Smailes Goldie Group
CREATING ADVANTAGE

REGISTERED NUMBER: 00009433

Registrar's Copy

Singleton Birch Limited

Consolidated Financial Statements

31st March 2022

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COMPANIES HOUSE

ICAEW CHARTERED ACCOUNTANTS

Chartered accountants & lawyers

Singleton Birch Limited (Registered number: 00009433)

Contents of the Consolidated Financial Statements
for the year ended 31st March 2022

Singleton Birch Limited

Company Information
for the year ended 31st March 2022

DIRECTORS:	S R Counsell R M Stansfield E P Tatterton A W Forman J P Richards Dr C Croft
SECRETARY:	E P Tatterton
REGISTERED OFFICE:	Melton Ross Quarries Barnetby North Lincolnshire DN38 6AE
REGISTERED NUMBER:	00009433 (England and Wales)
AUDITORS:	Smailes Goldie Chartered Accountants Statutory Auditor Regent's Court Princess Street Hull East Yorkshire HU2 8BA
BANKERS:	HSBC Bank Plc 55 Victoria Street Freshney Place Grimsby DN31 1UX
SOLICITORS:	Andrew Jackson Solicitors LLP Marina Court Castle Street Hull HU1 1TJ

Singleton Birch Limited (Registered number: 00009433)

Group Strategic Report
for the year ended 31st March 2022

The directors present their strategic report of the Company and the Group for the year ended 31st March 2022.

FINANCIAL HIGHLIGHTS

	2022	2021
	£'000	£'000
Sales	**73,390**	48,884
EBITDA	**12,879**	9,692
Operating profit	**6,804**	4,575
Profit before tax	**6,308**	4,185
Profit after tax	**4,945**	3,534
Capital expenditure	**6,939**	7,118

	2022	2021
Basic earnings per share	879p	638p
Dividends per share (voted)	60p	165p

REVIEW OF BUSINESS

Sales turnover for the Group increased by 50% to £73.3m and operating profit increased by 49% to £6.8m (2021: £4.58m). The profit before tax for 2022 increased by 50.7% to £6.3m and EBITDA increased by 32.9% to £12.9m. The increase in turnover was flattered by the significant increases in energy and carbon costs which have been passed through to customers.

All divisions, other than Birch Energy were affected at the start of the year by the Covid pandemic though business conditions had started to normalise by the autumn. The lime and waste business performed strongly despite the economic headwinds and increased operating costs. The commencement of HS2 has increased the demand for lime and the market subsequently is tight. The Birch Solutions business continues to grow and the introduction of the new Green Gas Support Scheme is expected to create further opportunities in the anaerobic digestion sector. Birch Chemicals has diversified its product range in the desiccants market in response to the struggling automotive sector and is starting to see growth in new markets, particularly in recycled plastics. Minsterport, which provides silo servicing, monitoring and telemetry, to various industrial sectors has increased its portfolio and is generating good margins.

Capital expenditure in the year was £6.9 million and included a kiln reline, increased landfill capacity, new welfare facilities and infrastructure upgrades to improve environmental impact and efficiency. Capital expenditure of around £9m is anticipated in 2022/23 including new quarrying equipment, an enterprise resource planning software system, a landfill cell, the diversion of a gas pipeline to access quarry reserves and infrastructure upgrades to further enhance environmental and health and safety performance.

The Board's strategy of capital investment, diversification of customers, products and services together with the development of new markets continues to be effective and remains a key feature of our future strategy.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board's diversification strategy in recent years aims to moderate the Group's reliance on British Steel despite the increased stability and investment in the business by the owners Jingye.

Quarrying and lime production are high risk activities in relation to health and safety and environmental impact and the directors have established robust risk management systems to mitigate these risks and ensure legal compliance. The Company has obtained the Occupational Health and Safety Standard BS OHSAS 45001 and the Environmental Management Standard ISO 14001 which require audit by external accredited bodies. The Company has won a number of major awards over recent years from its trade body, the Mineral Products Association, for continued excellence in health and safety performance.

PRINCIPAL RISKS AND UNCERTAINTIES - continued

The UK Emission Trading Scheme (UK ETS) which commenced on the 1st January 2021 remains volatile and relatively illiquid. To mitigate against significant fluctuations we are purchasing carbon on a monthly basis to fulfil our annual requirements and adjusting customer prices at regular intervals accordingly.

COVID-19

We responded to the challenges presented by Covid, including taking a series of actions to reduce costs, preserve cash flow and ensure the wellbeing of our staff. Fortunately, most of the Group's activity was deemed to be essential services and activity levels for the core business were reasonable - albeit reduced at the start of the crisis, particularly due to the Covid impact on the construction sector. Consequently, only a small proportion of our colleagues were furloughed for a period at the start of the pandemic. Business activity has now returned to normal levels including our export and services businesses.

FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: market risk, credit risk, interest rate and foreign currency risk and liquidity risk.

<u>Specific Market Risks</u>

i. Market Risk

Market rate risk arises from fluctuations in the price of carbon emission allowances and gas rate prices. The Group manages such risk by having either variable pass-through costs in customer contracts or buying gas forward on fixed price agreements for the length of the contract.

ii. Credit Risk

Credit risk arises from cash and cash deposits, derivative financial instruments and exposure to customers, including outstanding trade receivables. The Board has agreed a policy for managing such risk which is controlled through credit limits, customer and counterparty approvals, and rigorous monitoring procedures. Credit checks are undertaken on all customers on an annual basis and credit insurance is obtained for all major customers where possible. Where credit insurance is not available for certain customers, credit terms are reduced, and the accounts are monitored closely to ensure exposure to credit risk is minimised.

iii. Foreign Exchange Risk

Foreign currency risk occurs at transactional and translation level from trade balances and transactions in foreign currencies. The vast majority of sales and purchases made across the Group are in GBP, so the Group runs minimal risk in this area. For the limited amount of transactions incurred in foreign currencies, the Group operates foreign currency bank accounts in order to naturally minimise exposure to sudden fluctuations.

iv. Cash Flow/ Liquidity Risk

Cash flow and liquidity are monitored regularly against forecasts and available finance facilities to ensure the Group has sufficient headroom. The Group actively maintains a mixture of long-term and short-term committed facilities which are designed to ensure the Group has sufficient available funds for operations and planned expansions equivalent to at least one year's forecast requirements at all times.

v. Interest Rate Risk

The Group uses a combination of fixed rate and index-linked borrowings and fixed rate interest swaps as cash flow hedges of future variable interest payments to mitigate exposure to interest rate fluctuations.

Group Strategic Report
for the year ended 31st March 2022

SECTION 172(1) STATEMENT
The directors have considered the matters set out in section 172 (1) (a) to (f) when performing their duty to promote the success of the Company and the Group.

The directors continue to ensure that any business decisions consider the long-term impact on all key stakeholders. This includes when evaluating acquisition and growth opportunities. During the period there has been a strong focus on the continued integration of acquired businesses to ensure that the Group will function in the future in a focussed and consistent manner. This integration promotes employee development and allows supplier and customer relationships to be monitored at group level.

Environmental issues continue to be a major focus of the business and are a key consideration of the Board's strategy. The Board encourages sharing of best practices between group companies to ensure the business operates at the highest possible standard and endeavours to ensure that all stakeholders are treated fairly.

The Board meets regularly to oversee implementation of the Company's strategy. This includes, but is not limited to, reviewing the Company's performance against forecasts, authorising and monitoring capital investment, assessing compliance with environmental regulations and maintaining a high level of active training to promote a safe working environment, all of which contribute directly to the long term success of the Group.

The Group is committed to supporting the local community and charitable activities within the area and contributes a percentage of net profits each year into a community fund to support various local community projects, charities and schools.

