Registered number: 03118932

HYDROCK CONSULTANTS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

Bishop Fleming

COMPANY INFORMATION

DIRECTORS	M Hilton B J McConnell M Y Michael H D Easterbrook Dr S Elliott (appointed 1 August 2021) Ms C Tully (appointed 1 August 2021)
COMPANY SECRETARY	M Y Michael
REGISTERED NUMBER	03118932
REGISTERED OFFICE	Over Court Barns Over Lane Almondsbury Bristol Avon BS32 4DF
INDEPENDENT AUDITORS	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 10 Temple Back Bristol BS1 6FL

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their strategic report for Hydrock Consultants Limited ("the Company" or "Hydrock") for the period ended 31 March 2022.

PRINCIPAL ACTIVITY

The principal activity of Hydrock in the year under review was that of a multi-disciplinary design engineering, energy and sustainability consultancy.

BUSINESS REVIEW

Turnover in the year was £55.2m (2021 - £39.5m), an increase of 40%. Gross profits increased by 50% to £17.1m at a margin of 31% (2021 - £11.3m, 28.5%). Operating profits before exceptional items for the year were £4.5m (2021 - £2.1m) reflecting a margin of 8.3% (2021 – 5.3%).

These represent Hydrock's best year end trading results to date and the directors are very pleased with the results.

A continued focus by the directors on growth and investment in the business has delivered this success. In addition to the robust financial management, this success is also the result of a sustained focus on client management, product development, and brand profile.

Highlights include:

- Growth in the delivery of energy and sustainability advice to clients across all services. This includes calculating and reporting on embodied carbon in the design of buildings and advising clients on how to minimise carbon from all decision-making.

- Development of products to address emerging legislation and market drivers, such as the role played by ESG factors in investment decisions. This includes a carbon verification and validation product which can be applied to major infrastructure development, such as HS2, as well as to property portfolios; StratEV, a proprietary software modelling tool to advise clients on the opportunities and scope for investment in electric vehicle charging infrastructure; and a digital approach to the Building Safety Bill to gather the required 'golden thread' of information to verify the fire safety of the building design.

- Continued evolution of a key client programme, which accounted for approximately one third of the total fee income. A significant number of staff completed a work-winning workshop to develop skills still further in nuilding client relationships. Further work-winning programmes are also scheduled.

- Sustained media campaign in the property and built environment sector media which has positioned Hydrock as a leading commentator on issues such as the Building Safety Bill, the government's planned investment in nuclear power, and the impact of changes to EPC regulations on property investors and occupiers.

Hydrock's trading for the new financial year to 31 March 2023 has continued with strong growth in sales and profits. The first quarter results to 30 June 2022 have recorded sales of £15.7m, an increase of 70% on 2021, with underlying operating profits of £1.3m. The order book is also at record levels, providing good short and medium term visibility for the business. The directors remain optimistic about the current financial year.

The balance sheet at year end had net assets of £6.9m (2021 - £8.7m) and cash in bank of £4.2m (2021 - £2.5m).

RINCIPAL RISKS AND UNCERTAINTIES

Covid-19

The successful adaptation to hybrid working and increased use of digital tools, first adopted at the start of the pandemic, continued to be deployed with great effect during the year, as Covid remained a challenge to wider society.

Our clients and markets remained resilient and the latter stages of the pandemic had no noticeable impact on the business. A balance of collaborative, face-to-face working, and remote working continues with great success in the business and reflects the breadth of our geographic coverage, with clients, partners and employees increasingly working in dynamic project environments.

The UK Economy

The first half of 2022 has seen a number of adverse developments in the UK economy, including rapidly increasing inflation, rising interest rates, declining GDP growth and the risk of a recession. The supply chain issues from the pandemic have also continued with both material and labour shortages impacting economic activity. The war in the Ukraine will only exacerbate these challenges going forward.

