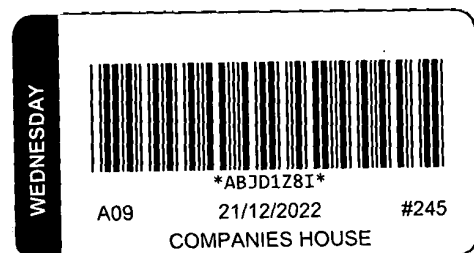


A E Stuart Limited
Annual Report and Consolidated Financial Statements
Year Ended 31 March 2022
Registration number: 12521437



A E Stuart Limited

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A E Stuart Limited

Strategic Report

Year Ended 31 March 2022

The directors present their strategic report for the year ended 31 March 2022.

Principal activity

The principal activity of the group is that of a holding company. The principal activities of the group during the year were mixed farming, operation of Volvo commercial franchises, skip hire and waste disposal and recycling. Other activities include the letting of commercial property

Fair review of the business

The directors are pleased with the results for the year and are hesitantly optimistic about future trading relative to the general world economic outlook.

During the prior period the Company acquired the entire share capital of AES NO2 Limited which created the group as it now is. Those Financial Statements show the results for the six months of trading post acquisition. There have been no changes to the underlying trading companies which have successfully traded for a number of years. This financial year represents a full trading year.

Based on like for like trading, turnover has grown by 30% and gross profit by 40%. Turnover this year has benefitted from an increase in the level of vehicle sales due to supply constraints dampening sales in the financial year ended 31 March 2021. Although this is the case, continuing supply shortages mean customer demand has had to be constrained.

The additional growth in gross profit over turnover has been achieved in two main areas, firstly, due to the introduction of a new operational software, efficiencies have been made in that area of the business allowing it to scale up without the proportional increase in costs. Secondly, the group's biomass plants which recycle waste wood, have been performing more reliably. These plants operate with a high level of fixed costs and therefore a high gross profit after a certain point. The majority of the increased gross profit has been reflected in operating profit.

The key performance indicators ("KPI") of the Group are turnover and operating profit, which are detailed in the profit and loss account on page 9. Given its straightforward nature further KPI analysis is not considered necessary for an understanding of the development, performance and position of the company as a whole.

Principal risks and uncertainties

As part of managing business risk the group operates a diverse range of activities and continues to explore new opportunities. Specific business risks the group face are detailed below:

Farming - the principal risks come from the weather, price fluctuations in market prices and general competition. The group seeks to minimise the effects of changing prices through, where possible, selling cattle when the market prices are good and negotiating advance fixed price contracts prior to the harvest of crops.

Repair and maintenance of commercial vehicles and supply of parts - the principal risks come from the continuing difficult economic conditions and general competition. The group seeks to address these areas by building on its strong reputation, which has been developed over many years of trading, and operating the sole commercial Volvo dealership for Devon and Cornwall.

A E Stuart Limited

Strategic Report

Year Ended 31 March 2022

Principal risks and uncertainties (continued)

Skip hire and waste disposal and recycling - the principal risk comes from the type of waste disposed of by customers and associated legislation. The directors keep abreast of changes in legislation directly impacting the group's operations to proactively manage any future developments which could adversely affect the group. Where possible adverse costs associated with meeting new legislation are passed on to the customer.

The directors continue to view the state of the world economy with caution. In the short term, the directors consider the main possible risks to the business to be the availability of HGV drivers and the availability of new plant and vehicles. These risks are mitigated by the Group's policies relating to investment in its people, plant, and customer base.

In terms of staff, the Group aims to recruit from within, providing additional training where appropriate, this loyalty and faith is rewarded with loyalty from the employees themselves. In respect of plant for the Group's operations, the Group undertakes an extensive annual investment programme, meaning plant and operating vehicles are kept at a high standard of repair. This investment programme also tends to help with the retention of plant operators who appreciate the company's investment in their working environment.

There is a secondary area of risk relating to the availability of vehicles which relates to the availability of new vehicles for customers. The Group mitigates supply chain issues by having an in-house sales team which has built long-term customer relationships meaning they are there to support customers through temporary issues.