In addition, the directors consider the Company's employees, suppliers and customers to be integral to its continued success. The directors have reported on engagement with suppliers, customers and others within the Report of the Directors.

FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT
The project that could see the fifth generation of lime kiln built at Melton Ross over the next few years to help meet the Group's zero carbon target is now well under way. In partnership with Origen Power, who have developed an oxy-fuel flash calciner which produces a very pure CO2, we have almost completed the construction of the pilot plant and expect to start commissioning later this year. The Melton Ross site sits close to a proposed CO2 and hydrogen pipeline route that encompasses power generation, steel and chemical operations around the Humber Estuary. It is hoped that the success of the new kiln technology and the realisation of the Humber CO2 network will enable Singleton Birch to take a big step forward in its ambition to become a zero carbon lime producer.

ON BEHALF OF THE BOARD:

S R Counsell - Chairman

20th July 2022

Singleton Birch Limited (Registered number: 00009433)

Report of the Directors
for the year ended 31st March 2022

The directors present their report with the financial statements of the Company and the Group for the year ended 31st March 2022.

PRINCIPAL ACTIVITIES
The principal activities of the Group in the year under review were those of quarrying, the manufacture, sale and distribution of lime products and other related chemicals, landfill operations, energy generation, maintenance of biogas, biosolids and other plants, the sale and maintenance of electronic weighing equipment and remote monitoring website technology.

DIVIDENDS
Interim dividends were paid during the year totalling £337,380 (60p per share). Final dividends in respect of the year to 31 March 2021 were paid during the year totalling £815,335 (145p per share). The directors do not recommend the payment of a final dividend for the year to 31 March 2022.

DIRECTORS
The directors shown below have held office during the whole of the period from 1st April 2021 to the date of this report.

S R Counsell
R M Stansfield
E P Tatterton
A W Forman

Other changes in directors holding office are as follows:

M J Gardiner - resigned 14th July 2021
M D Haworth - resigned 31st March 2022
J P Richards - appointed 14th July 2021

Dr C Croft was appointed as a director after 31st March 2022 but prior to the date of this report.

ENGAGEMENT WITH EMPLOYEES
The directors make use of the senior management teams throughout the Group to ensure that all employees are kept up to date with key and relevant information which may concern them as employees. Each group division consults its employees as necessary when making material decisions which may affect them. Employees are encouraged to have an interest in the performance of the Company and a general awareness of the Group's performance.

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND OTHERS
The directors continuously consider key stakeholder relationships and develops them through the senior management team. The Group considers relationships with customers and suppliers on a global scale and maintains strong relationships at a local and group level. Organic and acquisitive group actions take into consideration these business relationships.

STREAMLINED ENERGY AND CARBON REPORTING
UK Greenhouse gas emissions and energy use data for the period 1 April 2021 to 31 March 2022
For the year to 31 March 2022, the annual quantity of scope 1 emissions in tonnes of carbon dioxide equivalents for which the Company is directly responsible was 249,165T (2021: 259,980T) as agreed with auditors for the UK ETS. The annual quantity of scope 2 emissions in tonnes of carbon dioxide equivalents as a result of purchased electricity consumed during the year was 1,262T (2021:1,614T). The total quantity of energy consumed was 345,423,072 kWh (2021: 359,375,692 kWh).

<u>Intensity measurement</u>
Scope 1 and scope 2 emissions of 0.0034 tonnes of CO_2 were released for every £1 of revenue earned (2021: 0.0053 tonnes). The Group is looking at alternative production methods to reduce this.

Quantification and Reporting Methodology
The calculation methodology has been performed in accordance with the requirements of the UK ETS and the approved GHG permit as agreed with the Competent Authority. We have also followed the 2019 HM Government Environmental Reporting Guidelines and have used the 2020/2021 UK Government's Conversion Factors (updated January 2022) for Company Reporting.

Measures taken to improve energy efficiency
The Group operates three Anaerobic Digestion plants (AD) generating a significant amount of renewable electricity which is used across the site at Melton Ross and fed into the national grid. Of the total energy consumed on site at Melton Ross Quarries, 14,797,360 kWh was self-generated by the AD plant on site (2021: 14,542,810 kWh). An additional 3,885,140 kWh was generated using AD technology at Northwold (2021: 3,718,700 kWh) and 3,914,925 kWh at Willoughton (2021: 4,071,697 kWh)The annual quantity of emissions in tonnes of carbon dioxide equivalents from the combustion of biomass at the AD plant on site at Melton Ross was 7,255T (2021: 7,746T).

The Group recognises the importance of its environmental responsibilities and is regulated by the Environment Agency. The Group currently holds Environmental Management Standard ISO 14001 and is now seeking to obtain ISO 50001 (Energy Management System) where specific targets will be agreed to reduce the Groups overall energy consumption.

Ongoing capital investment and research and development work aims to make plants and processes more efficient, reducing waste and energy used.

Replacement of site wide lighting with LED upgrades has taken place over recent years and energy efficient motors have been incorporated in all new plant as well as upgrades to long standing equipment and machinery.

The Group has started implementing a policy to convert the company car fleet to electric vehicles and all the executive directors have now acquired electric cars.

A permit has been granted for a new lime kiln on our site (Origen owned) to drive towards significantly lowering the carbon footprint of the lime production operation.

The Group is also looking at Hydrogen, Oxyfuel and carbon capture solutions in order to develop a decarbonisation roadmap starting in 2023.

DISCLOSURE IN THE STRATEGIC REPORT
Disclosures required relating to financial instruments, future developments and research and development activities are set out in the Strategic Report in accordance with s.414C(11) of the Companies Act 2006.

STATEMENT OF DIRECTORS' RESPONSIBILITIES
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

Singleton Birch Limited (Registered number: 00009433)

Report of the Directors
for the year ended 31st March 2022

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the Group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

AUDITORS
The auditors, Smailes Goldie, will be proposed for re-appointment in accordance with section 485 of the Companies Act 2006.

ON BEHALF OF THE BOARD:

R M Stansfield - Director

20th July 2022

Report of the Independent Auditors to the Members of Singleton Birch Limited

Opinion
We have audited the financial statements of Singleton Birch Limited (the 'company') and its subsidiaries (the 'group') for the year ended 31st March 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 affairs as at 31st March 2022 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 Auditors' 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of Singleton Birch Limited

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on pages seven and eight, 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 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.

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Company, including the Companies Act 2006, anti-bribery, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by making enquiries of management and considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:
- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.
- agreeing financial statement disclosures to underlying supporting documentation;

Report of the Independent Auditors to the Members of Singleton Birch Limited

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with relevant regulators and legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Nicola Shipley FCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

Date: 21st July 2022

Singleton Birch Limited (Registered number: 00009433)

Consolidated Income Statement
for the year ended 31st March 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
TURNOVER	4		**73,390**		48,884
Cost of sales			**56,311**		35,524
GROSS PROFIT			**17,079**		13,360
Administrative expenses			**10,277**		8,932
			6,802		4,428
Other operating income			**2**		147
GROUP OPERATING PROFIT	7		**6,804**		4,575
Share of operating profit/(loss) in Joint ventures			**9**		(88)
Interest receivable and similar income			**90**		92
			6,903		4,579
Interest payable and similar expenses	8	**560**		369	
Other finance costs	25	**35**		25	
			595		394
PROFIT BEFORE TAXATION			**6,308**		4,185
Tax on profit	9		**1,363**		651
PROFIT FOR THE FINANCIAL YEAR			**4,945**		3,534
Profit attributable to: Owners of the parent			**4,945**		3,534

The notes form part of these financial statements

Singleton Birch Limited (Registered number: 00009433)

