REGISTERED NUMBER: 10631602 (England and Wales)

DSM SFG GROUP HOLDINGS LIMITED

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2022

Contents of the Financial Statements
For the Year Ended 31 March 2022

Company Information
for the Year Ended 31 March 2022

DIRECTORS:	R J Braid M A Lewis A D Plant A D Fletcher G W Williams
REGISTERED OFFICE:	The Mill One High Street Henley in Arden Warwickshire B95 5AA
REGISTERED NUMBER:	10631602 (England and Wales)
INDEPENDENT AUDITORS:	PricewaterhouseCoopers LLP

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

REVIEW OF BUSINESS

The key performance indicators that the Directors utilise to measure the performance of the business are the level of profitability achieved in the period, together with the strength of the secured order book. At year end the Group had net liabilities of £25.5m (2021: £20.3m).

The Group monitors its year on year performance by calculation of DSM Demolition Limited's earnings before interest, tax, depreciation, and amortisation (EBITDA) which for the year were £15.3m (2021: £11.6m). There have been no significant changes in the group's activity during the last year and the directors are not aware of any significant changes for the year to come.

FUTURE DEVELOPMENTS

Management have been successful in securing a number of framework agreements which helps to reduce the amount of competition. Management are also looking at a programme of diversification into more specialist areas of demolition which would see increased margins due to perceived marketplace risk.

PRINCIPAL RISKS AND UNCERTAINTIES

The Company faces a number of risks and uncertainties that may have an impact on its operation or future performance.

It is important for the Board to effectively manage risks and opportunities in seeking to achieve the Company's objectives. The Directors have overall responsibility for risk management and internal control systems.

The risks and uncertainties described below represent those which the Directors consider to be the most significant in achieving the Company's objectives.

Inflationary cost pressures

The business has some exposure to commodity price risk as a direct result of its operations; in particular in relation to fuel, labour, and to a lesser extent, materials. The risk is managed on a project-by-project basis, with the business being fortunate, that the period between tender and start on site is typically relatively short, and that most projects are not long-term in nature. The directors keep all supply agreements under continuous review and similarly are closely involved in setting tender pricing.

Environmental and health and safety legislation

The Group is subject to regulatory compliance risk which can arise from a failure to comply with the applicable laws, regulations or codes mainly involving health and safety laws, environmental laws such as those relating to asbestos, and planning regulations. The Directors are not aware of any legislative changes, either made or proposed, that will have any significant impact upon the results of the business.

STATEMENT BY THE DIRECTORS IN PERFORMANCE OF THEIR STATUTORY DUTIES IN ACCORDANCE WITH SECTION 172(1) COMPANIES ACT 2006

The Board of Directors (the "Board") confirm it has performed its duties in respect of Section 172 of the Companies Act 2006. Specifically, the Board has considered the long-term factors affecting the Company and its strategic direction. The Board has engaged with the Company's stakeholders which assists the Board in its decision-making process and in fulfilling its duty to promote the success of the Company as set out in Section 172.

The Board has fulfilled their duties as follows:

On an ongoing basis the Board assesses the major risks affecting the Company and develops appropriate responses to address those risks in an efficient and effective manner. This is taken into consideration when setting goals, budgets and forecasting financial performance. This ensures that the Company understands the financial impact of such risks and can respond to these given situations on a timely basis.

Employees
Employees are key to our success. The Company engages with employees on a regular basis. Supervisor meetings are held to cover a range of topics such as health and safety, financial performance, outlook, and training opportunities. The Company monitors staff turnover to understand the reasons why staff have opted to pursue alternative career opportunities. The Company invests in the future of the business and has a successful apprenticeship program.

Business relationships
We aim to exceed our customers' expectations. The Company seeks to achieve this through regular communication and delivering high quality services to our customers. We continually try to enhance our services to maintain our strong business relationships with our existing and potential customers.

Suppliers
All of our suppliers are integral to the success of the Company, and we have regular ongoing dialogue with our supply chain.

Communities
The Company is committed to make a positive contribution to the local community and the environment. A key priority is the health and well-being of our employees. We also aim to reduce the Company's impact on the environment, for example, through energy-saving initiatives and waste reduction.

Shareholders
The Company is a member of a group. The Board maintains regular ongoing dialogue with our parent and fellow group undertakings.