Uncertainty remains regarding the medium-term impact of inflation and the rising cost of borrowing on the wider economy which in turn could impact on the Group. The Group has shown resilience against inflationary pressures through operational efficiencies however this cannot continue indefinitely. This risk is mitigated by the Group's spread of customer demographic, covering both retail and commercial customers, as well as maintaining good relationships with key suppliers and its diverse operations.

Approved and authorised by the Board on 08/12/22 and signed on its behalf by:


.....
T Stuart
Director

A E Stuart Limited

Directors' Report

Year Ended 31 March 2022

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

Directors of the group

The directors who held office during the year were as follows:

R A R Stuart

R Stuart

T Stuart

J K Stuart

R S Stuart

Financial risk management objectives and policies

The group's principal financial instruments comprise bank overdrafts and loans, trade creditors, trade debtors and hire purchase agreements. The Board regularly reviews and agrees policies for managing related risks and they are summarised below:

Interest rate risk - the group finances its operations through a mixture of retained profits, bank and other borrowings. The group borrows primarily at floating rates of interest to provide flexibility and repays debt as soon as possible to minimise the overall interest charge.

Liquidity risk - in order to maintain liquidity to ensure that sufficient funds are available for on-going operations and future developments, the group uses a mixture of long-term and short-term debt finance.

Credit risk - the group's credit risk is primarily attributable to its trade receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. The group manages the risk through the use of policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Disclosure of information to the auditor

Each director has taken 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 auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Approved and authorised by the Board on 08/12/22 and signed on its behalf by:

.....
T Stuart
Director

A E Stuart Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

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

A E Stuart Limited

Independent Auditor's Report to the Members of A E Stuart Limited

Opinion

We have audited the financial statements of A E Stuart Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2022, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2022 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were authorised for issue.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

A E Stuart Limited

Independent Auditor's Report to the Members of A E Stuart Limited

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

A E Stuart Limited

Independent Auditor's Report to the Members of A E Stuart Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 as relating to the continued compliance with Volvo quality requirements, the Red tractor assurance scheme, the Ofgem Non-Domestic Renewable Heat Incentive ("RHI") scheme, and the continued retention of Environment Agency waste carrier and waste disposal permits and that to operate a landfill. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006, and relevant tax legislation (Corporation Tax, VAT etc.). We considered the extent to which non-compliance with these laws and regulations may have a material effect on the financial statements.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the overstatement of profit, either through overstating revenue, understating expenditure or management bias in accounting estimates.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries to members of Senior Management, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of management's compliance registers including enquiries to Senior management in relation to the controls around risk mitigation;
- Review of the latest external Health and safety audits;
- Review of the ISO1901 & 1402 accreditation;
- Review of the latest Volvo audit;
- Review latest Red tractor Farm assurance Audit and certification;
- Review of Environment Agency permits and latest Environment Agency compliance assessment report;
- Review of correspondence with Ofgem and testing RHI submissions;
- Review of the group's controls in relation to GDPR and enquiries to Senior Management as to the occurrence and outcome of any reportable breaches;

A E Stuart Limited

Independent Auditor's Report to the Members of A E Stuart Limited

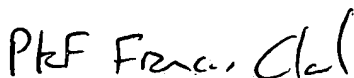
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. 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, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's 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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Glenn Nicol (Senior Statutory Auditor)
PKF Francis Clark, Statutory Auditor

Centenary House
Peninsula Park
Rydon Lane
Exeter
EX2 7XE

Date:

9 December 2022

A E Stuart Limited

Consolidated Statement of Income and Retained Earnings

Year Ended 31 March 2022

	Note	2022 £	2021 £
Turnover	3	61,972,356	27,016,383
Cost of sales		<u>(42,292,066)</u>	<u>(21,777,577)</u>
Gross profit		19,680,290	5,238,806
Distribution costs		(1,055,654)	(340,080)
Administrative expenses		(10,109,626)	(2,759,773)
Other operating income	4	<u>1,640,041</u>	<u>1,011,154</u>
Operating profit	5	<u>10,155,051</u>	<u>3,150,107</u>
Other interest receivable and similar income	9	106,532	41,126
Interest payable and similar charges	10	<u>(1,639,565)</u>	<u>(594,894)</u>
		<u>(1,533,033)</u>	<u>(553,768)</u>
Profit before tax		8,622,018	2,596,339
Taxation	11	<u>(1,135,787)</u>	<u>(817,449)</u>
Profit for the financial year		<u>7,486,231</u>	<u>1,778,890</u>
Profit/(loss) attributable to:			
Owners of the company		7,330,839	2,028,167
Minority interests		<u>155,392</u>	<u>(249,277)</u>
		<u>7,486,231</u>	<u>1,778,890</u>
Retained earnings brought forward		1,828,167	-
Dividends paid		<u>(800,000)</u>	<u>(200,000)</u>
Retained earnings carried forward		<u>8,359,006</u>	<u>1,828,167</u>

A E Stuart Limited

Consolidated Balance Sheet

31 March 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	808,244	1,046,813
Tangible assets	13	<u>67,893,871</u>	<u>64,774,534</u>
		<u>68,702,115</u>	<u>65,821,347</u>
Current assets			
Stocks	15	11,389,268	6,026,177
Debtors	16	13,763,681	11,923,915
Cash at bank and in hand		<u>15,728,423</u>	<u>9,150,335</u>
		40,881,372	27,100,427
Creditors: Amounts falling due within one year	18	<u>(32,445,315)</u>	<u>(22,989,174)</u>
Net current assets		<u>8,436,057</u>	<u>4,111,253</u>
Total assets less current liabilities		77,138,172	69,932,600
Creditors: Amounts falling due after more than one year	18	(23,749,793)	(24,499,456)
Provisions for liabilities	21	<u>(2,832,232)</u>	<u>(1,563,228)</u>
Net assets		<u>50,556,147</u>	<u>43,869,916</u>
Capital and reserves			
Called up share capital	23	14,545,454	14,545,454
Fair value reserve		29,401,572	29,401,572
Profit and loss account		<u>8,359,006</u>	<u>1,828,167</u>
Equity attributable to owners of the company		52,306,032	45,775,193
Minority interests		<u>(1,749,885)</u>	<u>(1,905,277)</u>
Shareholders' funds		<u>50,556,147</u>	<u>43,869,916</u>

Approved and authorised by the Board on 08/01/22 and signed on its behalf by:

.....
T Stuart
Director

Company Registration Number: 12521437

A E Stuart Limited

Balance Sheet

31 March 2022

	Note	2022 £	2021 £
Fixed assets:			
Investments	14	50,600,001	50,600,001
Current assets			
Debtors	16	12,577,876	11,600,480
Creditors: Amounts falling due within one year	18	<u>(3,854,682)</u>	<u>(4,182,481)</u>
Net current assets		<u>8,723,194</u>	<u>7,417,999</u>
Total assets less current liabilities		59,323,195	58,018,000
Creditors: Amounts falling due after more than one year	18	<u>(10,000,000)</u>	<u>(10,000,000)</u>
Net assets		<u>49,323,195</u>	<u>48,018,000</u>
Capital and reserves			
Called up share capital	23	14,545,454	14,545,454
Profit and loss account		<u>34,777,741</u>	<u>33,472,546</u>
Shareholders' funds		<u>49,323,195</u>	<u>48,018,000</u>

Approved and authorised by the Board on 08/12/22 and signed on its behalf by:


T Stuart
Director

Company Registration Number: 12521437

A E Stuart Limited

Consolidated Statement of Changes in Equity Year Ended 31 March 2022

	Share capital £	Fair value reserve £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
At 1 April 2021	14,545,454	29,401,572	1,828,167	45,775,193	(1,905,277)	43,869,916
Profit for the year	-	-	7,330,839	7,330,839	155,392	7,486,231
Total comprehensive income	-	-	7,330,839	7,330,839	155,392	7,486,231
Dividends	-	-	(800,000)	(800,000)	-	(800,000)
At 31 March 2022	14,545,454	29,401,572	8,359,006	52,306,032	(1,749,885)	50,556,147