The directors are very alert to these risks and possible impact on our financial performance. Hydrock has a number of resilient characteristics that provide some protection from these challenges, including:

- Diversity: Hydrock is hugely diverse in its clients, sectors, regions and services, with no reliance or concentration risks.
- Sectors: Many of Hydrock's focus sectors are largely shielded from an economic downturn as they benefit from committed investment plans. These include energy, logistics and distribution, technology, healthcare and public sector.
- Legislation: New legislation (such as the Building Safety Bill 2022 and Fire safety Bill 2021) and regulation (such as Part L of the Building Regulations 2022 or new EPC regulations) is driving demand for Hydrock's solutions, regardless of economic conditions.
- Contracts: Hydrock benefits from long term projects and contracts with clients, often over several years. They are committed, funded projects which are expected to continue regardless of economic conditions.

The directors are not complacent and a number of Hydrock KPIs and reports are in place to closely monitor the situation. These include detailed analyses on the level of enquiries, fee proposals, win rates, new orders secured and monthly updating of all project forecasts. Hydrock's management and delivery teams also stay close to clients to ensure we understand their position and outlook. The directors will not hesitate to take further action should the risks and uncertainties change in the coming months recognising our culture, brand and management processes are strong enough to withstand such market issues.

Other Key Risks & Uncertainties

A prudent liquidity and cash flow risk management policy is operated, forecasting short and medium-term working capital requirements, and maintaining sufficient cash and availability of funding through an adequate amount of committed credit facilities and borrowings.

The Group's interest rate risk arises primarily from borrowings and other facilities used to fund working capital. Management monitor borrowing levels and market interest rates on a regular basis to identify and consider options to mitigate any exposure to ensure this remains appropriate to the Group's circumstances. Hydrock also mitigates risk through our focus on market intelligence and market analysis. This is led by our Innovation Delivery team who support all practice areas with this analysis, and also develop appropriate new offerings to clients based on emerging trends and market intelligence, which ensure we are well-positioned to deliver new, long-term consultancy advisory work.

KEY PERFORMANCE INDICATORS

Hydrock monitors performance by a number of measures including monthly management accounts and dashboard reports. These include relevant KPIs such as profit and loss accounts (company and divisional), cash flow, gross and operating margins, debtor days, work in progress, order book, new work winning and enquiry levels.

The Group also monitors key non-financial KPIs such as staff engagement, client satisfaction and health and safety matters. Hydrock has an excellent health and safety record, including having amassed 8.1 million hours without a reportable accident (as defined by RIDDOR 2013).

The Group holds regular board and various other formal meetings covering operations, business development, marketing, IT and HR.

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Introduction

The directors act in good faith to continually balance the success of the Group and the rewards to its shareholders against many other factors, including ensuring that:

- business is conducted morally and ethically, in line with Hydrock's values and purpose;
- short-term gains do not have an adverse consequence on the Group's long-term strategy, success and benefits;
- employee welfare, training and interests are taken care of;
- customer and supplier relationships are strong, mutually beneficial and comply with the Group's policies (such as anti-bribery and corruption, anti-slavery and human trafficking and corporate social responsibility); and
- the Group acts as a 'force for good' both through its delivery of services and as a member of its local communities, with any impacts considered as a result of Hydrock's operations.

Our Values

Underpinning this approach is Hydrock's ethos, communicated to all staff and stakeholders, including clients and suppliers, using our ten values:

1. We create a genuine, fun atmosphere in our work and a place where people can express themselves.
2. We believe in the strength of diversity and inclusivity in our workforce.
3. We are ambitious and we keep our promises.
4. We are committed to giving something back.
5. We respect each other and work for a common goal.
6. We create an environment where our people can thrive.
7. We believe our families come first.
8. When challenges arise, we step forwards, not backwards.
9. We want our staff to take pride in and ownership of the work they do.
10. We continually seek to improve our governance and sustainability.