Regulators
The Board ensures the Company is in compliance with all regulatory requirements. In particular in compliance with health and safety regulations, the Modern Slavery Act, and the Bribery Act.

STREAMLINED ENERGY AND CARBON REPORTING (SECR)

The Company's energy consumption has been collated and calculated based on actual and estimated quantities of fuel used. This has then been multiplied by an industry standard conversion rate to kWh dependent on the fuel type. The relevant year's UK Government Greenhouse Gas Conversion Factors documents have been used to calculate this report. This is a SECR report for the calendar year 2021.

	2021	2020
Energy consumption used to calculate emissions (mWh)	34,181	19,689
Scope 1 emissions in metric tonnes CO2e		
Owned transport		
HGVs	1,127	866
Cars and vans	-	-
Petrol Vehicles	3	3
Process Emissions		
Gas Oil	5,963	3,230
Propane	18	19
Natural Gas	16	16
Kerosene	-	-
Petrol		
Total Scope 1	7,127	4,134
Scope 2 emissions in metric tonnes CO2e		
Purchased electricity	2	2
Total Scope 2	2	2
Scope 3 emissions in metric tonnes CO2e		
Transportation	2,125	1,302
Waste disposal ACMs	625	232
Total Scope 3	2,750	1,535

Measures taken to improve energy efficiency

The Company is committed to achieving Net Zero emissions by 2050, and if possible, sooner. Actions taken to improve energy efficiency to date include:

- Arden Road has replaced all lights with LEDs and are PIR enabled in the offices and external security floodlights are on automatic timers.
- DSM Demolition Limited is trialling electric vehicles and has installed vehicle charging points at Arden Road.
- DSM Demolition Limited operates vehicle sharing for work sites, to minimise business mileage.

ON BEHALF OF THE BOARD:

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M A Lewis - Director

Date: Dec 15, 2022

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

MATTERS COVERED IN STRATIGIC REPORT

In accordance with the Companies Act 2006, the Directors have produced a strategic report that includes a review of the business, future developments, Streamlined Energy and Carbon Reporting and other information of strategic importance.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of the development and sale of real estate. The group will continue to operate within its sector and focus on growth and profitability.

DIRECTORS

The directors of the company who were in office during the year and up to the date of signing the financial statements were:

R J Braid
M A Lewis
A D Plant
G W Williams
A D Fletcher

Other changes in directors holding office are as follows:

M Scambler – resigned 7 September 2021.

GOING CONCERN

The directors have considered the period ending 12 months after approving these financial statements.

The holding company is prepared to fully support the Company financially, and the loan will not be withdrawn to the detriment of other creditors. *For these reasons, the directors continue to adopt the going concern basis* of accounting in preparing these financial statements.

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

At the time this report is approved, and during the financial year, a qualifying third-party indemnity provision was in place for the benefit of one or more of the directors.

FINANCIAL RISK MANAGEMENT

The Company is exposed to a variety of financial risks. The Company's overall risk management programme seeks to minimise potential risks for the Company. Management reviews and agrees policies for managing risks. The most important components of financial risk affecting the Company are credit risk and liquidity risk.

Liquidity risk

Detailed cash flow forecasts are prepared to assess the Group's cash requirements. The Group proactively assesses and manages its cash requirements and its available facilities to ensure sufficient funds are available at all times.

Interest rate risk
The Company may borrow from its bankers using either overdrafts or term loans whose tenure depends on the nature of the asset and management's view of the future direction of interest rates.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each director in office at the date the Report of the Directors is approved:

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

INDEPENDENT AUDITORS

The auditors, PricewaterhouseCoopers LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

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M A Lewis - Director

Date: Dec 15, 2022

Independent auditors' report
to the members of DSM SFG GROUP HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, DSM SFG Group Holdings Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 March 2022 and of the group's and company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report of the Directors and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Balance Sheets as at 31 March 2022; the Consolidated Income Statement and Consolidated Statement of Comprehensive Income and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Report of the Directors, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

Strategic report and Report of the Directors

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Report of the Directors for the year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Report of the Directors.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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

In preparing the financial statements, the directors are responsible for assessing the group's and the 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 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.