	Share capital £	Revaluation reserve £	Profit and loss account £	Total £	Non-controlling interests £	Total equity £
Profit/(loss) for the year	-	-	2,028,167	2,028,167	(249,277)	1,778,890
Other comprehensive income	-	29,401,572	-	29,401,572	-	29,401,572
Total comprehensive income	-	29,401,572	2,028,167	31,429,739	(249,277)	31,180,462
Dividends	-	-	(200,000)	(200,000)	-	(200,000)
New share capital subscribed	14,545,454	-	-	14,545,454	-	14,545,454
Acquisition of non-controlling interest, decrease in equity	-	-	-	-	(1,656,000)	(1,656,000)
At 31 March 2021	14,545,454	29,401,572	1,828,167	45,775,193	(1,905,277)	43,869,916

The notes on pages 15 to 34 form an integral part of these financial statements.
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A E Stuart Limited

Statement of Changes in Equity

Year Ended 31 March 2022

	Share capital £	Profit and loss account £	Total £
At 1 April 2021	14,545,454	33,472,546	48,018,000
Profit for the year	-	2,105,195	2,105,195
Dividends	-	(800,000)	(800,000)
At 31 March 2022	14,545,454	34,777,741	49,323,195

	Share capital £	Profit and loss account £	Total £
Profit for the year	-	33,672,546	33,672,546
Dividends	-	(200,000)	(200,000)
New share capital subscribed	14,545,454	-	14,545,454
At 31 March 2021	14,545,454	33,472,546	48,018,000

A E Stuart Limited

Consolidated Statement of Cash Flows

Year Ended 31 March 2022

	Note	2022 £	2021 £
Cash flows from operating activities			
Profit for the year		7,486,231	1,778,890
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	4,970,060	2,110,025
(Profit)/loss on disposal of tangible assets		(393,629)	45,814
Finance income	9	(106,532)	(41,126)
Finance costs	10	1,639,565	594,894
Income tax expense	11	1,135,787	817,449
		<u>14,731,482</u>	<u>5,305,946</u>
Working capital adjustments			
Increase in stocks	15	(5,363,091)	(1,790,863)
Increase in trade debtors	16	(1,126,424)	(312,090)
Increase in trade creditors and provisions	18, 21	<u>9,260,283</u>	<u>2,739,533</u>
Cash generated from operations		17,502,250	5,942,526
Income taxes paid	11	<u>(1,054,579)</u>	<u>(464,349)</u>
Net cash flow from operating activities		<u>16,447,671</u>	<u>5,478,177</u>
Cash flows from investing activities			
Interest received		106,532	41,126
Acquisitions of tangible assets		(6,924,775)	(2,799,580)
Proceeds from sale of tangible assets		3,503,870	267,200
Acquisition of intangible assets	12	(369,928)	(3,766)
Net cash acquired with subsidiary undertakings		<u>-</u>	<u>8,776,555</u>
Net cash flows from investing activities		<u>(3,684,301)</u>	<u>6,281,535</u>
Cash flows from financing activities			
Interest paid	10	(1,215,465)	(489,519)
Repayment of bank borrowing		(324,179)	(234,621)
Repayment of other borrowing		(500,000)	7,150,000
Proceeds from issue of convertible debt, net of issue costs		-	(7,500,000)
Payments to finance lease creditors		(3,130,749)	(1,229,862)
Interest on preference shares		(214,889)	(105,375)
Dividends paid		<u>(800,000)</u>	<u>(200,000)</u>
Net cash flows from financing activities		<u>(6,185,282)</u>	<u>(2,609,377)</u>
Net increase in cash and cash equivalents		6,578,088	9,150,335
Cash and cash equivalents at 1 April		<u>9,150,335</u>	<u>-</u>
Cash and cash equivalents at 31 March		<u>15,728,423</u>	<u>9,150,335</u>

The notes on pages 15 to 34 form an integral part of these financial statements.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Hill Barton Business Park
Sidmouth Road
Clyst St. Mary
Exeter
EX5 1DR

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. There have been no material departures.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The financial statements are presented in Sterling (£).