Consolidated Other Comprehensive Income
for the year ended 31st March 2022

	Notes	2022 £'000	2021 £'000
PROFIT FOR THE YEAR		**4,945**	3,534
OTHER COMPREHENSIVE INCOME			
Actuarial movements		**476**	(632)
Income tax relating to other comprehensive income		**(90)**	120
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		**386**	(512)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,331**	3,022
Total comprehensive income attributable to:			
Owners of the parent		**5,331**	3,022

Singleton Birch Limited (Registered number: 00009433)

Consolidated Balance Sheet

31st March 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Intangible assets	12		**532**		630
Tangible assets	13		**38,379**		37,533
Investments	14		**602**		86
			39,513		38,249
CURRENT ASSETS					
Stocks	15	**5,435**		5,037	
Debtors: amounts falling due within one year	16	**19,529**		12,890	
Debtors: amounts falling due after more than one year	16	**2,834**		2,933	
Cash at bank		**-**		834	
		27,798		21,694	
CREDITORS					
Amounts falling due within one year	17	**18,535**		13,277	
NET CURRENT ASSETS			**9,263**		8,417
TOTAL ASSETS LESS CURRENT LIABILITIES			**48,776**		46,666
CREDITORS					
Amounts falling due after more than one year	18		**(4,678)**		(5,965)
PROVISIONS FOR LIABILITIES	22		**(7,940)**		(8,196)
PENSION LIABILITY	25		**(1,133)**		(1,664)
NET ASSETS			**35,025**		30,841
CAPITAL AND RESERVES					
Called up share capital	23		**562**		562
Share premium	24		**349**		344
Capital redemption reserve	24		**90**		90
Retained earnings	24		**34,024**		29,845
SHAREHOLDERS' FUNDS			**35,025**		30,841

The financial statements were approved by the Board of Directors and authorised for issue on 20th July 2022 and were signed on its behalf by:

S R Counsell - Chairman

R M Stansfield - Director

The notes form part of these financial statements

continued...

Singleton Birch Limited (Registered number: 00009433)

Company Balance Sheet
31st March 2022

	Notes	2022 £'000	2022 £'000	2021 £'000	2021 £'000
FIXED ASSETS					
Intangible assets	12		**-**		-
Tangible assets	13		**37,713**		36,751
Investments	14		**1,839**		1,625
			39,552		38,376
CURRENT ASSETS					
Stocks	15	**4,685**		4,532	
Debtors: amounts falling due within one year	16	**19,463**		14,231	
Debtors: amounts falling due after more than one year	16	**1,034**		1,953	
Cash at bank		**-**		557	
		25,182		21,273	
CREDITORS					
Amounts falling due within one year	17	**18,461**		15,800	
NET CURRENT ASSETS			**6,721**		5,473
TOTAL ASSETS LESS CURRENT LIABILITIES			**46,273**		43,849
CREDITORS					
Amounts falling due after more than one year	18		**(4,628)**		(5,911)
PROVISIONS FOR LIABILITIES	22		**(7,861)**		(8,105)
PENSION LIABILITY	25		**(1,133)**		(1,664)
NET ASSETS			**32,651**		28,169
CAPITAL AND RESERVES					
Called up share capital	23		**562**		562
Share premium	24		**349**		344
Capital redemption reserve	24		**90**		90
Retained earnings	24		**31,650**		27,173
SHAREHOLDERS' FUNDS			**32,651**		28,169
Company's profit for the financial year			**5,243**		3,953

The financial statements were approved by the Board of Directors and authorised for issue on 20th July 2022 and were signed on its behalf by:

S R Counsell - Chairman

R M Stansfield - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the year ended 31st March 2022

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1st April 2020	553	27,708	255	90	28,606
Changes in equity					
Issue of share capital	9	-	89	-	98
Dividends	-	(885)	-	-	(885)
Total comprehensive income	-	3,022	-	-	3,022
Balance at 31st March 2021	562	29,845	344	90	30,841
Changes in equity					
Issue of share capital	-	-	5	-	5
Dividends	-	(1,152)	-	-	(1,152)
Total comprehensive income	-	5,331	-	-	5,331
Balance at 31st March 2022	562	34,024	349	90	35,025

The notes form part of these financial statements

Singleton Birch Limited (Registered number: 00009433)

Company Statement of Changes in Equity
for the year ended 31st March 2022

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Total equity £'000
Balance at 1st April 2020	553	24,617	255	90	25,515
Changes in equity					
Issue of share capital	9	-	89	-	98
Dividends	-	(885)	-	-	(885)
Total comprehensive income	-	3,441	-	-	3,441
Balance at 31st March 2021	562	27,173	344	90	28,169
Changes in equity					
Issue of share capital	-	-	5	-	5
Dividends	-	(1,152)	-	-	(1,152)
Total comprehensive income	-	5,629	-	-	5,629
Balance at 31st March 2022	562	31,650	349	90	32,651

Singleton Birch Limited (Registered number: 00009433)

Consolidated Cash Flow Statement
for the year ended 31st March 2022

	Notes	2022 £'000	2021 £'000
Cash flows from operating activities			
Cash generated from operations	1	**7,609**	10,370
Interest paid		**(295)**	(303)
Tax paid		**(549)**	(862)
Net cash flow from operating activities		**6,765**	9,205
Cash flows from investing activities			
Purchase of tangible fixed assets		**(6,710)**	(6,899)
Sale of tangible fixed assets		**804**	271
Interest received		**90**	92
Net cash flow from investing activities		**(5,816)**	(6,536)
Cash flows from financing activities			
New loans in year		**7,950**	2,500
Loan repayments in year		**(8,995)**	(1,106)
Hire purchase capital repayments		**(352)**	(266)
Share issue		**5**	98
Equity dividends paid		**(1,152)**	(885)
Net cash flow from financing activities		**(2,544)**	341
(Decrease)/increase in cash and cash equivalents		**(1,595)**	3,010
Cash and cash equivalents at beginning of year	2	**834**	(2,176)
Cash and cash equivalents at end of year	2	**(761)**	834

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement

for the year ended 31st March 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2022	2021
	£'000	£'000
Profit before taxation	**6,308**	4,185
Depreciation/amortisation charges	**5,569**	5,058
Impairment of assets	**180**	-
Profit on disposal of fixed assets	**(379)**	(163)
Pension benefits paid regarding past directors	**(90)**	(89)
Movement on environmental provisions	**(1,376)**	1,197
Share of (profit)/ loss in joint venture	**(9)**	88
Finance costs	**595**	394
Finance income	**(90)**	(92)
	10,708	10,578
Increase in stocks	**(404)**	(464)
(Increase)/decrease in trade and other debtors	**(7,072)**	544
Increase/(decrease) in trade and other creditors	**4,377**	(288)
Cash generated from operations	**7,609**	10,370

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st March 2022

	31.3.22	**1.4.21**
	£'000	**£'000**
Cash and cash equivalents	**-**	**834**
Bank overdrafts	**(761)**	**-**
	(761)	**834**

Year ended 31st March 2021

	31.3.21	1.4.20
	£'000	£'000
Cash and cash equivalents	834	189
Bank overdrafts	-	(2,365)
	834	(2,176)

Notes to the Consolidated Cash Flow Statement
for the year ended 31st March 2022

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.21 £'000	Cash flow £'000	Other non-cash changes £'000	At 31.3.22 £'000
Net cash				
Cash at bank and in hand	834	(834)		-
Bank overdrafts	-	(761)		(761)
	834	(1,595)		(761)
Debt				
Finance leases	(441)	352	(229)	(318)
Debts falling due within 1 year	(2,001)	(234)	-	(2,235)
Debts falling due after 1 year	(5,741)	1,279	-	(4,462)
	(8,183)	1,397	(229)	(7,015)
Total	(7,349)	(198)	(229)	(7,776)

1. **STATUTORY INFORMATION**

Singleton Birch Limited is a private company, limited by shares, registered in England and Wales. The Company's registered number and registered office address can be found on the General Information page.