Hydrock's approach and respect of these values is evidenced in a number of ways, including:

- introduction of three 'Employee Resource Groups' ("ERG") to cover diversity, equity and inclusivity ("DEI") With supporting funds, the ERGs are shaping learning experiences for all staff, informing them of the importance of DEI on a growing business like Hydrock;
- publication of our first-ever ESG strategic report in March 2022. This establishes our five capitals model as our strategic approach and details achievements to date, for example becoming a 'climate perks' accredited employer, and priorities for the future including developing a sustainable procurement policy;
- investment in a learning and development programme. This starts with the on-boarding experience, a two day in-person induction, and also includes tailored programmes for early-career professionals through to senior leaders, with emphasis on personal skills, emotional intelligence and commercial acumen;
- intelligence-led development of new products and thought-leadership. These advise clients on strategic decision-making around issues such as energy transition, decarbonisation, and asset optimisation through investment in renewable energy and the adaptation of infrastructure to mitigate impacts of climate change;
- post-pandemic, in-person support for local charities through teams taking a 'day off for good causes', and attending school and college STEM events. The STEM events help demonstrate that engineering and sustainability offer an exciting future career choice;
- creative thinking to support new market-led concepts such as a means to calculate the requirements for electric vehicle charging infrastructure, or spaces that encourage safe and inclusive learning experiences, for example the multi-award winning Deaf Academy and Faculty of Engineering at the University of the West of England;
- Hydrock continued to deliver on client projects, as evidenced by the record high in sales; and
- supplier payments were maintained and any liabilities created during the early months of the pandemic were fully repaid to all parties.

Engagement with Employees

Recruiting, retaining and developing a highly skilled workforce is a core part of Hydrock's continued success and future strategy. The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind and to training for the existing and future needs of the business. Full and fair consideration is given to all applications for employment made by disabled persons, who are also given equal consideration for training and career development.

Our dedicated Learning and Development team have established a series of career and personal development programmes for staff from graduate entry level to the most senior directors. These programmes all provide active learning experiences around areas such as negotiation skills, personal brand, leadership and emotional intelligence. In addition, all employees have had the opportunity to take part in mindfulness sessions, and attend webinars on emerging areas such as managing remote teams, and how to work effectively from home.

Hydrock communicates actively and regularly with its employees using a wide variety of initiatives. These include:

- monthly "check in" reviews;
- regular staff pulse surveys;
- webcasts from the CEO;
- bulletins detailing changes and updates to processes;
- in-person and online learning and social activities, for example guest speakers for events such as International Women's Day, Christmas competitions, and 5-a-side football; and
- a company Intranet that is updated daily with news and information.

Regular meetings are also held between staff and management at all levels across the business.

A five year strategic plan is produced every year including historical results and forecasts. This is circulated to all staff, followed by presentations to each office and discussion and debate.

Employee involvement in Hydrock's performance is encouraged and maintained by disclosure of financial results and participation in a companywide profit-sharing bonus scheme. 52 employees, including the Directors, also hold an equity interest in Hydrock.

Engagement with Clients and Suppliers

Client retention and satisfaction is a core strategic pillar for Hydrock, with the delivery of exceptional advice and service of paramount importance to ensure we continue to achieve the high level of repeat business that we currently enjoy.

The importance of this is emphasised throughout the business and is a core part of our ongoing learning and development programmes which include sessions that help staff to understand and recognise the importance of developing long-term, trusted relationships with our clients.

We monitor client satisfaction through a client feedback programme with recommendation scores which averaged at 9.1 out of 10 for 2022 (8.75 out of 10 in 2021). KPI's are in place to perform regular reviews with our key clients.

Hydrock also regularly uses a wide pool of third-party suppliers, including other consultants and sub-contractors. Their involvement is often a critical part of the overall service Hydrock delivers to clients, hence it is important for suppliers to operate at the same high professional standards as Hydrock. Suppliers are engaged through a comprehensive procurement process that ensures effective controls are in place for competency, compliance, technical quality and financial strength.

STREAMLINED ENERGY & CARBON REPORT

Policy & Strategy

Hydrock is committed to achieving Net Zero emissions by 2030 for scope 1 and 2 emissions from a base year of our year ended 31 March 2020. We intend to achieve Net Zero for scope 3 emissions by no later than 2050 and will revise this target date after finalising our scope 3 inventory. Hydrock has also committed to setting a near-term science-based target ("SBTs") and intend to submit this to the SBT Institute in 2022. Hydrock is exploring opportunities for further carbon reduction throughout our corporate value chain.