Summary of disclosure exemptions

A E Stuart Limited meets the definition of a qualifying entity under FRS102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its individual financial statements. Exemptions have been taken in relation to financial instruments, remuneration of key management personnel and presentation of a cash flow statement and related notes.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 March 2022.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006. The company made a profit after tax for the financial period of £2,105,195.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Going concern

The directors have reviewed cash flow forecasts, which indicate the group can trade using its cash reserves and facilities for a period of at least twelve months from the date of approval of these financial statements. These forecasts contain assumptions about the level of sales revenue generated in that twelve month period, which are currently supported by trading post year end.

In making their assessment of the going concern status of the group the directors continue to monitor the impact of inflation and labour shortages on the wider economy. Post year end the group has continued to trade profitably, generating positive cashflow.

The directors are satisfied that the accounts should be prepared on a going concern basis.

Revenue recognition

Turnover comprises revenue recognised by the group in respect of goods and services supplied during the period, exclusive of value added tax and trade discounts.

Goods - turnover from the sale of goods is recognised when the goods are physically delivered to the customer or when substantially all the risks and rewards are transferred, whichever is earlier.

Services - turnover from the supply of services represents the value of services provided during the year to the extent that there is a right to consideration and is recorded at the fair value of the consideration due. A right to consideration generally arises upon completion of the work.

Skip hire and waste disposal - revenue in respect of skip hire activities is recognised when the hire has been completed. Where payments are received in advance of services provided, the amounts are recorded as deferred income and included within other creditors due within one year.

Government grants

During the prior year the group received Coronavirus Job Retention Scheme ("CJRS") grant income from the UK Government. This scheme helped to mitigate the impact of COVID19 on its staff. The group accounted for such grants under the accruals model. All of the amounts received were of a revenue nature and recognised in Other operating income within the Statement of Income and Retained Earnings.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation 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 group operates and generates taxable income.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Deferred tax is recognised on all timing differences at the balance sheet date unless indicated below. Timing differences are differences between taxable profits and the results as stated in the consolidated profit and loss account and other comprehensive income. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold buildings	3% straight line
Freehold land	no depreciation is applied
Plant and machinery	10-15% reducing balance
Motor vehicles	25% reducing balance

Investment property

Investment property is carried at fair value. Changes in fair value are recognised in profit or loss. The directors use observable market prices, adjusted if necessary for any differences in the nature, location or condition to value each specific asset.

Departures from Companies Act requirements

The treatment as regards the group's investment properties is a departure from the requirements of the Companies Act concerning the depreciation of fixed assets. However, these properties are not held for consumption but for investment and the directors consider that systematic annual depreciation would be inappropriate. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Goodwill

Goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Intangible assets

Intangible assets acquired in a business combination are recognised at fair value at the acquisition date. All other separately acquired intangible assets are recorded at historical cost.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	20% straight line
Customer related intangibles	33% straight line
Websites and branding	33% straight line
Other intangibles	20% straight line

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stock and work in progress, other than growing and harvested arable crops, are valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Livestock - cost represents purchase price, direct costs and an appropriate allocation of production overheads.

Other farm stock, truck stock and parts for resale - cost represents purchase price.

Growing arable crops are stated at fair value. the fair value is estimated based upon observable future selling price adjusted for expected costs to come. Harvested arable crops are stated at cost which is considered to be the fair value less costs to sell at the point of harvest.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Key sources of estimation uncertainty

In preparing these financial statements, the directors make estimates and exercise judgement concerning the future. The resulting estimates may, by definition, vary from the actual results. The directors consider the main areas of accounting estimates and judgements used in these financial statements to be:

Investment property valuations: investment properties are held at market value as estimated by the directors. In making this estimation, the directors have considered current rental values and expected market yields.

