

SMART

**INTERIM REPORT
FOR THE SIX MONTHS TO
31st JANUARY 2023**

J. SMART & CO. (CONTRACTORS) PLC

CHAIRMAN'S REVIEW

INTERIM REPORT

Unaudited Group profit for the six months to 31st January 2023 amounted to £260,000 compared with £6,334,000 for the corresponding period last year. This decrease in profit was largely due to there being no profit from investment sales of commercial property as was the case in the previous year.

In accordance with our normal practice, there has been no revaluation of our investment properties at the end of the half year. If a half year revaluation had taken place, we believe that the valuation may have had a detrimental effect on the headline figures, due to a decrease in yields.

The private housing development at Winchburgh, Canal Quarter, is progressing well on site and there have been sales completed. However, whilst reservations were encouraging until the end of 2022, there have been next to no reservations in 2023. The majority of the development will be complete at the end of the current financial year.

The construction of the second phase at Belgrave Point, Bellshill continues apace, with completion due later in 2023, after the financial year end. Interest is promising at present.

The residential development at Clovenstone Gardens has commenced and as the first completions are not due until the middle of 2024, no marketing has taken place yet.

We continue to see rises in the prices of construction materials, which still affects the viability of all types of potential projects. The erosion of profits of recently completed and soon to be completed projects has not abated. Moreover, this erosion of profit on our private housing developments will be exacerbated by the recent lull in reservations. The delays in processing contracting work and commencing new private housing work continue.

INTERIM DIVIDEND

The Board announces an interim dividend of 0.96p per share (2022, 0.96p) to be paid on 5th June 2023 to shareholders on the register at the close of business on 5th May 2023. The interim dividend will cost the Company no more than £389,000.

FUTURE PROSPECTS

There will be further private housing sales this year, albeit not as many as had been expected. As predicted, the current economic issues of interest rate rises, high inflation and the cost of living crisis, have had an impact on consumer confidence in the housing sector, which has resulted in a near standstill in reservations.

Whilst commercial property values may fall, as predicted, due to the decrease in investment yields, lettings of both our industrial stock and office stock remain steady. Rental levels, more so in the industrial sector than the office sector, have not fallen yet and are still robust.

Whilst no external contracts with housing associations have been secured, we have agreed a contract with a manufacturing company for a new office facility and an industrial unit extension. This contract will likely commence prior to the end of the financial year.

Whilst we might make an underlying profit, it is unlikely to be better than the underlying profit last year, due to the aforementioned reasons and the lack of recovery of overhead costs.

It is evident that due to the potential decrease in commercial property values, as described above, we may make a minimal headline profit or indeed a headline loss.

18th April 2023

D.W. SMART
Chairman

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED INCOME STATEMENT

		6 Months ended 31.1.23 (Unaudited) £000	6 Months ended 31.1.22 (Unaudited) £000	Year ended 31.7.22 (Audited) £000
	Notes			
Group construction activities		5,438	6,231	9,597
Less: Own construction work capitalised		(3,318)	(1,072)	(2,167)
REVENUE		2,120	5,159	7,430
Cost of sales		(2,083)	(4,712)	(5,853)
GROSS PROFIT		37	447	1,577
Other operating income		3,528	3,596	7,012
Net operating expenses		(3,471)	(3,813)	(7,295)
OPERATING PROFIT BEFORE PROFIT ON SALE AND NET SURPLUS ON VALUATION OF INVESTMENT PROPERTIES		94	230	1,294
Profit on sale of investment properties		–	6,055	6,055
Net surplus on valuation of investment properties		–	–	473
OPERATING PROFIT		94	6,285	7,822
Share of (losses)/profits in Joint Ventures		(17)	27	254
Income from financial assets		28	31	63
(Loss)/profit on sale of financial assets		(15)	4	17
Net surplus/(deficit) on valuation of financial assets		113	(8)	(121)
Finance income		63	1	141
Finance costs		(6)	(6)	(12)
Gain on measurement of subsidiary company		–	–	28
PROFIT BEFORE TAX		260	6,334	8,192
Taxation	5	(30)	(1,268)	(1,571)
PROFIT ATTRIBUTABLE TO EQUITY SHAREHOLDERS		230	5,066	6,621
EARNINGS PER SHARE	7			
Basic and diluted		0.56p	12.12p	15.90p