Responsibility

Responsibility for carbon reduction is led at Board level and supported with action planning through the Hydrock Sustainability Working Group ("SWG"). The SWG core members and wider group of representatives represent all Hydrock disciplines, locations and levels of seniority and include a Board sponsor in the core group. They consider, and where necessary, challenge Hydrock's commitments and processes to ensure that the company operates in a sustainable manner that seeks to continually improve our environmental, social and economic impacts, both close to home and in wider society. Along with the Board, the SWG is responsible for ensuring that the targets set are achieved and will help deliver a sustainable Hydrock.

Hydrock's in-house Smart Energy and Sustainability ("SES") specialists develop our carbon strategy on behalf of the SWG, and act as the technical advisors to the SWG and Board for Hydrock's journey to Net Zero and beyond.

Methodology

The methodology used in the creation of this report including organisational boundaries and scoping of greenhouse gas emissions is based on Greenhouse Gas ("GHG") GHG Protocol. UK Government emission conversion factors for GHG were used for reporting.

Hydrock has carried out a detailed assessment of the buildings in which we operate and the vehicles that are owned and controlled by the organisation and used for business travel purposes. For fuel usage, a fuel-based approach was used. The majority of oil, gas and electricity data was taken directly from meter readings or invoices. However, when a reading was unavailable, a value was calculated using pro-rata extrapolation, benchmarking or comparative data from a similar asset, as instructed by the reporting guidance. In previous reporting, business travel in staff owned vehicles had been reported under scope 1, this has now been separated out for all reporting periods and included in scope 3.

Scope 3 Emissions

Our organisation understands that Scope 3 emissions typically represent the largest source of emissions for companies and present the most significant opportunities to influence GHG reductions. We are actively developing a full corporate GHG emissions inventory in line with GHG Protocol. Our full scope 3 inventory will be included in an updated Net Zero Roadmap due to be published in August 2022. Scope 3 emissions relating to business travel in staff owned vehicles have been included in this report.

Energy Efficiency

SES are developing internal processes including automated real time data collection to reduce human error and manual data entry to ensure complete and accurate accounting of energy usage and emissions.

The majority of our offices are leased and as a tenant, Hydrock has limited control over energy efficiency improvements. We are engaging with landlords for existing offices to encourage the implementation of energy efficiency measures, electrification of heating and hot water systems and procurement of renewable energy through on-site or offsite measures. For new offices, minimum energy efficiency standards will be required.

Hydrock supports the UK Green Building Council's framework for Net Zero carbon buildings. This will assist with our objective of helping the UK construction and property industry to transition new and existing buildings to becoming Net Zero carbon by 2050.

Key Performance Indicators

Our SECR KPIs for the last three financial years are below. 2021 was impacted by the pandemic with office closures, lockdowns and much less activity across the business. Hence our KPIs for the year ended 31 March 2022 are compared with the more relevant 2020 to ensure a like for like comparison on our progress to date:

Year to 31 March	2020	2021	2022	Change +/-
Building Energy Consumption (kWh)				
Electricity	477,890	271,474	559,474	
Natural Gas	116,051	151,634	189,586	
Oil	37,440	30,294	15,107	
Total	**631,381**	**453,402**	**764,167**	**+21%**
Transport				
Miles travelled in company vehicles	913,258	529,142	**551,379**	
Miles travelled in staff owned vehicles	96,556	85,347	**460,008**	
	1,009,814	**614,489**	**1,011,387**	**0%**
GHG Emissions (tCO2e)				
Scope 1	321	189	**186**	
Scope 2	122	57	**118**	
Scope 3	33	24	**127**	
Total	**476**	**270**	**431**	-9%
Intensity				
kgCO2e/employee	997	460	**603**	**-40%**

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

M Y Michael
Director

Date: 27 July 2022

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2022

The directors present their report and the financial statements for the year ended 31 March 2022.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

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

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

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

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

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £4,188,717 (2021: £1,475,735).