Growing crop valuation: growing crops are valued at fair value. In assessing fair value of growing crops, estimations have been made in relation to the expected crop yield and market prices at eventual harvest. In making these estimations, the directors have considered historical trends along with observable current market information.

Valuation of vehicles taken in part exchange: stock is valued at cost or, if lower, the expected net realisable value. Net realisable value is considered to be expected eventual sales value less costs to sell. Significant estimates are made in relation to the eventual sales price of vehicles. In making their assessment, the directors consider the age, mileage and condition of each particular vehicle.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Financial Instruments

Classification

Financial instruments and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the net assets of the group.

Recognition and measurement

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument and derecognised when in the case of assets, the contractual rights to cash flows from the assets expire or substantially all the risks and rewards of ownership are transferred to another party, or in the case of liabilities, when the company's obligations are discharged, expire or are cancelled.

The group holds the following financial instruments:

- Short term trade debtors, creditors and stock finance;
- Other debtors and creditors;
- Long term loan debtors;
- Short and long term bank loans and overdrafts; and
- Preference share capital.

With the exception of preference share capital, all of the financial instruments of the group are considered to be basic financial instruments. Such instruments are initially measured at transaction price, including transaction costs. Those instruments considered current are subsequently carried at the undiscounted amount of the cash or other consideration expected to be paid or received, after taking account of impairment adjustments. Long term instruments are subsequently measured at amortised cost using the effective interest method.

Preference shares are considered to be non-basic financial instruments. Non-basic financial instruments are measured at their fair value.

3 Turnover

The analysis of the group's Turnover for the year from continuing operations is as follows:

	2022	2021
	£	£
Sale of goods	35,651,481	16,073,239
Rendering of services	26,063,206	10,693,061
Grants received	145,919	180,942
Other revenue	111,750	69,141
	<u>61,972,356</u>	<u>27,016,383</u>

All revenue arises from the United Kingdom.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

4 Other operating income

The analysis of the group's other operating income for the year is as follows:

	2022 £	2021 £
Government grants	-	302,728
Rental income	1,640,041	708,426
	<u>1,640,041</u>	<u>1,011,154</u>

5 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	4,094,057	1,935,625
Amortisation expense	876,003	174,400
(Profit)/loss on disposal of fixed assets	(393,629)	45,814
Auditor's remuneration - The audit of the company's annual accounts	<u>13,500</u>	<u>12,750</u>

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	7,239,260	3,397,544
Social security costs	695,008	334,741
Pension costs, defined contribution scheme	327,117	65,771
	<u>8,261,385</u>	<u>3,798,056</u>

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2022 No.	2021 No.
Production	60	34
Administration and support	80	32
Sales, marketing and distribution	93	48
Distribution	16	11
	<u>249</u>	<u>125</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	160,000	145,259
Contributions paid to money purchase schemes	181,912	2,349
	<u>341,912</u>	<u>147,608</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>-</u>

8 Auditor's remuneration

	2022	2021
	£	£
Audit of these financial statements	13,500	12,750
Audit of the financial statements of subsidiaries of the company pursuant to legislation	32,500	30,000
	<u>46,000</u>	<u>42,750</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

9 Other interest receivable and similar income

	2022	2021
	£	£
Interest income on bank deposits	48,101	10,193
Other finance income	58,431	30,933
	<u>106,532</u>	<u>41,126</u>

10 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and borrowings	183,818	73,888
Interest on preference shares	214,889	105,375
Interest on obligations under finance leases and hire purchase contracts	272,313	52,568
Interest expense on other finance liabilities	105,239	363,063
Other finance costs	863,306	-
	<u>1,639,565</u>	<u>594,894</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