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	6 Months ended 31.1.23 (Unaudited) £000	6 Months ended 31.1.22 (Unaudited) £000	Year ended 31.7.22 (Audited) £000
PROFIT FOR THE PERIOD	<u>230</u>	<u>5,066</u>	<u>6,621</u>
OTHER COMPREHENSIVE INCOME			
Items that will not be subsequently reclassified to Income Statement:			
Remeasurement gains on defined benefit pension scheme	—	—	7,219
Deferred taxation on remeasurement gains on defined benefit pension scheme	<u>—</u>	<u>—</u>	<u>(1,804)</u>
TOTAL ITEMS THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO INCOME STATEMENT	<u>—</u>	<u>—</u>	<u>5,415</u>
TOTAL OTHER COMPREHENSIVE INCOME	<u>—</u>	<u>—</u>	<u>5,415</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	<u>230</u>	<u>5,066</u>	<u>12,036</u>
ATTRIBUTABLE TO EQUITY SHAREHOLDERS	<u>230</u>	<u>5,066</u>	<u>12,036</u>

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Notes	Share Capital £000	Capital Redemption Reserve £000	Retained Earnings £000	Total £000
As at 1st August 2022		818	190	123,668	124,676
Profit for the period		—	—	230	230
Other comprehensive income		—	—	—	—
Total comprehensive income for period		<u>—</u>	<u>—</u>	<u>230</u>	<u>230</u>
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY					
Shares purchased and cancelled		(4)	—	(305)	(309)
Transfer to Capital Redemption Reserve		—	4	(4)	—
Dividends	6	—	—	(923)	(923)
Total transactions with owners		<u>(4)</u>	<u>4</u>	<u>(1,232)</u>	<u>(1,232)</u>
As at 31st January 2023		<u>814</u>	<u>194</u>	<u>122,666</u>	<u>123,674</u>
As at 1st August 2021 - as previously reported		840	168	112,376	113,384
Restatement relating to pension surplus	10	—	—	2,353	2,353
As at 1st August 2021 - restated		<u>840</u>	<u>168</u>	<u>114,729</u>	<u>115,737</u>
Profit for the period		—	—	5,066	5,066
Other comprehensive income		—	—	—	—
Total comprehensive income for period		<u>—</u>	<u>—</u>	<u>5,066</u>	<u>5,066</u>
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY					
Shares purchased and cancelled		(4)	—	(260)	(264)
Transfer to Capital Redemption Reserve		—	4	(4)	—
Dividends	6	—	—	(948)	(948)
Total transactions with owners		<u>(4)</u>	<u>4</u>	<u>(1,212)</u>	<u>(1,212)</u>
As at 31st January 2022		<u>836</u>	<u>172</u>	<u>118,583</u>	<u>119,591</u>
As at 1st August 2021		840	168	114,729	115,737
Profit for the period		—	—	6,621	6,621
Other comprehensive income		—	—	5,415	5,415
Total comprehensive income for period		<u>—</u>	<u>—</u>	<u>12,036</u>	<u>12,036</u>
TRANSACTIONS WITH OWNERS, RECORDED DIRECTLY IN EQUITY					
Shares purchased and cancelled		(22)	—	(1,727)	(1,749)
Transfer to Capital Redemption Reserve		—	22	(22)	—
Dividends	6	—	—	(1,348)	(1,348)
Total transactions with owners		<u>(22)</u>	<u>22</u>	<u>(3,097)</u>	<u>(3,097)</u>
As at 31st July 2022		<u>818</u>	<u>190</u>	<u>123,668</u>	<u>124,676</u>