DIRECTORS

The directors who served during the year were:

M Hilton
B J McConnell
M Y Michael
H D Easterbrook
Dr S Elliott (appointed 1 August 2021)
Ms C Tully (appointed 1 August 2021)

FUTURE DEVELOPMENTS

All future developments are contained within the Strategic Report.

MATTERS COVERED IN THE STRATEGIC REPORT

Information in relation to the engagement with employees, engagement with suppliers, customers and other and greenhouse gas emissions, energy consumption and energy efficiency action are disclosed within the strategic report.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

POST BALANCE SHEET EVENTS

There have been no significant events affecting the Company since the year end.

AUDITORS

The auditors, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

M Y Michael
Director

Date: 27 July 2022

Over Court Barns
Over Lane
Almondsbury
Bristol
Avon
BS32 4DF

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HYDROCK CONSULTANTS LIMITED

OPINION

We have audited the financial statements of Hydrock Consultants Limited (the 'Company') for the year ended 31 March 2022, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2022 and of its 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

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

OTHER INFORMATION

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- The nature of the industry and sector, control environment and business performance;
- Results of our enquires of management and directors in relation to their own identification and assessment of the risks of irregularities within the Company; and
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to: identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; the internal controls established to mitigate risks of fraud or noncompliance with laws and regulations.

As a result of these procedures, we have considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:

- Revenue recognition cut off;
- Work in progress (amounts recoverable on contract) valuation; and
- Bad debt provision valuation.

In common with all audits under ISAs (UK) we are also required to perform specific procedures to respond to the risk of management override.

We have also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures within the financial statements. The key laws and regulations we considered in this context included the UK Companies Act, Financial Reporting Standard 102 and UK tax legislation. In addition we considered provision of other laws and regulations that do not have a direct effect on the financial statements but compliance with may be fundamental for the Company's ability to operate or avoid a material penalty. These included health and safety regulations; employment legislation; and data protection laws.

Our audit procedures performed to respond to the risks identified included, but were not limited to:

- Reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- Reviewing the financial statement disclosures and testing to supporting documentation to assess the recognition of revenue;
- Challenging assumptions and judgments made by management in their significant accounting estimates;
- Discussions with management, including consideration of known or suspected instances of non compliance with laws and regulation and fraud;
- Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- Reviewing board minutes;

- Identifying and testing journal entries, evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud; and
- Reviewing post year end cash receipts to assess recoverability of debts.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from an error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

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

USE OF OUR REPORT

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

Ria Burridge FCCA (Senior Statutory Auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

27 July 2022

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 £	2021 £
Turnover	4	**55,212,479**	39,542,150
Cost of sales		**(38,201,127)**	(28,267,766)
GROSS PROFIT		**17,011,352**	11,274,384
Administrative expenses		**(12,474,122)**	(9,543,997)
Exceptional administrative expenses		**-**	(366,097)
Other operating income	5	**-**	448,131
OPERATING PROFIT	7	**4,537,230**	1,812,421
Interest receivable and similar income		**73**	-
Interest payable and expenses	10	**(16,837)**	(174,118)
PROFIT BEFORE TAX		**4,520,466**	1,638,303
Tax on profit	11	**(331,749)**	(162,568)
PROFIT FOR THE FINANCIAL YEAR		**4,188,717**	1,475,735

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 17 to 31 form part of these financial statements.