Based on our understanding of the group and industry, we identified that the principal risks of non-compliance with laws and regulations related to Tax legislation, Health and Safety and Environmental Regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and the profit and loss account and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and testing unusual credit journal entries to revenue and to the income statement;
- Assessing key judgements and estimates made by management for evidence of bias;
- Review of senior management minutes and new significant contracts within the company; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Independent auditors' report
to the members of DSM SFG GROUP HOLDINGS LIMITED

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Neil Philpott

Neil Philpott (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
15 December 2022

Consolidated Income Statement
for the Year Ended 31 March 2022

	Note	31.3.22 £	31.3.21 £
TURNOVER	3	61,944,252	33,822,103
Cost of sales		(41,003,698)	(20,183,450)
GROSS PROFIT		20,940,554	13,638,653
Administrative expenses before exceptional expenses		(14,108,401)	(13,262,336)
Exceptional expenses	6	(3,587,231)	(648,314)
Total administrative expenses		(17,695,632)	(13,910,650)
		3,244,922	(271,997)
Other operating income		9,000	847,000
GROUP OPERATING PROFIT	5	3,253,922	575,003
Interest receivable and similar income		160,545	150,811
		3,414,467	725,814
Interest payable and similar expense	8	(6,691,284)	(6,089,717)
LOSS BEFORE TAXATION		(3,276,817)	(5,363,903)
Tax on loss	9	(1,556,109)	(1,603,293)
LOSS FOR THE FINANCIAL YEAR		(4,832,926)	(6,967,196)
Loss attributable to:			
Owners of the parent		(4,832,926)	(6,967,196)

The notes form part of these financial statements

Consolidated Statement of Other Comprehensive Income for the Year Ended 31 March 2022

	31.3.22	31.3.21
	£	£
LOSS FOR THE FINANCIAL YEAR	(4,832,926)	(6,967,196)
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR	(4,832,926)	(6,967,196)
Total comprehensive expense attributable to:		
Owners of the parent	(4,832,926)	(6,967,196)

The notes form part of these financial statements

Consolidated Balance Sheet
as at 31 March 2022

	Notes	31.3.22 £	31.3.21 £
FIXED ASSETS			
Intangible assets - goodwill	12	-	4,865,374
Tangible assets	13	8,379,728	5,942,177
		8,379,728	10,807,551
CURRENT ASSETS			
Debtors	15	31,944,194	30,505,645
Cash at bank		9,564,052	11,770,728
		41,508,246	42,276,373
CREDITORS			
Amounts falling due within one year	16	(71,128,057)	(72,151,758)
NET CURRENT LIABILITIES		(29,619,811)	(29,875,385)
TOTAL ASSETS LESS CURRENT LIABILITIES		(21,240,083)	(19,067,834)
CREDITORS			
Amounts falling due after more than one year	17	(1,569,616)	(1,276,973)
PROVISIONS FOR LIABILITIES	21	(2,368,034)	-
NET LIABILITIES		(25,177,733)	(20,344,807)
CAPITAL AND RESERVES			
Called up share capital	22	1	1
Accumulated losses		(25,177,734)	(20,344,808)
TOTAL SHAREHOLDERS DEFICIT		(25,177,733)	(20,344,807)

The financial statements were approved by the Board of Directors and authorised for issue on

Dec 15, 2022 .... and were signed on its behalf by:

....

M A Lewis – Director

The notes form part of these financial statements

Company Balance Sheet
as at 31 March 2022

	Note	31.3.22 £	31.3.21 £
FIXED ASSETS			
Investments	14	43,536,536	43,536,536
CURRENT ASSETS			
Debtors	15	25,358,325	18,460,881
Cash at bank		464,643	71,476
		25,822,968	18,532,357
CREDITORS			
Amounts falling due within one year	16	(102,442,247)	(90,053,218)
NET CURRENT LIABILITIES		(76,619,279)	(71,520,861)
TOTAL ASSETS LESS CURRENT LIABILITIES		(33,082,743)	(27,984,325)
CAPITAL AND RESERVES			
Called up share capital	22	1	1
Accumulated losses		(33,082,744)	(27,984,326)
TOTAL SHAREHOLDERS' DEFICIT		(33,082,743)	(27,984,325)
Company's loss for the financial year		(5,098,418)	(11,612,149)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on Dec 15, 2022 .... and were signed on its behalf by:

....