2. **ACCOUNTING POLICIES**

General information and basis of preparing the financial statements
The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102: The Financial Reporting Standard in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Basis of consolidation
The Group accounts consolidate the accounts of the Company and all its subsidiary undertakings at 31 March 2022 using acquisition accounting.

Joint ventures
Joint ventures are measured using the equity method approach subject to impairment reviews.

Going concern
The consolidated financial statements have been prepared on a going concern basis. The Directors have taken note of the guidance issued by the Financial Reporting Council on Going Concern Assessments in determining that this is the appropriate basis of preparation of the financial statements and have considered a number of factors. This has specifically included reviewing banking facilities in place and detailed forecasting using sensitivity analysis to ensure that the worst case scenario situation does not put the going concern concept at risk. As a consequence, the Directors believe that the Parent Company and Group are well placed to manage their business risks successfully despite the uncertainties surrounding the current general economic outlook.

The Directors have a reasonable expectation that the Parent Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding UK landfill tax and aggregate levy and net of VAT, intra-group transactions, rebates and trade discounts. The policies adopted for the recognition of turnover are as follows:

Turnover from the sales of goods and services is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on shipment, completion of the product or the service being ready for delivery, based on specific contract terms.

Goodwill
Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years and provisions are made for any impairment following annual reviews.

continued...

2. **ACCOUNTING POLICIES - continued**

Tangible fixed assets
Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes those costs that are directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Long leasehold property	5% - 10% per annum on cost
Plant, machinery and motor vehicles	5% - 33% per annum on cost

Assets in the course of construction are not depreciated.

Landfill site
Landfill sites are included at cost less accumulated depreciation. Cost includes acquisition, development and commissioning expenses. These costs are written off over the operational life of the site based on the amount of waste deposited in the year and total usage of void space.

Landfill Restoration
Where the obligation to restore the landfill site is an integral part of its future economic benefits, the net present value (NPV) of the Group's minimum unavoidable costs in relation to restoration liabilities are recognised as a fixed asset and included within the total cost of the landfill site. The asset recognised is depreciated over the operational life of the site based on the usage of void space.

The landfill costs of construction and restoration are reviewed annually by the directors and triennially by qualified consultants. The last professional review was undertaken in March 2021.

Investments
Fixed asset investments are included at cost unless, in the opinion of the directors, there is a permanent diminution in the value of these investments, in which case a provision is made against the deficit.

Government grants
Government grants are recognised when it is reasonable to expect that the grants will be received and that all related conditions will be met, usually on submission of a valid claim for payment.

Grants of a revenue nature are credited to other operating income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate. 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 other operating income in the period in which it becomes receivable.

Grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by equal annual instalments. Grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

The Coronavirus Job Retention Scheme (CJRS) grant has been recognised as other operating income on a systematic basis over the periods in which the entity has recognised the related costs for which the grant is intended to compensate.

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost.

continued...

2. **ACCOUNTING POLICIES - continued**

Stocks and work in progress
Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Financial instruments
The Company mainly enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade, other accounts receivable and payable and loans from related parties.

Debt instruments with no stated interest rate that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses

Debt instruments such as loans, borrowings and other accounts receivable and payable over more than one year are initially measured at the transaction price including transaction cost. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

Where material to the financial statements, derivative financial instruments are initially measured at fair value at the date on which a derivative contract is entered into and are subsequently measured at fair value through profit or loss.

Tax
Current tax represents the amount 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 balance sheet 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 balance sheet 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.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies
Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

continued...

2. **ACCOUNTING POLICIES - continued**

Employee benefits
The Group operates defined benefit and defined contribution pension schemes.

Where employees have rendered service to the Company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

Defined contribution scheme
A group personal pension scheme was introduced with effect from 1 April 2001. Costs of the defined contribution pension scheme are charged to the income statement in the year in which they arise. The Group has no further payment obligations once the contributions have been paid.

Defined benefit pension schemes
The Singleton Birch Retirement Benefits Scheme was closed to new members on 1 April 2001 and replaced with a group personal pension plan. From 1 April 2008 the scheme was closed for future accrual and members have been transferred to the Group personal pension scheme for the remainder of their service.

The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the year less the fair value of plan assets. If the value of a plan's assets exceeds the present value of its obligations, the resulting surplus is only recognised if the Group has an unconditional right to that surplus.

The defined benefit obligation is calculated by independent actuaries who advise on the selection of Directors' best estimates, using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds, and that have terms to maturity approximating to the terms of the related pension obligation. Actuarial valuations are obtained annually and are updated at each balance sheet date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in the statement of comprehensive income in the period in which they arise.

Provisions
Provisions are recognised where there is a present legal or constructive obligation as a result of a past event and it is probable that there will be an outflow of economic benefits to settle this obligation and a reliable estimate of this amount can be made. Where the effect of the time value of money is material the current amount of a provision is the present value of the expenditures expected to be required to settle obligations. The unwinding of the discount to present value is included as notional interest within finance costs.

Landfill restoration costs
Full provision is made for the NPV of the Group's minimum unavoidable costs in relation to restoration liabilities at the landfill site and where the obligation recognised as a provision gives access to future economic benefits, this is capitalised as a fixed asset. The Group provides for the NPV of intermediate restoration costs over the life of the landfill site, based on the quantity of waste deposited in the year and total usage of void space.

Environmental control and aftercare provision
Environmental control and aftercare costs are incurred during the operational life of the landfill site and for a considerable period thereafter. Provision for the NPV of all such costs is made over the operational life of the site and charged to the income statement on the basis of the usage of void space at the site. Similar costs incurred during the operational life of the landfill site are written off directly and not charged against the provision.

continued...

2. **ACCOUNTING POLICIES - continued**

Carbon emission allowance assets/provision
The Group operates in an energy intensive industry and is subject to regulation on the level of greenhouse gas emissions produced each year as part of the 2008 Climate Change Act. As a participant of the UK Emissions Trading Scheme (UK ETS), the Company is allocated free emissions allowances by the UK Government and is required to obtain and surrender allowances on a cap-and-trade approach to cover annual greenhouse gas emissions and meet its compliance obligations each year. The accounting treatment for such allowances was the subject of a draft UITF abstract issued in May 2003. Following a period of consultation, the UITF decided not to issue a final abstract due to reservations about the recommended treatments of gains and losses and uncertainty about the future accounting treatment of government grants.

The directors have considered the proposed treatment in the abstract and, in light of the decision of the UITF to delay the release of definitive guidance on the treatment of emissions allowances, they have adopted a policy which they consider most fairly represents the position at the year end, and the net income or expenditure for the year, on the basis that allowances are held for compliance purposes only.

Purchased allowances held on account at the yearend are recognised as current assets within stock at their initial cost and reviewed at the end of each reporting period for evidence of impairment at which point they are written down to their recoverable amount. Allowances purchased solely to settle the Company's obligation under the scheme are recorded directly in the profit and loss account on settlement.

To the extent that allowances received free of charge from the UK Government are in excess of the expected amount needed to settle the Company's compliance obligation, the allowances are accounted for as an intangible asset equal to the lower of market value of those surplus allowances at the date of allocation or the market price at the period end.

To the extent that the expected obligation cannot be met from the annual free allocation of allowances, or purchased allowances already held, a provision is recognised to reflect the Company's obligation to deliver allowances based upon actual carbon emissions produced at the end of each reporting period in excess of the allowances held/allocated. This liability is measured at the cost expected to be incurred in settling the obligation and is measured at the market price of allowances (or a contracted forward rate if such a forward purchase arrangement exists) at the period end.