HYDROCK CONSULTANTS LIMITED
REGISTERED NUMBER:03118932

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note		2022 £		2021 £
FIXED ASSETS					
Tangible assets	15		**1,342,993**		1,342,983
			1,342,993		1,342,983
CURRENT ASSETS					
Debtors: amounts falling due within one year	16	**17,023,300**		13,287,263	
Cash at bank and in hand	17	**4,164,477**		2,544,010	
		21,187,777		15,831,273	
Creditors: amounts falling due within one year	18	**(15,434,562)**		(8,198,998)	
NET CURRENT ASSETS			**5,753,215**		7,632,275
TOTAL ASSETS LESS CURRENT LIABILITIES			**7,096,208**		8,975,258
Creditors: amounts falling due after more than one year	19		**(212,583)**		(279,248)
PROVISIONS FOR LIABILITIES					
Deferred tax	21	**(15,033)**		(16,135)	
			(15,033)		(16,135)
NET ASSETS			**6,868,592**		8,679,875
CAPITAL AND RESERVES					
Called up share capital	22		**100**		100
Profit and loss account			**6,868,492**		8,679,775
			6,868,592		8,679,875

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

M Y Michael
Director

Date: 27 July 2022

The notes on pages 17 to 31 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2020	100	7,204,040	7,204,140
Profit for the year	-	1,475,735	1,475,735
At 1 April 2021	100	8,679,775	8,679,875
Profit for the year	-	4,188,717	4,188,717
Dividends: Equity capital	-	(6,000,000)	(6,000,000)
At 31 March 2022	100	6,868,492	6,868,592

The notes on pages 17 to 31 form part of these financial statements.

1. GENERAL INFORMATION

Hydrock Consultants 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 Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

The following principal accounting policies have been applied:

2.2 FINANCIAL REPORTING STANDARD 102 - REDUCED DISCLOSURE EXEMPTIONS

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Hydrock Holdings Limited as at 31 March 2022 and these financial statements may be obtained from Companies House.

2.3 GOING CONCERN

The directors have performed a formal review to assess whether going concern is an appropriate basis for the preparation of the Company's accounts. This comprised preparing detailed financial forecasts for the two years ending 31 March 2024, assessing budgeting accuracy from prior periods, a consideration of current trading and Hydrock's funding facilities.

2. ACCOUNTING POLICIES (continued)

2.4 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.5 OPERATING LEASES: THE COMPANY AS LESSEE

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

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

2.6 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.7 INTEREST INCOME

Interest income is recognised in profit or loss using the effective interest method.

2.8 FINANCE COSTS

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

2.9 BORROWING COSTS

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

2. ACCOUNTING POLICIES (continued)

2.10 PENSIONS

Defined contribution pension plan

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

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

2.11 CURRENT AND DEFERRED TAXATION

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.12 EXCEPTIONAL ITEMS

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.13 INTANGIBLE ASSETS

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

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

2. ACCOUNTING POLICIES (continued)

2.14 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, or, if held under a finance lease, over the lease term, whichever is the shorter.

Depreciation is provided on the following basis:

Plant and machinery	-	25%	straight line
Motor vehicles	-	25%	straight line
Fixtures and fittings	-	25%	straight line
Computer equipment	-	25%	straight line

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

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

2.15 DEBTORS

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

2.16 CASH AND CASH EQUIVALENTS

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

2.17 CREDITORS

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

2.18 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2. ACCOUNTING POLICIES (continued)

2.19 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.20 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amount of revenues and expenses during the year.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date are discussed below.

Revenue and profit/margin recognition

The Company's revenue recognition and long-term service contracts policies are set out in note 2.4. These policies are central to the way in which the Company values the work it has carried out at each reporting date and the estimation of the percentage completion of the contract. These policies require forecasts to be made of the outcome of long-term service contracts and require assessments and judgements to be made on the recovery of precontract costs, variatons in work scopes, claim recoveries, expected contract costs to complete and the progress on contract programmes. The Company has appropriate control procedures in place to ensure estimates are calculated on a consistent basis.

Provision for bad debts

Judgments relating to the recoverability of debts require assumptions to be made regarding the settlement of sales invoices. Recoverability is assessed on an individual basis and a specific provision is made at the reporting date.

4. TURNOVER

The whole of the turnover is attributable to the one principal activity of the company.

All turnover arose within the United Kingdom.