M A Lewis - Director

The notes form part of these financial statements

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

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2020	1	(13,737,612)	(13,737,611)
Changes in equity			
Total comprehensive expense	-	(6,967,196)	(6,967,196)
Credit to equity for equity settled share-based payments	-	360,000	360,000
Balance at 31 March 2021	1	(20,344,808)	(20,344,807)
Changes in equity			
Total comprehensive expense	-	(4,832,926)	(4,832,926)
Balance at 31 March 2022	1	(25,177,734)	(25,177,733)

The notes form part of these financial statements

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

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2020	1	(16,696,177)	(16,696,176)
Changes in equity			
Total comprehensive expense	-	(11,612,149)	(11,612,149)
Credit to equity for equity settled share-based payments	-	324,000	324,000
Balance at 31 March 2021	1	(27,984,326)	(27,984,325)
Changes in equity			
Total comprehensive expense	-	(5,098,418)	(5,098,418)
Balance at 31 March 2022	1	(33,082,744)	(33,082,743)

The notes form part of these financial statements

1. STATUTORY INFORMATION

DSM SFG Group Holdings Limited ('the Company') is a private company, limited by shares, registered in England and Wales and incorporated in the United Kingdom. The Company's registered number and registered office address can be found on the General Information page. The Company operates as a holding company, its subsidiaries undertake demolition and reclamation services and management of the overall Nobel Topco group.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements and statement of compliance
These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. Accounting policies have been consistently applied.

Financial Reporting Standard 102 - reduced disclosure exemptions
FRS 102 allows a qualifying entity certain disclosure exemptions, subject to conditions.

The Company has taken advantage of the following exemptions in its individual financial statements:

i. from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in these financial statements, includes the Company's cash flows;
ii. from the financial instrument disclosures, required under FRS 102 paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures;
iii. from disclosing the Company key management personnel compensation, as required by FRS 102 paragraph 33.7.

Going concern
The directors have considered the period ending 12 months after approving these financial statements. The holding company is prepared to fully support the Group financially, and the loan will not be withdrawn to the detriment of other creditors. For these reasons, the directors continue to adopt the going concern basis of accounting in preparing these financial statements.

Basis of consolidation
The consolidated financial statements comprise the financial statements of DSM SFG Group Holdings Limited and its wholly owned subsidiaries made up to the 31st March 2022.

Related party exemption
The Company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the Group.

2. ACCOUNTING POLICIES - continued

Revenue recognition
Revenue is recognised to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received (including the fair value of any residential properties received in part-exchange), excluding discounts, rebates, VAT and other sales taxes or duty. Where required, revenue is allocated between components in a multi-element transaction based on their respective fair values of the components. The following criteria must also be met before revenue is recognised:

Management charge
Revenue comprises of a management charge to St Francis Group Developments Limited based on profit generated within that company.

Demolition and reclamation contracts
Revenue arising from demolition and reclamation contracts is recognised in accordance with the Group's accounting policy on such contracts. An appropriate proportion of revenue from these contracts is recognised by reference to the stage of completion of contract activity.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The extent to which the contract is complete is determined by the total costs incurred to date as a percentage of the total anticipated costs of the entire contract. Variations in contract work, claims and incentive payments are included to the extent that it is probable that they will result in revenue.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised only to the extent of contract costs incurred where it is probable they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Other operating income comprises rental income and is accounted for on a straight line basis over the lease term.

Long term contracts
Profit is assessed on long term contracts on a contract basis and is reflected in the Profit and Loss Account by recording turnover and related costs in line with a surveyors assessment of contract progression.

Provision is made for all known losses and expected losses as soon as they are foreseen. Uninvoiced amounts are shown within debtors as accrued income, any amounts received in excess of the value of work done are shown in creditors as deferred income

Turnover represents amounts invoiced to customers for services provided, net of trade discounts and value added tax. Turnover is recognised as the contracts progress to reflect the Company's partial performance. The amount of the turnover recognised reflects the Company's right to payment which is based on internal valuations of work completed which will be subsequently agreed with customers through an application process. Amounts to be certified by the customer are formally applied for on a monthly basis and recognised in the financial statements on that basis. Where additional work is performed prior to the year end but not applied for an estimate is made based on the same process as above. This amount is accrued in the financial statements at the year end.

2. ACCOUNTING POLICIES - continued

Long term contracts - continued
In assessing turnover recognised in respect of a contract an assessment is made of the amount expected to be received for the work. Where it is believed that amounts may not be recoverable they are not recognised.

