverse after the 1 April 2023 are measured at a rate of 25%.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 18. Financial instruments

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	2023 £'000	2022 £'000
<b>Financial assets</b>		
Measured at fair value	4,629	9,743
Measured at amortised cost	1,405	1,005
Measured at undiscounted cost	40,961	29,003
Cash and cash equivalents	6,155	9,473
	<u>53,150</u>	<u>49,224</u>
<b>Financial liabilities</b>		
Measured at amortised cost	2,517	2,816
Measured at undiscounted cost	6,478	6,131
	<u>8,995</u>	<u>8,947</u>

Equity instruments are measured at cost less impairment. Listed investments are measured at fair value.

### 19. Called-up share capital and reserves

	2023 £	2022 £
Allotted, called-up and fully-paid		
70,000 ordinary A shares of £0.01 each	700	700
30,000 ordinary B shares of £0.01 each	300	300
	<u>1,000</u>	<u>1,000</u>

The A and B shares have identical voting rights, are entitled to dividends and the right to participate in a distribution. The shares are not redeemable.

### Profit and loss account

The profit and loss reserve represent cumulative profit and losses, net of dividends paid and other adjustments.

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 20. Cash flow statement

*Reconciliation of operating profit to cash(used in)/generated from operations:*

	2023 £'000	As restated 2022 £'000
Operating profit	3,136	8,333
Adjustment for:		
Depreciation and amortisation	3,330	3,128
Loss/(profit) on sale of tangible fixed assets	(100)	-
Provision for loss making contracts	3,271	-
	<hr/>	<hr/>
Operating cash flow before movement in working capital	9,637	11,461
(Increase)/decrease in stocks	(709)	(15,567)
(Increase)/decrease in debtors	(14,992)	(8,369)
Increase in creditors	5,768	5,438
	<hr/>	<hr/>
Net cash flows used in operating activities before tax	(296)	(7,037)
Corporation tax paid	(455)	(1,692)
	<hr/>	<hr/>
Net cash flows used in operating activities	<hr/> <b>(751)</b> <hr/>	<hr/> <b>(8,729)</b> <hr/>

*Analysis of changes in net debt:*

	At 1 April 2022 £'000	Cash flows £'000	Non-cash changes £'000	At 31 March 2023 £'000
Cash	9,473	(3,318)	-	6,155
Hire purchases	(2,815)	384	(86)	(2,517)
	<hr/>	<hr/>	<hr/>	<hr/>
Net cash	<hr/> <b>6,658</b> <hr/>	<hr/> <b>(2,934)</b> <hr/>	<hr/> <b>(86)</b> <hr/>	<hr/> <b>3,638</b> <hr/>

# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 21. Financial commitments

Capital commitments are as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
Contracted for but not provided for:				
- tangible fixed assets (plant and machinery)	1,156	663	-	-

Total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2023	2022	2023	2022
	£'000	£'000	£'000	£'000
- within one year	3,657	3,250	-	-
- between one and five years	5,060	5,554	-	-
	8,717	8,804	-	-

### 22. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of Group in an independently administered fund. The pension charge represents contributions payable and amounted to £4,290,000 (2022: £4,410,000). The amount owed to the scheme at the year-end was £267,000 (2022: £261,000) and is held within other creditors.

### 23. Related Party Transactions

The Group was under the control of the Chairman N F Story throughout the current and previous year. There was a Director's loan account within the year which had a year-end balance of £90,082 (2022: 1,050,729 which was owed to N F Story and held in creditors).

Story Homes Limited is a related party by virtue of common Directorship and control of N F Story. Total sales made to Story Homes Limited in the year amounted to £6,288,561 (2022: £7,346,570) and total purchases were £270,838 (2022: £223,276). Amounts owed by Story Homes Limited at the year end of £2,532,756 (2022: £2,751,715) are held in Debtors. Amounts owed to Story Homes Limited at the year-end of £16,782 (2022: nil) are held in creditors. During the year the Group extended a £3,000,000 (2022: £20,000,000) loan to Story Homes Limited which was repayable on demand and cleared in full by 31st March 2023. Interest was charged at 0.9% plus bank base rate and the income of £18,267 (2022: £65,818) has been recognised in the year to 31st March 2023. During the year Story Homes Limited extended a loan to Story Contracting Limited, the maximum owed during the year was £5,000,000 (2022: £5,000,000) and interest was charged between 2.5% to 4.8%. The interest expense of £37,983 (2022: £65,818) was recognised in the year to 31st March 2023.

During the year the rent of £225,000 (2022: £225,000) was paid to Story Pension Fund ('the Fund') of which N F Story is a beneficiary.

The Company has taken advantage of FRS 102.33 "Related Party disclosures" which allows exemption from the disclosure of related party transactions with wholly owned Group companies.



# Story Contracting Holdings Limited

## Notes to the financial statements (continued)

For the year ended 31 March 2023

### 24. Controlling party

N F Story, a Director of the Company, and members of his close family, control the Group as a result of controlling, directly or indirectly, 100% of the issued share capital of the Parent Company.

### 25. Subsequent events

Between the end of the financial year and the date of this report, no other item, transaction or event of a material nature has occurred, in the opinion of the Directors of the Company, that is likely to significantly affect the operations of the Company or Group, the results of those operations, or the state of affairs of the Company or Group in future financial years.

### 26. Prior year adjustment

Development land previously included within debtors totalling £15,217,000 has been reclassified as stock to reflect the nature of development land held.

This prior year adjustment has had no effect on the profit for the year or the net current assets or net asset position of the Group.