FRS 102 does not provide explicit guidance in this area therefore the directors will continue to review the appropriateness of this policy as further guidance develops.

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Retirement benefit obligations
The Group operates defined benefit pension schemes for which actuarial valuations are carried out as determined by the trustees at intervals of not more than three years. The most recent comprehensive actuarial valuation of the pension plan assets and present value of the defined benefit obligation was carried out as at 31 March 2021 and was updated to 31 March 2022 by a qualified actuary, independent of the schemes sponsoring employer.

The pension cost and liabilities are assessed in accordance with Directors' best estimates using the advice of an independent qualified actuary and assumptions in the latest actuarial valuation. The assumptions are based on member data supplied to the actuary and market observations for interest rates and inflation, supplemented by discussions between the actuary and management. The mortality assumption uses a scheme-specific calculation based on CMI 2021 actuarial tables with an allowance for future longevity improvement. The principal assumptions used to measure schemes' liabilities, sensitivities to changes in those assumptions and future funding obligations are set out in note 25.

continued...

3. **CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Landfill costs
The estimation of landfill reserves is of particular importance in assessing landfill costs since the projected cost of a landfill site is depreciated over its estimated operational life taking into account the usage of void space and emissions production at the site post-closure. In estimating the operational life of a landfill site, consideration is given to the expected ongoing decline in the landfill market. The estimates of landfill reserves are regularly reviewed and updated during the financial year for usage and other events (for example site extensions). Estimates are also subject to physical review and revaluation by external consultants. The last professional review was undertaken in March 2021.

A number of factors impact on the depreciation of landfill reserves including the available void space, future capital expenditure and operating costs. The assumptions are revised as these factors change.

Environmental and landfill restoration provisions
Environmental control and aftercare costs are incurred during the operational life of the landfill site and for a period of five years thereafter. The period of aftercare post-closure and the level of costs expected are uncertain and can vary significantly. Key factors are the type of waste, the speed at which it decomposes, the volume of leachate requiring treatment and regulatory requirements specific to the site. The amounts expected to be incurred are based on landfill site operating lives and the total void space, taking account of the anticipated decline in landfill activity.

The provisions are based on latest assumptions reflecting recent historic data and future cost estimates and are recognised in the financial statements at the net present value of the estimated future expenditure required to settle the Group's obligations. A discount rate is applied to recognise the time value of money and is unwound over the life of the provision. This is included in the income statement as a financial item within finance costs.

Where a restoration provision gives access to future economic benefits, an asset is recognised and depreciated in accordance with the Group's depreciation policy.

Impairment of non-financial assets and goodwill
In order to determine whether impairments, or reversals of previous impairments, are required for non-financial assets, the Group estimates the recoverable amount of an individual asset or assets grouped at the lowest level for which there are separately identifiable cash flows (cash generating units).

The impairment assessment of non-current financial assets is based on projections of future cash flows for the cash generating unit and the use of a terminal value to incorporate expectations of growth after the period covered by specific plans. The cash flows are discounted to present value using an appropriate discount rate and are reviewed on an annual basis. Judgement and estimation is required in determining the appropriate cash flows and discount rate used in the assessment.

The initial goodwill recorded on the acquisition of subsidiaries and other business combinations and subsequent impairment analysis require management to make estimations of future cash flows, terminal value, and an assessment of the long-term pre-tax discount rate to be applied to those cash flows.

continued...

4. TURNOVER

The turnover and profit before taxation are attributable to the principal activities of the Group with the majority of turnover being derived from quarrying, the manufacture, sale and distribution of lime products and services and other related chemicals.

An analysis of turnover by geographical market is given below:

	2022	2021
	£'000	£'000
United Kingdom	70,811	46,983
Europe	639	565
Rest of world	1,940	1,336
	73,390	48,884

5. EMPLOYEES AND DIRECTORS

	2022	2021
	£'000	£'000
Wages and salaries	6,988	6,266
Social security costs	743	705
Other pension costs	753	754
	8,484	7,725

The average number of employees during the year was as follows:

	2022	2021
Executive Directors	4	4
Production	77	72
Administration	72	66
	153	142

6. DIRECTORS' EMOLUMENTS

	2022	2021
	£	£
Directors' remuneration	878,700	807,703

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	3

continued...

6. DIRECTORS' EMOLUMENTS - continued

Information regarding the highest paid director is as follows:

	2022	2021
	£	£
Emoluments etc	**264,385**	229,510

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,685 (2021 £10,000).

The total value of the Company's contributions paid to a defined contribution pension scheme in respect of the directors amounted to £33,185 (2021 £38,967).

Total dividends paid to directors in the year amounted to £17,788 (2021 £9,846)

Included in remuneration are fees payable to Non-Executive directors of £109,062 (2021 £106,293).

7. OPERATING PROFIT

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

	2022	2021
	£'000	£'000
Depreciation - owned assets	**5,343**	4,787
Depreciation - leased assets	**128**	173
Profit on disposal of fixed assets	**(379)**	(163)
Impairment of assets	**180**	-
Goodwill amortisation	**98**	98
Auditors' remuneration	**45**	37
Auditors' remuneration - other services	**20**	18
Foreign exchange differences	**(20)**	24
Fuel, energy and environmental charges	**24,488**	12,280
Other government grants	**-**	(145)
Rent and royalties	**714**	794

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£'000	£'000
Bank loan interest	**250**	265
Hire purchase interest	**24**	21
Unwinding of discount	**265**	66
Performance bond interest	**21**	17
	560	369

continued...

9. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2022 £'000	2021 £'000
Current tax:		
UK corporation tax	**556**	472
Deferred tax	**807**	179
Tax on profit	**1,363**	651

UK corporation tax has been charged at 19%.

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2022 £'000	2021 £'000
Profit before tax	**6,308**	4,185
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	**1,199**	795
Effects of:		
Expenses not deductible for tax purposes	**171**	95
R&D enhanced expenditure deduction	**(283)**	(228)
Adjustment in respect of prior years	**-**	16
Enhanced capital allowances	**(126)**	
Differences arising from change in rates of deferred tax	**402**	-
Share based payment deduction	**-**	(27)
Total tax charge	**1,363**	651

Tax effects relating to effects of other comprehensive income

	2022		
	Gross £'000	**Tax £'000**	**Net £'000**
Actuarial movements	**476**	**(90)**	**386**

	2021		
	Gross £'000	Tax £'000	Net £'000
Actuarial movements	(632)	120	(512)

continued...

9. **TAXATION - continued**

The standard rate of corporation tax in the UK for 2021/22 was 19%.

Included within provisions for liabilities are deferred tax liabilities totalling £2,386,000 (2021: £1,522,279) in respect of accelerated capital allowances and other short term timing differences. Included within debtors are deferred tax assets totalling £283,275 (2021: £316,211) in respect of defined benefit pension scheme obligations recognised.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This was substantively enacted on 24 May 2021 and has been factored into the calculation of deferred tax assets and liabilities.

The expected net reversal of deferred tax assets and liabilities in 2022 is £515,623. This is due to the reversal of accelerated capital allowances and short term timing differences.

10. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

11. **DIVIDENDS**

	2022 **£'000**	2021 £'000
Ordinary shares of £1 each		
Final dividend year ended 31st March 2021 (145p per share)	815	774
Interim dividend paid (60p per share)	337	111
	1,152	885

12. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill **£'000**
COST	
At 1st April 2021 and 31st March 2022	**981**
AMORTISATION	
At 1st April 2021	**351**
Amortisation for year	**98**
At 31st March 2022	**449**
NET BOOK VALUE	
At 31st March 2022	**532**
At 31st March 2021	630

For the Group and the Company, the aggregate amount of research and development expenditure recognised during the year as an expense was £1,091,820 (2021: £981,368).

continued...