Contracts contain an element of turnover which is withheld as retention monies until performance has been satisfactorily completed. Retention monies are recognised as turnover and debtors to the extent that they are considered virtually certain as recoverable without additional remedial work being performed.

The total turnover of the Company for the year has been derived from its principal activity, which is described within the directors' report, wholly undertaken in the UK and Ireland. It arises from continuing operations for this and the previous year.

Goodwill
Goodwill represents the excess of the cost of acquisition over the Company's interest in the fair value of the identifiable assets and liabilities of a subsidiary at the time of the hive-up. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less any accumulated impairment losses. Goodwill which is recognised as an asset is reviewed for impairment at least annually. Any impairment is recognised immediately in the profit and loss account and is not subsequently reversed. Positive goodwill is amortised over 5 years.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Short leasehold	- 11% on cost
Plant and machinery	- 25% Straight Line
Fixtures and fittings	- 25% Straight Line
Motor vehicles	- 25% Straight Line
Office equipment	- 25% Straight Line

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost less accumulated impairment losses.

Financial instruments
The group has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments. Basic financial instruments are recognised at amortised costs, except for investments in non-convertible preference shares or non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

2. ACCOUNTING POLICIES - continued

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Operating lease costs are charged to the profit and loss account on a straight line basis over the lease term.

Pension costs and other post-retirement benefits
The Group operates a defined contribution pension scheme. Contributions payable to the Group's pension scheme are charged to profit or loss in the period to which they relate.

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

Provisions
Provisions are recognised when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

2. ACCOUNTING POLICIES - continued

Key sources of estimation uncertainty

In the application of the Group's accounting policies outlined above, the directors are required to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant and so actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis and revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Contract Revenue

Where a contract is ongoing at the end of the period the estimation of cost to complete is the key assumption to determine contract profitability. There is a degree of inherent uncertainty in the estimation of cost to complete. In order to limit this uncertainty these estimates are calculated by senior personnel with the appropriate market experience and knowledge. The areas of estimation that the directors deem to be significant when determining contract profitability are as follows:

Labour and plant – The nature of DSM Demolition Limited work is intensive in terms of both direct labour and plant. Detailed project phasing and resource planning is undertaken prior to the work commencing. As part of this assessment, the management team assesses the quantity and types of operatives needed to complete the phase. An hourly rate is provided for each level of employee. Work methods are assessed by management with the completion of risk assessments and method statements, to understand the types of machines needed to complete a project. Plant costs are charged via a software system that controls all plant logistics and plant daily rates. Plant is maintained to a high standard in house to mitigate unexpected increase in repair cost. The Company maintains detailed time sheets for both its employees and its plant, to ensure costs are captured accurately and completely at a contract level. These are reviewed by senior management on a monthly basis and reappraised where appropriate.

Price of subcontracting – The majority of contracts are delivered utilising in house resource. However, on occasion it is necessary to use specialist third party sub-contractors. This is considered by the directors at the beginning of a project and subcontractors appointed based on fixed price tenders.

Scrap - From time to time the Company will undertake projects which have a "scrap element" which is of sufficient materiality so as to be considered in initial pricing of the work, and/or in determining the outturn margin for a particular contract. In such situations, the potential volume and price of scrap is carefully estimated at the start of, and then monitored throughout, the project. The Company can use specialist 3rd party consultants to support senior management with this process, moreover the Company also has established relationships with a number of recycling businesses who will buy both ferrous and non-ferrous metals.

2. ACCOUNTING POLICIES - continued

Recoverability of debtors

The ability of the group company that is counterparty to the intercompany debtor is reliant on that company generating sufficient returns to satisfy its debt, which may be linked to sales expected in the future..The directors consider the likelihood that the intercompany debtor will be recoverable and, where appropriate, reflect provisions necessary to reduce balances held to their recoverable amount.

3. TURNOVER

The turnover and loss before taxation are attributable to the two principal activitiAes of the Group.

An analysis of turnover by class of business is given below:

	31.3.22	31.3.21
	£	£
Sales of goods	3,776,442	2,413,316
Rendering of services	58,167,810	31,408,787
	61,944,252	33,822,103

Turnover is derived from sales of land within the United Kingdom.