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	6 Months ended 31.1.23 (Unaudited)	6 Months ended 31.1.22 (Unaudited) Restated Note 10	Year ended 31.7.22 (Audited)
	£000	£000	£000
NON-CURRENT ASSETS			
Property, plant and equipment	1,315	1,256	1,207
Investment properties	81,140	76,175	77,777
Investments in Joint Ventures	1,515	1,294	1,532
Financial assets	1,357	1,183	1,069
Trade and other receivables	3,010	3,010	3,010
Retirement benefit surplus	15,096	7,863	15,096
Deferred tax assets	13	179	13
	<u>103,446</u>	<u>90,960</u>	<u>99,704</u>
CURRENT ASSETS			
Inventories	16,760	7,999	12,454
Contract assets	150	52	16
Corporation tax asset	322	—	—
Trade and other receivables	2,196	2,925	2,442
Monies held on deposit	49	48	48
Cash and cash equivalents	25,803	38,907	31,796
	<u>45,280</u>	<u>49,931</u>	<u>46,756</u>
TOTAL ASSETS	<u>148,726</u>	<u>140,891</u>	<u>146,460</u>
NON-CURRENT LIABILITIES			
Deferred tax liabilities	8,172	5,956	8,172
Lease liabilities	212	213	212
	<u>8,384</u>	<u>6,169</u>	<u>8,384</u>
CURRENT LIABILITIES			
Trade and other payables	4,511	2,839	2,306
Lease liabilities	1	—	1
Corporation tax liability	—	983	44
Bank overdraft	12,156	11,309	11,049
	<u>16,668</u>	<u>15,131</u>	<u>13,400</u>
TOTAL LIABILITIES	<u>25,052</u>	<u>21,300</u>	<u>21,784</u>
NET ASSETS	<u>123,674</u>	<u>119,591</u>	<u>124,676</u>
EQUITY			
Called up share capital	814	836	818
Capital redemption reserve	194	172	190
Retained earnings	122,666	118,583	123,668
TOTAL EQUITY	<u>123,674</u>	<u>119,591</u>	<u>124,676</u>

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED STATEMENT OF CASH FLOWS

	6 Months ended 31.1.23 (Unaudited) £000	6 Months ended 31.1.22 (Unaudited) £000	Year ended 31.7.22 (Audited) £000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit after tax	230	5,066	6,621
Tax charge for year	30	1,268	1,571
Profit before tax	260	6,334	8,192
Adjustment for:			
Share of losses/(profits) from Joint Ventures	17	(27)	(254)
Depreciation	194	169	399
Unrealised valuation surplus on investment properties	–	–	(473)
Unrealised valuation (surplus)/deficit on financial assets	(113)	8	121
Profit on sale of property, plant and equipment	(60)	(5)	(29)
Profit on sale of investment property	–	(6,055)	(6,055)
Loss/(profit) on sale of financial assets	15	(4)	(17)
Gain on remeasurement of subsidiary company	–	–	(28)
Change in retirement benefits	–	–	(14)
Increase on monies held on deposit	(1)	–	–
Interest received	(63)	(1)	(20)
Interest paid	6	6	12
Change in inventories	(4,306)	(468)	(4,584)
Change in contract assets	(134)	194	230
Change in receivables - current	246	20	503
Change in payables	2,205	(211)	(1,113)
CASH OUTFLOW FROM OPERATING ACTIVITIES	(1,734)	(40)	(3,130)
Tax paid	(396)	(250)	(914)
NET CASH OUTFLOW FROM OPERATING ACTIVITIES	(2,130)	(290)	(4,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Additions to property, plant and equipment	(323)	(184)	(380)
Additions to investment properties	(45)	(20)	(54)
Expenditure on own work capitalised – investment properties	(3,318)	(1,072)	(2,167)
Proceeds of sale of property, plant and equipment	81	9	48
Proceeds of sale of investment property	–	24,032	24,032
Purchase of financial assets	(368)	(47)	(47)
Proceeds of sale of financial assets	178	44	58
Acquisition of investment in Subsidiary – net cash acquired	–	–	97
Interest received	63	1	20
Loan to Joint Venture	–	(1,440)	(1,440)
Investment in Joint Ventures	–	–	(50)
NET CASH (OUTFLOW)/INFLOW FROM INVESTING ACTIVITIES	(3,732)	21,323	20,117