5. OTHER OPERATING INCOME

	2022	2021
	£	£
Government grants receivable - Coronavirus Job Retention Scheme	-	448,131
	-	448,131

6. EMPLOYEES

	2022 £	2021 £
Wages and salaries	**27,375,390**	20,604,489
Social security costs	**2,809,854**	2,008,340
Cost of defined contribution scheme	**1,677,947**	843,104
	31,863,191	23,455,933

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

	2022 No.	2021 No.
Management and office	**69**	80
Production	**486**	406
	555	486

7. OPERATING PROFIT

The operating profit is stated after charging:

	2022 £	2021 £
Operating lease expense	**2,126,367**	1,667,406
Depreciation of tangible fixed assets	**685,701**	699,620
(Profit) / loss on disposal of tangible fixed assets	**(14,679)**	(8,090)
Exceptional items	**-**	366,097

8. AUDITORS' REMUNERATION

	2022 £	2021 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	**24,925**	21,750

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

9. INTEREST RECEIVABLE

	2022	2021
	£	£
Other interest receivable	73	-
	73	-

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022	2021
	£	£
Bank interest payable	4	1,075
Other loan interest payable	-	15,927
Finance leases and hire purchase contracts	16,833	157,116
	16,837	174,118

11. TAXATION

	2022	2021
	£	£
CORPORATION TAX		
Current tax on profits for the year	475,000	142,149
Adjustments in respect of previous periods	(142,149)	-
	332,851	142,149
TOTAL CURRENT TAX	332,851	142,149
DEFERRED TAX		
Origination and reversal of timing differences	(1,102)	20,419
TOTAL DEFERRED TAX	(1,102)	20,419
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	331,749	162,568

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2021: lower than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022	2021
	£	£
Profit on ordinary activities before tax	**4,520,466**	1,638,303
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	**858,889**	311,278
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**25,012**	8,886
Capital allowances for year in excess of depreciation	**(28,521)**	-
Adjustments to tax charge in respect of prior periods	**(142,149)**	-
Other differences leading to an increase (decrease) in the tax charge	**3,511**	(23,562)
Group relief	**(384,993)**	(134,034)
TOTAL TAX CHARGE FOR THE YEAR	**331,749**	162,568

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

In the March 2021 Budget statement it was announced that the main rate of corporation tax would increase to 25% from 1 April 2023. Deferred taxes as at the balance sheet date have been measured using this enacted tax rate and reflected in the financial statements.

12. DIVIDENDS

	2022	2021
	£	£
Dividends paid	**6,000,000**	-
	6,000,000	-

13. EXCEPTIONAL ITEMS

	2022	2021
	£	£
Redundancy costs	-	119,148
Holiday pay provision over 5 days	-	190,458
Re-financing costs	-	30,514
Legal costs	-	25,977
	-	366,097

14. INTANGIBLE ASSETS

	Goodwill
	£
COST	
At 1 April 2021	**419,919**
At 31 March 2022	**419,919**
AMORTISATION	
At 1 April 2021	**419,919**
At 31 March 2022	**419,919**
NET BOOK VALUE	
At 31 March 2022	**-**
At 31 March 2021	-

15. TANGIBLE FIXED ASSETS

	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 April 2021	136,658	286,101	1,377,916	3,134,491	4,935,166
Additions	55,906	-	138,051	492,468	686,425
Disposals	-	(72,441)	-	-	(72,441)
At 31 March 2022	192,564	213,660	1,515,967	3,626,959	5,549,150
DEPRECIATION					
At 1 April 2021	27,558	264,522	1,068,543	2,231,560	3,592,183
Charge for the year on owned assets	38,551	20,865	173,380	452,905	685,701
Disposals	-	(71,727)	-	-	(71,727)
At 31 March 2022	66,109	213,660	1,241,923	2,684,465	4,206,157
NET BOOK VALUE					
At 31 March 2022	126,455	-	274,044	942,494	1,342,993
At 31 March 2021	109,100	21,579	309,373	902,931	1,342,983

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

	2022	2021
	£	£
Plant and machinery	25,596	32,332
Motor vehicles	-	5,557
Computer equipment	237,999	310,469
	263,595	348,358