4. EMPLOYEES AND DIRECTORS

	31.3.22	31.3.21
	£	£
Wages and salaries	10,744,220	8,838,381
Social security costs	1,393,293	1,026,547
Other pension costs	448,461	339,134
	12,585,974	10,204,062

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

	31.3.22	31.3.21
Site based employees	120	111
Office based staff and management	55	56
	175	167

	31.3.22	31.3.21
	£	£
Directors' remuneration	2,057,715	2,122,165
Directors' pension contributions to money purchase schemes	81,395	94,711

Information regarding the highest paid director is as follows:

	31.3.22	31.3.21
	£	£
Remuneration	795,915	727,847
Pension contributions to money purchase schemes	4,000	4,000

5. GROUP OPERATING PROFIT

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

	31.3.22	31.3.21
	£	£
Depreciation - owned assets	757,933	1,115,554
Depreciation - assets on hire purchase contracts	1,973,101	1,670,509
Profit on disposal of fixed assets	(242,856)	(202,381)
Goodwill amortisation	4,865,374	4,857,093
Operating lease rentals	275,605	305,978
Impairment of debtors	12,525	(7,249)
Auditors remuneration for audit of		
- the financial statements of the consolidation and entity	25,043	21,530
- subsidiaries	63,355	43,260

6. EXCEPTIONAL ITEMS

	31.3.22	31.3.21
	£	£
Other exceptional items	1,987,231	648,314
Regulatory fine	1,600,000	-
Exceptional items	3,587,231	648,314

Included within exceptional items, the Company has made a provision of £1.6m in full settlement of a regulatory infringement. The settlement related to a single, historical breach of the regulatory rules. The Company has cooperated with the associated inquiry and the Directors have taken a number of steps, including compliance training, to prevent this from occurring again.

Other exceptional items in 2022 and 2021 primarily relate to different one off legal and professional costs.

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	31.3.22	31.3.21
	£	£
Bank interest	160,545	150,811

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.3.22	31.3.21
	£	£
Bank loan interest	74,763	68,208
Intercompany interest charges	6,452,855	5,677,403
AIB debt fees	35,643	133,887
Hire purchase	93,304	76,172
Other interest charges	34,719	134,047
	6,691,284	6,089,717

9. TAX ON LOSS

Analysis of the tax charge

The tax charge on the loss for the period was as follows:

	31.3.22	31.3.21
	£	£
Current tax:		
UK corporation tax on profits for the year	1,514,632	1,727,343
Adjustment in respect of prior periods	(726,557)	(124,050)
Total current tax	788,075	1,603,293
Deferred tax:		
Origination and reversal of timing differences	768,034	-
Tax on loss	1,556,109	1,603,293

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher (FY21: higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	£	£
Loss before tax	(3,276,817)	(5,363,903)
Loss multiplied by the standard rate of corporation tax in the UK of 19%	(622,595)	(1,019,142)
Effects of:		
Expenses not deductible for tax purposes	680,064	129,796
Depreciation in excess of capital allowances	(869,769)	(22,069)
Income not subject to tax	(46,143)	(38,452)
Amortisation	924,421	1,011,540
Group relief	1,448,654	1,665,670
Adjustment in respect of prior years	(726,557)	(124,050)
	788,075	1,603,293

Factors that may affect future tax charges

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining reducing at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

10. INDIVIDUAL INCOME STATEMENT

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

11. PENSION COSTS

The Group operated a defined contribution pension scheme in respect of the directors and certain staff. The scheme and its assets are held by independent managers. The pension charge represents contributions paid by the Group and amounted to £448,461 (2021: £339,134).

12. INTANGIBLE ASSETS

	Positive Goodwill £
COST	
At 1 April 2021	
and 31 March 2022	24,293,671
ACCUMULATED AMORTISATION	
At 1 April 2021	19,428,297
Amortisation for year	4,865,374
At 31 March 2022	24,293,671
NET BOOK VALUE	
At 31 March 2022	-
At 31 March 2021	4,865,374

13. TANGIBLE ASSETS

	Short leasehold	Plant and machinery	Fixtures and fittings
	£	£	£
COST			
At 1 April 2021	940,647	17,328,373	63,471
Additions	-	4,561,960	-
Disposals	-	(295,227)	-
At 31 March 2022	940,647	21,595,106	63,471
ACCUMULATED DEPRECIATION			
At 1 April 2021	938,588	12,429,819	13,647
Charge for year	2,059	2,201,732	9,933
Disposals	-	(260,894)	-
At 31 March 2022	940,647	14,370,657	23,580
NET BOOK VALUE			
At 31 March 2022	-	7,224,449	39,891
At 31 March 2021	2,059	4,898,554	49,824