J. SMART & CO. (CONTRACTORS) PLC

CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

	6 Months ended 31.1.23 (Unaudited) £000	6 Months ended 31.1.22 (Unaudited) £000	Year ended 31.7.22 (Audited) £000
CASH FLOWS FROM FINANCING ACTIVITIES			
Interest costs on leases	(6)	(6)	(12)
Purchase of own shares	(309)	(264)	(1,749)
Dividends paid	<u>(923)</u>	<u>(948)</u>	<u>(1,348)</u>
NET CASH OUTFLOW FROM FINANCING ACTIVITIES	<u>(1,238)</u>	<u>(1,218)</u>	<u>(3,109)</u>
 (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	 <u>(7,100)</u>	 <u>19,815</u>	 <u>12,964</u>
 CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	 <u>20,747</u>	 <u>7,783</u>	 <u>7,783</u>
 CASH AND CASH EQUIVALENTS AT END OF PERIOD	 <u>13,647</u>	 <u>27,598</u>	 <u>20,747</u>

J. SMART & CO. (CONTRACTORS) PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

J. Smart & Co. (Contractors) PLC is a company domiciled in the United Kingdom. The condensed consolidated interim financial statements of the Company for the six months ended 31st January 2023 comprise the Company and its Subsidiaries, together referred to as the Group, and the Group's interest in jointly controlled entities.

The condensed consolidated interim financial statements for the six months to 31st January 2023 have been prepared in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and with IAS 34: Interim Financial Reporting under UK adopted International Accounting Standards.

The condensed consolidated interim financial statements for the six months to 31st January 2023 do not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year to 31st July 2022, which have been prepared in accordance with UK adopted International Accounting Standards.

The statutory financial statements for the year to 31st July 2022 have been filed with the Registrar of Companies and a copy may be obtained from Companies House. These have been audited and contain an unqualified audit opinion, did not draw attention to any matters by way of emphasis and did not contain a statement under Section 498 of the Companies Act 2006.

The condensed consolidated interim financial statements have not been audited or reviewed by the Company's auditor. A copy of the interim financial statements will be available on the Company's website www.jsmart.co.uk.

2. ACCOUNTING POLICIES

The condensed consolidated interim financial statements have been prepared under the historical cost convention except where the measurement of balances at fair value is required for investment properties, financial assets and assets held by defined benefit pension scheme.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31st July 2022, with the exception of the policies regarding the accounting for pension scheme obligations and investment properties revaluations.

For the condensed consolidated interim financial statements, the assets and liabilities of the pension scheme are estimated to be unchanged from the values included at the previous year end. Also, in accordance with long standing practice, the Group's investment properties are revalued annually on 31st July each year and therefore, no revaluation adjustment is made in the condensed consolidated interim financial statements.

NOTES TO INTERIM FINANCIAL STATEMENTS

2. ACCOUNTING POLICIES (continued)

Standards, Amendments to Standards and Interpretations effective in period

The following new standards, amendments to standards and interpretations, which are relevant to the Group, were issued by the International Accounting Standards Board and are mandatory for the Group for the first time in the financial year to 31st July 2023:

- IAS 37 (amended): Provisions, Contingent Liabilities and Contingent Assets.
- IFRS 3 (amended): Business Combinations.

The Directors anticipate that there will be no material impact of these amendments to standards on the financial statements.

Estimates and assumptions

The preparation of the condensed consolidated interim financial statements requires management to make estimates and assumptions concerning the future that may affect the application of accounting policies and the reported amounts of assets, liabilities and income and expenses. Management believes that the estimates and assumptions used in the preparation of these accounts are reasonable. However, actual outcomes may differ from those anticipated.

Going concern

The financial statements have been prepared on a going concern basis. The Directors have prepared a number of cashflows scenarios taking account of trading activities around construction projects in hand and anticipated projects, land acquisitions, rental income, investment property acquisitions and disposals and other capital expenditure. In each scenario reviewed by the Directors the Group remains cash positive with no reliance on external funding and therefore remains net debt free. The net assets of the Group are £123,674,000 at 31st January 2023 and the Group's net current assets amount to £28,612,000. Taking all of the information the Directors currently have they are of the opinion that the Group is well placed to manage its financial and business risks and have a reasonable expectation that the Group has adequate financial resources to continue in operational existence for a period of at least twelve months from the date of approval of these financial statements and therefore consider the adoption of the going concern basis as appropriate for the preparation of these financial statements.

3. PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks and uncertainties which could have a material impact on the Group's performance for the remainder of the current financial year remain the same as those detailed in the Group's Annual Report and Financial Statements for the year to 31st July 2022. The Directors regularly review the risks and uncertainties facing the Group and their impact on the trading performance of the Group and take appropriate actions to help mitigate their impact on the Group's performance and future prospects.

J. SMART & CO. (CONTRACTORS) PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

4. SEGMENTAL INFORMATION

IFRS 8: Operating Segments requires operating segments to be identified on the basis of internal reporting about components of the Group and they are regularly reviewed by the chief operating decision maker to allow the allocation of resources to the segments and to assess their performance. The chief operating decision maker has been identified as the Board of Directors. The chief operating decision maker has identified two distant areas of activities in the Group being construction activities and investment property activities.

All revenue and investment property income arises from activities within the UK and therefore the Board of Directors does not consider the business from a geographical perspective. The operating segments are based on activity and performance of an operating segment is based on a measure of operating results.

	External Revenue £000	Internal Revenue £000	Total Revenue £000	Other Operating Income £000	Operating Profit / (Loss)		
					31.1.23 £000	31.1.22 £000	31.7.22 £000
31st JANUARY 2023							
(Unaudited)							
Construction activities	2,120	3,318	5,438	4	(2,099)	–	–
Investment property activities	–	–	–	3,464	2,193	–	–
	<u>2,120</u>	<u>3,318</u>	<u>5,438</u>	<u>3,468</u>	<u>94</u>	<u>–</u>	<u>–</u>
31st JANUARY 2022							
(Unaudited)							
Construction activities	5,159	1,072	6,231	4	–	(1,628)	–
Investment property activities	–	–	–	3,587	–	7,913	–
	<u>5,159</u>	<u>1,072</u>	<u>6,231</u>	<u>3,591</u>	<u>–</u>	<u>6,285</u>	<u>–</u>
31st JULY 2022							
(Audited)							
Construction activities	7,430	2,167	9,597	7	–	–	(2,487)
Investment property activities	–	–	–	6,976	–	–	10,309
	<u>7,430</u>	<u>2,167</u>	<u>9,597</u>	<u>6,983</u>	<u>–</u>	<u>–</u>	<u>7,822</u>
OPERATING PROFIT					94	6,285	7,822
Share of results of Joint Ventures					(17)	27	254
Finance and investment income					204	36	221
Finance and investment costs					(21)	(14)	(133)
Gain on remeasurement of subsidiary company					–	–	28
PROFIT BEFORE TAX ON ORDINARY ACTIVITIES					<u>260</u>	<u>6,334</u>	<u>8,192</u>

J. SMART & CO. (CONTRACTORS) PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

5. TAXATION

The tax charge for the six months to 31st January 2023 is based on the corporation tax rate at 21.01% (2022, 19.00%).

6. DIVIDENDS

	6 Months ended 31.1.23 (Unaudited) £000	6 Months ended 31.1.22 (Unaudited) £000	Year ended 31.7.22 (Audited) £000
ORDINARY DIVIDENDS			
2021 Final dividend of 2.27p per share	–	948	948
2022 Interim dividend of 0.96p per share	–	–	400
2022 Final dividend of 2.27p per share	<u>923</u>	<u>–</u>	<u>–</u>
	<u>923</u>	<u>948</u>	<u>1,348</u>

The interim dividend of 0.96p per share for the year to 31st July 2023 will be paid on 5th June 2023 to shareholders on the register at 5th May 2023. The interim dividend will cost the Company no more than £389,000.

7. EARNINGS PER SHARE

	6 Months ended 31.1.23 (Unaudited)	6 Months ended 31.1.22 (Unaudited)	Year ended 31.7.22 (Audited)
Profit attributable to Equity Shareholders (£000)	230	5,066	6,621
Basic and diluted Earnings per share	<u>0.56p</u>	<u>12.12p</u>	<u>15.90p</u>
Weighted average number of shares	<u>40,758,094</u>	<u>41,810,610</u>	<u>41,638,109</u>

Basic earnings per share are calculated by dividing the profit attributable to equity shareholders by the weighted average number of shares in issue during the period.

During the six months to 31st January 2023 the Company purchased for immediate cancellation 189,034 Ordinary Shares of 2p.