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2022

13. TANGIBLE FIXED ASSETS

Group

	Freehold property £'000	Landfill Site £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
COST OR VALUATION					
At 1st April 2021	118	16,208	5,016	99,507	120,849
Additions	-	272	1,082	5,585	6,939
Disposals	-	-	-	(1,181)	(1,181)
Revaluation adjustment	-	(5)	-	-	(5)
Reclassification/transfer	-	-	-	(14)	(14)
At 31st March 2022	118	16,475	6,098	103,897	126,588
DEPRECIATION					
At 1st April 2021	-	9,364	3,747	70,205	83,316
Charge for year	-	601	144	4,726	5,471
Eliminated on disposal	-	-	-	(756)	(756)
Revaluation adjustment	-	(2)	-	-	(2)
Impairments	-	-	-	180	180
At 31st March 2022	-	9,963	3,891	74,355	88,209
NET BOOK VALUE					
At 31st March 2022	118	6,512	2,207	29,542	38,379
At 31st March 2021	118	6,844	1,269	29,302	37,533

Company

	Freehold property £'000	Landfill Site £'000	Long leasehold £'000	Plant and machinery £'000	Totals £'000
COST OR VALUATION					
At 1st April 2021	118	16,208	5,016	98,006	119,348
Additions	-	272	1,082	5,540	6,894
Disposals	-	-	-	(1,181)	(1,181)
Revaluation adjustment	-	(5)	-	-	(5)
Reclassification/transfer	-	-	-	(20)	(20)
At 31st March 2022	118	16,475	6,098	102,345	125,036
DEPRECIATION					
At 1st April 2021	-	9,364	3,747	69,486	82,597
Charge for year	-	601	144	4,559	5,304
Eliminated on disposal	-	-	-	(756)	(756)
Revaluation adjustments	-	(2)	-	-	(2)
Impairments	-	-	-	180	180
At 31st March 2022	-	9,963	3,891	73,469	87,323
NET BOOK VALUE					
At 31st March 2022	118	6,512	2,207	28,876	37,713
At 31st March 2021	118	6,844	1,269	28,520	36,751

continued...

13. **TANGIBLE FIXED ASSETS - continued**

Company

Included within tangible fixed assets of the Group and the Company are assets held under finance leases/hire purchase contracts with net book values of £470,960 (2021: £616,065).

Included within tangible fixed assets of the Group and the Company are assets in the course of construction of £3,479,060. Assets in the course of construction have not been depreciated on the basis they have not yet been brought into full operational use and/or are not in the location and/or condition necessary to be capable of operating in the manner intended by management as at 31 March 2022.

The landfill costs of construction and restoration are reviewed annually by the directors and triennially by qualified consultants. The last professional review was undertaken in March 2021. The adjustments to the landfill site comprise the net present value of the future restoration expenditure which the Group has a constructive obligation to undertake by the permission under which it operates the landfill site. The corresponding entry is included within provisions at note 22.

 continued...

Notes to the Consolidated Financial Statements - continued

for the year ended 31st March 2022

14. **FIXED ASSET INVESTMENTS**

Group

The Group or the Company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Name of company	Class of share	% Holding	Nature of business
Birch Chemicals Limited	Ordinary	100%	Chemical processing and distribution
Birch Solutions UK Limited	Ordinary	100%	Construction and maintenance of biogas plants
Minsterport Limited	Ordinary	100%	Sale and maintenance of electronic weighing equipment
Birch Energy Limited	Ordinary	100%	Renewable Energy
Birch Haulage Limited	Ordinary	100%	Dormant
Birch Biolime Limited	Ordinary	100%	Dormant
Birch Lime Limited	Ordinary	100%	Dormant
Birch Minerals Limited	Ordinary	100%	Dormant
Birch Solutions (Technical Services) Limited	Ordinary	100%	Dormant
Woldlime Limited	Ordinary	100%	Dormant
Dedicated VMI Systems Limited	Ordinary	100%	Dormant

All of the above investments were held directly by the Company for the whole period. The investments are measured at cost less impairment on the basis they represent shares in entities that are not publicly traded. The registered office is Melton Ross Quarries, Barnetby, North Lincolnshire, DN38 6AE.

Joint Ventures

The Group has a 50% holding in the share capital of Laynes Green Energy Limited, a company registered in the UK. The registered office is Melton Ross Quarries, Barnetby, North Lincolnshire, DN38 6AE. The joint venture has traded during the year ended 31 March 2022.

The carrying amount of the investment is £nil due to its negative reserves at 31 March 2022 exceeding the initial cost of investment. A provision has been made for the Group's share of total losses incurred by the joint venture to 31 March 2022.

Associated companies

The Group has a 25% holding in the share capital of Rika Biogas Technologies Limited. The registered office is Aldenham Hall, Morville, Bridgnorth, Shropshire, WV16 4RN. The results of the associate have not been accounted for under the equity method as the directors do not consider the Group to have significant influence over the entity.

Company

	Shares in group undertakings £'000	**Unlisted investments £'000**	**Total £'000**
Cost			
At 1st April 2021	1,539	86	1,625
Additions	-	516	516
Impairment	(302)	-	(302)
At 31st March 2022	1,237	602	1,839
Net Book Value			
At 31st March 2022	1,237	602	1,839
At 31st March 2021	1,539	86	1,625

continued...

15. STOCKS

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Stocks	**5,435**	5,037	**4,685**	4,532

16. DEBTORS

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year:				
Trade debtors	**16,559**	11,240	**15,411**	10,115
Amounts owed by group undertakings	**-**	-	**1,333**	2,732
UK corporation tax	**11**	18	**11**	34
VAT	**83**	148	**-**	-
Prepayments and accrued income	**2,876**	1,484	**2,708**	1,350
	19,529	12,890	**19,463**	14,231
Amounts falling due after more than one year:				
Amounts owed by group undertakings	**-**	-	**-**	820
Amounts owed by joint ventures	**1,800**	1,800	**-**	-
Deferred tax assets	**283**	316	**283**	316
Prepayments and accrued income	**751**	817	**751**	817
	2,834	2,933	**1,034**	1,953
Aggregate amounts	**22,363**	15,823	**20,497**	16,184

Included in prepayments, of the Group and the Company, is £816,000 (2021: £881,000) in respect of an 8MVA cable to the site. The prepayment is being released over 25 years.

17. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank loans and overdrafts (see note 19)	**2,996**	2,001	**3,139**	2,001
Hire purchase contracts (see note 20)	**152**	271	**152**	271
Trade creditors	**9,337**	6,283	**9,035**	5,996
Amounts owed to group undertakings	**-**	-	**342**	3,196
Social security and other taxes	**1,710**	1,828	**1,688**	1,815
Other creditors	**927**	603	**918**	602
Accruals and deferred income	**3,413**	2,291	**3,187**	1,919
	18,535	13,277	**18,461**	15,800

continued...

18. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank loans (see note 19)	**4,462**	5,741	**4,462**	5,741
Hire purchase contracts (see note 20)	**166**	170	**166**	170
Other creditors	**35**	35	**-**	-
Deferred government grants	**15**	19	**-**	-
	4,678	5,965	**4,628**	5,911

19. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Amounts falling due within one year or on demand:				
Bank overdrafts	**761**	-	**904**	-
Bank loans	**2,235**	2,001	**2,235**	2,001
	2,996	2,001	**3,139**	2,001
Amounts falling due between one and two years:				
Bank loans - 1-2 years	**1,619**	2,031	**1,619**	2,031
Amounts falling due between two and five years:				
Bank loans - 2-5 years	**2,843**	3,710	**2,843**	3,710

Bank loans consist of two term loan drawdown facility agreements of £2.15m and £5.8m and are repayable by monthly instalments until August 2023 and August 2026 respectively. Interest is payable as follows:

- £2.15m at a variable interest rate of 2.4% over the Bank of England Base Rate.
- £5.8m at a variable interest rate of 2.4% over the Bank of England Base Rate.

continued...

20. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2022	2021
	£'000	£'000
Gross obligations repayable:		
Within one year	**164**	300
Between one and five years	**176**	181
	340	481
Finance charges repayable:		
Within one year	**12**	29
Between one and five years	**10**	11
	22	40
Net obligations repayable:		
Within one year	**152**	271
Between one and five years	**166**	170
	318	441

Company

	Hire purchase contracts	
	2022	2021
	£'000	£'000
Gross obligations repayable:		
Within one year	**164**	300
Between one and five years	**176**	181
	340	481
Finance charges repayable:		
Within one year	**12**	29
Between one and five years	**10**	11
	22	40
Net obligations repayable:		
Within one year	**152**	271
Between one and five years	**166**	170
	318	441

continued...

20. **LEASING AGREEMENTS - continued**

Group

	Non-cancellable operating leases	
	2022	2021
	£'000	£'000
Within one year	**54**	54
Between one and five years	**216**	216
In more than five years	**-**	54
	270	324

Company

	Non-cancellable operating leases	
	2022	2021
	£'000	£'000
Within one year	**54**	54
Between one and five years	**216**	216
In more than five years	**-**	54
	270	324

The Group and the Company have a long term lease in place over the land at Melton Ross Quarries which runs until 1 April 2070. Under the terms of the lease, surface rent and royalties are payable dependent on the acreage utilised and tonnages extracted during the year. Amounts disclosed above relate to the unconditional amount of certain rent which is payable at a rate of £54,120 per annum until the next review date at 31 March 2027.

21. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Bank overdraft	**761**	-	**904**	-
Bank loans	**6,697**	7,742	**6,697**	7,742
Hire purchase contracts	**317**	441	**317**	441
	7,775	8,183	**7,918**	8,183

The bank loans, overdraft and hire purchase contracts are secured by way of a legal charge and a debenture over the land, reserves and plant and machinery at Melton Ross.

continued...

22. PROVISIONS FOR LIABILITIES

	Group		Company	
	2022	2021	**2022**	2021
	£'000	£'000	**£'000**	£'000
Deferred tax	**2,386**	1,522	**2,385**	1,519
Other provisions				
Environmental provisions	**5,476**	6,586	5,476	6,586
Group share of losses in Joint Ventures	**78**	88	-	-
	5,554	6,674	5,476	6,586
Aggregate amounts	**7,940**	8,196	**7,861**	8,105

Group

	Deferred tax	**Other provisions**
	£'000	**£'000**
Balance at 1st April 2021	**1,522**	**6,674**
Provided during year	**864**	**5,554**
Purchased/settled during year	**-**	**(6,924)**
Unwinding of discount amount	**-**	**265**
Revaluation adjustment to NPV	**-**	**(5)**
Share of profit in Joint Venture	**-**	**(9)**
Balance at 31st March 2022	**2,386**	**5,554**

Company

	Deferred tax	**Other provisions**
	£'000	**£'000**
Balance at 1st April 2021	**1,519**	**6,586**
Provided during year	**866**	**5,554**
Purchased/settled during year	**-**	**(6,924)**
Unwinding of discount amount	**-**	**265**
Revaluation adjustment to NPV	**-**	**(5)**
Balance at 31st March 2022	**2,385**	**5,476**

continued...

22. **PROVISIONS FOR LIABILITIES - continued**

Environmental provisions include landfill restoration and aftercare provisions together with CO2 emissions rights/obligation provisions.

The landfill restoration and aftercare provisions relate to the cost of final capping, covering and aftercare of the landfill site.

Full provision is made for the net NPV of the Group's estimated future costs in relation to restoration liabilities at the landfill site. Where the obligation recognised as a provision gives access to future economic benefits, this is capitalised as a fixed asset. The Group provides for the NPV of intermediate restoration costs over the life of the landfill site, based on the quantity of waste deposited in the year and total usage of void space.

Environmental control and aftercare costs are incurred during the operational life of the landfill site and for a period of five years thereafter. Provision for the NPV of aftercare costs is made over the operational life of the site and charged to the income statement on the basis of the usage of void space at the site. Similar costs incurred during the operational life of the landfill site are written off directly and not charged against the provision

Current cost estimates are inflated and discounted to calculate the NPV. The effects of inflation and discount rates are unwound over the life of the provision and included in the income statement as a financial item within finance costs. The provisions are based on latest assumptions reflecting recent historic data and future cost estimates and are reviewed annually by the directors and triennially by professional consultants. The last professional review was undertaken in March 2021.

The CO2 emissions provision reflects the Group's obligation to deliver allowances for emissions produced over and above the free allocation of allowances receivable from the UK government as part of the UK ETS. On the basis that allowances are held for compliance purposes only and the Group intends to use the free allocation to settle its obligation under the scheme at the end of each scheme year, the provision is measured at the cost expected to be incurred in settling the obligation over and above the free allocation and is based upon the actual carbon emissions produced at the end of each reporting period. Where additional purchased emissions allowances are held on account at year end, the net position is recorded as either a current asset within stock, measured at cost less impairment, or a provision for liability using the year end market rate for allowances.

This is detailed further in note 2.

23. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	**2022 £'000**	2021 £'000
562,300	Ordinary	£1	**562**	562

During the year, 500 Ordinary £1 share options were exercised at a price of £10.87 per share. 500 Ordinary shares of £1 each were allotted as fully paid at a premium of £9.87 per share. At 31 March 2022, there were no share options outstanding.

continued...

Notes to the Consolidated Financial Statements - continued

for the year ended 31st March 2022

24. RESERVES

Group

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st April 2021	29,845	344	90	30,279
Profit for the year	4,945			4,945
Dividends	(1,152)			(1,152)
Cash share issue	-	5	-	5
Actuarial movements	386	-	-	386
At 31st March 2022	34,024	349	90	34,463

Company

	Retained earnings £'000	Share premium £'000	Capital redemption reserve £'000	Totals £'000
At 1st April 2021	27,173	344	90	27,607
Profit for the year	5,243			5,243
Dividends	(1,152)			(1,152)
Cash share issue	-	5	-	5
Actuarial movements	386	-	-	386
At 31st March 2022	31,650	349	90	32,089

Retained Earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments

Share Premium

The share premium account represents the premium arising on the issue of shares net of issue costs.

Capital Redemption Reserve

The capital redemption reserve represents the Company's repurchase of own shares.

continued...

Notes to the Consolidated Financial Statements - continued
for the year ended 31st March 2022

25. **EMPLOYEE BENEFIT OBLIGATIONS**

Group personal pension plan (defined contribution scheme)
A group personal pension scheme was introduced with effect from 1 April 2001. This is offered to all employees, the Company contributes up to 14% of earnings into the scheme and the employee has the opportunity to top up this amount to HMRC maximum limits. The charge for the year amounted to £553,560 for the Company (2021 £602,615) and £687,410 for the Group (2021 £711,453). There were no amounts outstanding as at 31st March 2022 (2021 £Nil).

Defined benefit schemes
The Singleton Birch Retirement Benefits Scheme was closed to new members on 1 April 2001 and replaced with a group personal pension plan. From 1 April 2008 the scheme was closed for future accrual and members have been transferred to the Group personal pension scheme for the remainder of their service.