	Motor vehicles	Office equipment	Totals
	£	£	£
COST			
At 1 April 2021	2,754,358	632,578	21,719,427
Additions	623,934	25,898	5,211,791
Disposals	(444,637)	-	(739,864)
At 31 March 2022	2,933,655	658,476	26,191,354
ACCUMULATED DEPRECIATION			
At 1 April 2021	1,915,621	479,575	15,777,250
Charge for year	455,971	61,339	2,731,034
Disposals	(435,763)	-	(696,657)
At 31 March 2022	1,935,829	540,914	17,811,627
NET BOOK VALUE			
At 31 March 2022	997,826	117,562	8,379,728
At 31 March 2021	838,737	153,003	5,942,177

13. TANGIBLE ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery	Motor vehicles	Total
COST	£	£	£
At 1 April 2021	10,400,804	849,481	11,250,285
Additions	3,040,972	481,500	3,522,472
Disposals	(260,000)	(282,150)	(542,150)
At 31 March 2022	13,181,776	1,048,831	14,230,607
ACCUMULATED DEPRECIATION			
At 1 April 2021	6,225,814	609,026	6,834,840
Charge for year	1,779,127	193,974	1,973,101
Disposals	(260,000)	(280,759)	(540,759)
At 31 March 2022	7,744,941	522,241	8,267,182
NET BOOK VALUE			
At 31 March 2022	5,436,835	526,590	5,963,425
At 31 March 2021	4,174,990	240,455	4,415,445

14. INVESTMENTS

	Shares in group undertakings
	£
COST	
At 1 April 2021 and 31 March 2022	43,536,536
NET BOOK VALUE	
At 31 March 2022	43,536,536
At 31 March 2021	43,536,536

14. INVESTMENTS - continued

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

Direct Holdings

DSM Demolition Limited

Registered office: Arden House, Arden Road, Heartlands, Birmingham, B8 1DE
Nature of business: Demolition services

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	59,189,200	49,691,632
Profit for the year	9,497,568	7,438,254

St Francis Group Limited

Registered office: The Mill, 1 High Street, Henley-in-Arden, Warwickshire, B95 5AA
Nature of business: Land remediation

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	(7,742,947)	(7,586,446)
Loss for the year	(156,502)	(1,677,769)

Indirect Holdings

DSM Decommissioning

Registered office: The Mill, 1 High Street, Henley-in-Arden, Warwickshire, B95 5AA
Nature of business: Reclamation

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	(4,610)	(3,799)
Loss for the year	(811)	(1,030)

14. INVESTMENTS - continued

DSM Civil Engineering Limited

Registered office: The Mill, 1 High Street, Henley-in-Arden, Warwickshire, B95 5AA
Nature of business: Reclamation

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	1	1
Loss for the year	-	-

DSM Plant Limited

Registered office: The Mill, 1 High Street, Henley-in-Arden, Warwickshire, B95 5AA
Nature of business: Reclamation

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	1	1
Loss for the year	-	-

DSM Environmental Limited

Registered office: The Mill, 1 High Street, Henley-in-Arden, Warwickshire, B95 5AA
Nature of business: Reclamation

Class of shares:	% holding
Ordinary	100

	31.3.22 £	31.3.21 £
Aggregate capital and reserves	1	1
Loss for the year	-	-

15. DEBTORS

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade debtors	4,340,033	2,296,868	-	4,281
Amounts owed by group undertakings	17,784,756	20,410,567	24,803,321	18,367,698
Amounts owed by related parties	1,051,678	2,962,932	-	-
Other debtors	189,080	1,320,647	460,543	87,567
Corporation tax	1,244,423	-	16,875	-
Prepayments and accrued income	7,334,224	3,514,631	77,586	1,335
	31,944,194	30,505,645	25,358,325	18,460,881