16. DEBTORS

	2022 £	2021 £
Trade debtors	**13,057,102**	8,385,526
Amounts owed by group undertakings	**656,403**	1,907,780
Other debtors	**115,233**	92,812
Prepayments	**1,960,706**	1,769,627
Amounts recoverable on long term contracts	**1,233,856**	1,131,518
	17,023,300	13,287,263

17. CASH AND CASH EQUIVALENTS

	2022 £	2021 £
Cash at bank and in hand	**4,164,477**	2,544,010
	4,164,477	2,544,010

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £	2021 £
Other loans	**1,104,093**	854,291
Payments received on account	**1,111,594**	649,891
Trade creditors	**3,090,233**	2,438,557
Amounts owed to group undertakings	**3,587,968**	-
Corporation tax	**475,000**	142,149
Other taxation and social security	**2,746,383**	1,743,131
Obligations under finance lease and hire purchase contracts	**94,805**	86,440
Other creditors	**516,195**	581,023
Accruals and deferred income	**2,708,291**	1,703,516
	15,434,562	8,198,998

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

	2022 £	2021 £
Net obligations under finance leases and hire purchase contracts	**212,583**	279,248
	212,583	279,248

20. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	2022 £	2021 £
Within one year	**93,385**	86,440
Between 1-5 years	**214,000**	279,248
	307,385	365,688

Finance lease liabilities are denominated in sterling. Finance lease liabilities are secured over the assets to which they are financing and are repayable in monthly instalments.

21. DEFERRED TAXATION

	2022
	£
At beginning of year	**(16,135)**
Charged to profit or loss	**1,102**
AT END OF YEAR	**(15,033)**

The provision for deferred taxation is made up as follows:

	2022	2021
	£	£
Fixed asset timing differences	**(113,579)**	(64,308)
Short term timing differences	**98,546**	48,173
	(15,033)	(16,135)

22. SHARE CAPITAL

	2022	2021
	£	£
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
1,000 (2021: 1,000) Ordinary shares of £0.10 each	**100**	100

23. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £1,677,947 (2021: £843,104). Contributions totalling £280,774 (2021: £192,469) were payable to the fund at the reporting date and are included in creditors.

24. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2022 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	**1,746,733**	1,352,277
Later than 1 year and not later than 5 years	**3,948,078**	2,307,289
Later than 5 years	**1,137,954**	342,593
	6,832,765	4,002,159

25. RELATED PARTY TRANSACTIONS

During the year rent of £32,649 (2021: £30,745) was paid to CH Property Trustee Corisande Limited of which M Hilton, director, is a beneficiary. At the year end, the company owed £Nil (2021: £9,000) to CH Property Trustee Corisande Limited.

M Hilton's partner is a director of PAH Corisand Limited. During the year, the company made purchases of £36,828 (2021: £24,000) from PAH Corisand Limited in respect of service charges, of which £2,138 was owed at the year end date (2021: £Nil).

During the year rent totalling £207,613 (2021: £200,223) was paid to B McConnell, Pigs Barns Partnership (of which B McConnell is a director), and the SSAS pension schemes of which B McConnell is a trustee and beneficiary of the scheme. At the year end £56,348 was owed in respect of this rent (2021: £141,548).

B McConnell is a director of Mojo Active Limited. During the year, Hydrock Consultants made purchases of £166,494 (2021: £5,620) from Mojo Active Limited, of which £15,453 (2021: £2,160) was owed at year end.

H Easterbrook is a director of Lentil Ltd. During the year the company paid consultancy fees of £99,750 (2021: £58,075) to Lentil Ltd and at the year end owed £Nil (2021: £11,400) to the company.

C Tully is a director of Linthar Consulting Limited. During the year the company paid consultancy fees of £15,200 (2021: Nil).

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, controlling and directing the activities of the company. The total compensation paid to key management personnel for services provided to the company was £1,906,561 (2021: £1,638,560).

26. CONTROLLING PARTY

The immediate and ultimate parent company is Hydrock Holdings Limited which prepares consolidated financial statements. Its registered office is Over Court Barns, Over Lane, Almondsbury, Bristol, BS32 4DF.