There is no difference between basic and diluted earnings per share.

NOTES TO INTERIM FINANCIAL STATEMENTS

8. FAIR VALUE ASSETS

The Group's investment properties, financial assets and assets held by defined benefit pension scheme are measured at fair value after initial recognition.

Investment properties are only valued annually by the Directors at the year end and not for the purposes of the interim financial statements. The Group considers all of its investment properties fall within 'Level 3' of the fair value hierarchy as described by IFRS 13: Fair Value Measurement. Level 3 valuations are those using inputs for the asset or liability that are not based on observable market data. The main unobservable inputs relate to estimated rental value and equivalent yield.

The Group's financial assets consisted entirely of equities of companies listed on quoted markets which fall within 'Level 1' of the fair value hierarchy. Assets held by defined benefit pension scheme consist of equities and bonds of companies listed on quoted markets and cash which all fall within 'Level 1' of the fair value hierarchy. Level 1 valuations are those using inputs which are quoted prices (unadjusted) in active markets for identical assets or liabilities the Group can access at the period end date.

9. RELATED PARTY TRANSACTIONS

Related parties are consistent with those disclosed in the Group's Annual Report and Statement of Accounts for the year to 31st July 2022.

Related party transactions, including salary and benefits provided to Directors and key management, were not material to the financial position or performance of the Group for the period.

J. SMART & CO. (CONTRACTORS) PLC

NOTES TO INTERIM FINANCIAL STATEMENTS

10. PRIOR YEAR ADJUSTMENT

During the year to 31st July 2022 the Group sought further advice on the Group's right to a surplus arising on the pension scheme from a firm of lawyers who specialise in this area. Their advice was that the Group had an unconditional right to the surplus based on the original Trust Deed and Deed of Variation and therefore the full surplus arising on the calculation thereof under IAS 19 (amended): Employee Benefits should be accounted for in the financial statements. This revised advice impacted on the accounts for the year to 31st July 2021 and resulted in the accounts for that year being revised.

The impact of this new advice is that it is now clear to the Group that the full surplus arising on the pension scheme should be accounted for and should not have been reduced by the asset ceiling adjustment to reduce the surplus to the present value of economic benefits available in the form of reductions in future contributions to the plan.

There has been no impact on the Consolidated Income Statement as the asset ceiling adjustment was only accounted for in the Consolidated Statement of Comprehensive Income. The pension scheme asset in the Consolidated Statement of Financial Position has increased as has deferred tax liability on the asset. It is only the financial statements for the six months to 31st January 2022, disclosed in this interim report, which are impacted upon by the prior year adjustment, details of which are given below:

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	£000
Retirement benefit surplus – as previously stated	4,725
Retirement benefit surplus – as restated	<u>7,863</u>
Increase in asset	3,138
Increase in deferred tax adjustment based on above increase	<u>(785)</u>
Increase in net assets of the Group	<u>2,353</u>
Increase in retained earnings of the Group	<u>2,353</u>

J. SMART & CO. (CONTRACTORS) PLC

STATEMENTS OF DIRECTORS' RESPONSIBILITIES

The Directors named below, confirm on behalf of the Board of Directors that to the best of their knowledge that the condensed consolidated interim financial statements for the six months to 31st January 2023 have been prepared in accordance with IAS 34: Interim Financial Reporting under UK adopted International Accounting Standards. The condensed consolidated interim financial statements include a fair review of the information required by Disclosure and Transparency Rules 4.2.7 and 4.2.8, being:

- an indication of important events that have occurred during the six months to 31st January 2023 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year, and
- material related party transactions in the six months to 31st January 2023 and any material changes in the related party transactions described in the last annual report.

The Directors of the Company are listed in the Annual Report and Statement of Accounts for the year to 31st July 2022.

By order of the Board

D. W. SMART, *Director* **J. R. SMART, *Director***

18th April 2023

J. SMART & CO. (CONTRACTORS) PLC

DIRECTORS

D. W. SMART, *Chairman and Joint Managing Director*

J. R. SMART, *Joint Managing Director*

A. H. ROSS

P. SWEENEY

COMPANY SECRETARY

P. SWEENEY

REGISTERED OFFICE

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