The Company also operates a defined benefit pension plan for previous directors. The pension plan is an unfunded arrangement and has been recognised on the balance sheet of the Company and the Group. Included in benefits paid are contributions of £90,000 (2021 £89,000) in respect of past directors.

The net deficit of the schemes at 31st March 2022 under the FRS102 accounting valuation was £335,099 (2021 £1,664,240), as detailed below. If the value of a plan's assets exceeds the present value of its obligations, the resulting surplus is only recognised if the Group has an unconditional right to that surplus. The surplus assets within the Singleton Birch Retirement Benefits Scheme have not been recognised on the balance sheet on the basis that the economic benefits expected to flow to the entity cannot be estimated reliably at this stage.

There were no additional deficit contributions made to the Singleton Birch Retirement Benefits Scheme during the year, in line with the schedule of contributions statement agreed with the scheme Trustees, actuaries and administrators.

The most recent comprehensive actuarial valuation of the pension plan assets and present value of the defined benefit obligation using the schemes technical provisions was carried out as at 31 March 2021 and was updated to 31 March 2022 by a qualified actuary, independent of the schemes sponsoring employer.

In accordance with the recovery plan following the most recent comprehensive actuarial valuation under the schemes' technical provisions, the Company has agreed to pay additional deficit contributions of £509,000 per annum, payable by monthly instalments from 31 March 2022 to 31 March 2028.

The next comprehensive actuarial valuation will take place as at 31 March 2024.

The Company pays all scheme expenses directly and during the year paid £43,829 (2021 £47,800) for the expenses of managing and administering the scheme and levies payable to the Pension Protection Fund.

The major assumptions used by the actuary and total cost recognised in the period was as follows:

	2022	2021
	£'000	£'000
Current service cost	**-**	-
Net interest (income)/expense	**35**	(8)
Actuarial losses/(gains)	**(476)**	665
Interest expense recognised in profit or loss	**35**	25
Actuarial movements recognised in other comprehensive income	**(476)**	632
Total cost recognised	**(441)**	657

continued...

25. **EMPLOYEE BENEFIT OBLIGATIONS - continued**

Unrecognised actuarial (gains)/losses on plan assets	**(798)**	1,387

Amounts recognised in the balance sheet were as follows:

	2022	2021
	£'000	£'000
Present value of funded obligations	**(29,699)**	(32,573)
Present value of unfunded obligations	**(1,133)**	(1,119)
Fair value of plan assets	**30,497**	32,028
Unrecognised actuarial gains on plan assets	**(798)**	-
	(1,133)	(1,664)

The present value of the unfunded pension obligations relate to former directors.

Changes in the present value of the defined benefit obligations were as follows:

	2022	2021
	£'000	£'000
Opening defined benefit obligation	**33,692**	31,175
Interest cost	**692**	734
Actuarial losses/(gains)	**(2,019)**	2,941
Benefits paid	**(1,533)**	(1,158)
Closing defined benefit obligation	**30,832**	33,692

Changes in the fair value of the pension plan assets were as follows:

	2022	2021
	£'000	£'000
Opening plan assets	**32,028**	31,466
Interest income	**657**	742
Actuarial gains/(losses)	**(745)**	889
Contributions made by the company	**-**	-
Benefits paid	**(1,443)**	(1,069)
Closing plan assets	**30,497**	32,028

The amount that each major class of pension plan assets constitutes of the fair value of the total plan assets was as follows:

	2022	2021
	£'000	£'000
Bonds	**15,053**	15,259
Diversified growth	**14,896**	16,491
Other	**548**	278
	30,497	32,028

continued...

The return on plan assets was as follows:

	2022	2021
	£'000	£'000
Interest income	657	742
Actual return on plan assets	(745)	889
	(88)	1,631

The principal actuarial assumptions used were as follows:

	2022	2021
Discount rate	2.80%	2.10%
Price inflation rate (RPI)	4.00%	3.50%
Allowance for revaluation of deferred pensions of RPI, maximum 5%	4.00%	3.50%
Allowance for pension in payment increases of RPI, maximum 5%	3.70%	3.30%
Allowance for pension in payment increases of RPI, maximum 5%, minimum 3%	4.00%	3.80%
Allowance for commutation of pension for cash at retirement	100% of Post A Day	100% of Post A Day

The mortality assumptions adopted at 31 March 2022 imply the following life expectancies at age 60:

	2022	2021
Males retiring at balance sheet date	26.7 years	26.0 years
Females retiring at balance sheet date	28.0 years	28.0 years
Males retiring in 20 years	28.2 years	27.5 years
Females retiring in 20 years	30.2 years	29.5 years

Sensitivity

For a typical scheme, reducing the discount rate or increasing inflation rate by 0.1% p.a. would increase the defined benefit obligation by 2%. Adding 1 year to the life expectancy typically adds approximately 4% to the defined benefit obligation.

26. CONTINGENT LIABILITIES

The Company has given a guarantee in respect of a renewable bond for the purpose of securing the performance and observation of the provisions of the waste management licence at Camp Wood Landfill. Barnetby, North Lincolnshire. The bond is in place for a period of three years and shall be renewed at least two months before its expiry. The bonded sum at 31 March 2022 was £908,522 (2021: £1,112,711).

The Company is party to a unlimited cross company guarantee with its subsidiary undertakings dated 13th August 2021 in favour of HSBC UK Bank Plc in respect of the Group borrowings which are secured, in part, by fixed and floating charges over the assets of the Company. The potential additional liability to the Company under the arrangement at 31st March 2022 was £nil.

The Company has been issued with a notice for assessment for under-declared landfill tax for the period 1 July 2015 to 30 June 2018 amounting to £8,726,717 plus interest accrued. The Company is challenging the assessment with the support of the customer who is responsible for any tax liabilities arising. In the event of the appeal being lost in part or in full, the customer has executed a deed of guarantee to settle the HMRC liabilities such that there will be no outflow of resources embodying economic benefits required to settle the obligations other than a share of legal costs incurred in appealing this claim which have been provided for.

continued...

Notes to the Consolidated Financial Statements - continued

for the year ended 31st March 2022

27. CAPITAL COMMITMENTS

	2022	2021
	£'000	£'000
Contracted but not provided for in the financial statements	**5,571**	1,024

28. RELATED PARTY DISCLOSURES

The Company has taken advantage of the exemption in Financial Reporting Standard 102 Section 33 'Related Party Transactions' not to disclose any transactions between wholly owned members of the Group.

Entities over which the entity has control, joint control or significant influence

	2022	2021
	£'000	£'000
Sales	**61**	160
Recharges at cost	**218**	181
Loan note interest received	**90**	90
Loan notes issued and due from related party	**1,800**	1,800
Amount due from related party	**148**	202
Amount due to related party	**434**	-

Subsequent to the year end the Company has waived debts with subsidiary undertakings totalling £2,988,573. Amounts waived have been provided for in these financial statements.

Key management personnel of the entity or its parent (in the aggregate)

	2022	2021
	£'000	£'000
Remuneration	**1,546**	1,420

During the year, dividends totalling £33,360 (2021: £19,566) were paid to close family members of the directors.

29. ULTIMATE CONTROLLING PARTY

There is no ultimate controlling party.

30. GOVERNMENT GRANTS

	Group	
	2022	2021
	£'000	£'000
Deferred government grants	**15**	19

During the prior year the Group received government grants totalling £144,706 under the Coronavirus Job Retention Scheme (CJRS). All conditions associated with the CJRS grants have been fulfilled and the grant income has been recorded within other operating income in the comparative period. No such grants were received in the year to 31 March 2022.