In the year, a provision against amounts owed by group undertakings of £4,209,393 was released. All financial instruments above are measured at amortised cost. Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand. There are no further related party transactions.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.3.22	31.3.21	31.3.22	31.3.21
	£	£	£	£
Trade creditors	5,973,295	3,673,584	373,899	63,646
Amounts owed to group undertakings	53,697,818	50,234,279	100,209,432	84,764,983
Bank loans and overdrafts (see note 18)	3,000,000	2,964,357	-	-
Hire purchase contracts (see note 19)	2,617,086	2,421,937	-	-
Corporation tax	-	3,037,424	-	-
Social security and other taxes	962,918	5,426,704	42,820	3,934,634
Other creditors	-	-	-	1,723
Directors' current accounts	-	6,351	-	-
Accruals and deferred income	4,876,940	4,387,122	1,816,096	1,288,232
	71,128,057	72,151,758	102,442,247	90,053,218

All financial instruments above are measured at amortised cost. Amounts owed to group undertakings are unsecured, either interest free or incur an interest rate of 13.01%, have no fixed date of repayment and are repayable on demand. There are no further related party transactions.

Finance leases are secured against the assets taken out under the lease.

The £3,000,000 bank loan is a revolving credit facility at an interest rate of 4.25% over 3 month LIBOR.

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

	Group	
	31.3.22	31.3.21
	£	£
Hire purchase contracts (see note 19)	1,569,616	1,276,973

18. LOANS

An analysis of the maturity of loans is given below:

	Group	
	31.3.22	31.3.21
	£	£
Amounts falling due within one year or on demand:		
Bank loans	3,000,000	3,000,000

19. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	31.3.22	31.3.21
Net obligations repayable:	£	£
Within one year	2,617,086	2,421,937
Between one and five years	1,569,616	1,276,973
	4,186,702	3,698,910

The Group had the following minimum lease payments under non-cancellable operating leases for each of the following periods:

	31.3.22	31.3.21
Payments due	£	£
Not later than one year	274,708	273,067
Later than one year and not later than five years	280,021	541,368
	554,729	814,435

20. SECURED DEBTS

The following secured debts are included within creditors:

	31.3.22	31.3.21
	£	£
Bank loans	3,000,000	3,000,000
Hire purchase contracts	4,186,700	3,698,910
	7,186,700	6,698,910

Bank loans are secured on future income streams. The hire purchase contracts are secured against the assets to which the hire purchase relates.

21. PROVISIONS FOR LIABILITIES

	Provision for regulatory fine	Deferred tax	Total
	£	£	£
Balance at 1 April 2021	-	-	-
Additions dealt with in Income Statement during year	1,600,000	768,034	2,368,034
Utilised during year	-	-	-
Balance at 31 March 2022	1,600,000	768,034	2,368,034

The provision for deferred tax consists of the accelerated capital allowances.

22. CALLED UP SHARE CAPITAL

Group and Company:

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.3.22	31.3.21
			£	£
1	Ordinary	£1	1	1

23. CONTINGENT LIABILITIES

The Company is party to a guarantee with its subsidiaries under terms of the revolving credit facility agreement. The facility is a £3,000,000 (2021: £3,000,000) and held within DSM Demolition Limited. In addition, DSM Demolition Limited provides a guarantee for the £5,000,000 (2021: £5,000,000) term loan within St Francis Group (Brantham) Ltd, this loan is secured against a debtor receipt in St Francis Group (Brantham) Ltd.

24. RELATED PARTY TRANSACTIONS

At the year end DSM Demolition Limited was owed £9,490 (2021: £9,490) by MSF Filton LLP, a joint venture entity of a fellow group Company.

DSM Demolition Limited made sales during the year to Bolsover Land Ltd, a joint venture entity of a fellow group Company, of £327,655 (2021: £6,452,051). At the year end, DSM Demolition Limited was owed £49,207 (2021: £2,722,932). In addition, the Company has previously provided a loan of £240,000 to Bolsover Land Ltd which was still repaid in the year (2021: £240,000).

DSM Demolition Limited also made sales during the year to Core62 Limited, a joint venture entity of a fellow group Company, of £10,619,227 (2021: £4,798,431) and at the year end Core62 Limited owed DSM Demolition £1,054,076 (2021: £1,131,287).

25. ULTIMATE CONTROLLING PARTY

It is the opinion of the majority shareholders that the ultimate controlling parties are MCP Private Capital Fund II Scsp and MCP Private Capital Fund III Scsp. The ultimate parent company is Nobel Topco Limited.

The immediate parent undertaking is Nobel Midco Limited which is both the smallest and the largest group to consolidate these financial statements, copies of which can be obtained from The Mill, One High Street, Henley In Arden, B95 5AA.