11 Taxation

Tax charged/(credited) in the profit and loss account

	2022 £	2021 £
Current taxation		
UK corporation tax	809	517,315
UK corporation tax adjustment to prior periods	(134,022)	-
	<u>(133,213)</u>	<u>517,315</u>
Deferred taxation		
Arising from origination and reversal of timing differences	1,269,000	300,134
Tax expense in the income statement	<u>1,135,787</u>	<u>817,449</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2021 - higher than the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>8,622,018</u>	<u>2,596,339</u>
Corporation tax at standard rate	1,638,183	493,304
Effect of expense not deductible in determining taxable profit (tax loss)	70,756	22,495
Deferred tax (credit)/expense relating to changes in tax rates or laws	(17,609)	169,816
Deferred tax credit from unrecognised temporary difference from a prior period	(101,321)	-
Decrease in UK and foreign current tax from adjustment for prior periods	(128,729)	-
Tax (decrease)/increase from effect of capital allowances and depreciation	(383,178)	104,453
Tax (decrease)/increase from other short-term timing differences	(8,458)	37,607
Tax increase from effect of unrelieved tax losses carried forward	60,125	-
Tax decrease from effect of adjustment in research and development tax credit	(3,949)	(10,226)
Tax increase from effect of indexation allowance on capital gains	<u>9,967</u>	<u>-</u>
Total tax charge	<u>1,135,787</u>	<u>817,449</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

Deferred tax

Group

Deferred tax assets and liabilities

	Asset £	Liability £
2022		
Accumulated depreciation in excess of taxation allowances	-	4,201,000
Tax losses carried forward	1,476,000	-
	<u>1,476,000</u>	<u>4,201,000</u>
2021		
Accumulated depreciation in excess of taxation allowances	-	1,456,000
	<u>-</u>	<u>1,456,000</u>

12 Intangible assets

Group

	Goodwill £	Customer related intangibles £	Websites and branding £	Other intangible assets £	Total £
Cost or valuation					
At 1 April 2021	1,186,490	2,639	2,586	29,498	1,221,213
Acquired through business combinations	107,550	-	-	-	107,550
Additions acquired separately	-	-	-	262,378	262,378
Transfers	-	-	-	267,506	267,506
At 31 March 2022	<u>1,294,040</u>	<u>2,639</u>	<u>2,586</u>	<u>559,382</u>	<u>1,858,647</u>
Amortisation					
At 1 April 2021	167,213	2,634	2,586	1,967	174,400
Amortisation charge	340,222	5	-	535,776	876,003
At 31 March 2022	<u>507,435</u>	<u>2,639</u>	<u>2,586</u>	<u>537,743</u>	<u>1,050,403</u>
Carrying amount					
At 31 March 2022	<u>786,605</u>	<u>-</u>	<u>-</u>	<u>21,639</u>	<u>808,244</u>
At 31 March 2021	<u>1,019,277</u>	<u>5</u>	<u>-</u>	<u>27,531</u>	<u>1,046,813</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

13 Tangible assets

Group

	Freehold land and buildings £	Investment properties £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 April 2021	21,954,596	15,599,442	2,635,279	26,513,505	66,702,822
Acquired through business combinations	241,855	-	182,855	222,500	647,210
Additions	425,547	37,434	1,854,161	7,836,000	10,153,142
Disposals	-	-	(194,204)	(3,393,912)	(3,588,116)
Transfers	174,297	-	-	(651,014)	(476,717)
At 31 March 2022	<u>22,796,295</u>	<u>15,636,876</u>	<u>4,478,091</u>	<u>30,527,079</u>	<u>73,438,341</u>
Depreciation					
At 1 April 2021	272,791	-	317,274	1,338,223	1,928,288
Charge for the year	396,852	-	633,768	3,063,437	4,094,057
Eliminated on disposal	-	-	(26,711)	(451,164)	(477,875)
At 31 March 2022	<u>669,643</u>	<u>-</u>	<u>924,331</u>	<u>3,950,496</u>	<u>5,544,470</u>
Carrying amount					
At 31 March 2022	<u>22,126,652</u>	<u>15,636,876</u>	<u>3,553,760</u>	<u>26,576,583</u>	<u>67,893,871</u>
At 31 March 2021	<u>21,681,805</u>	<u>15,599,442</u>	<u>2,318,005</u>	<u>25,175,282</u>	<u>64,774,534</u>

Revaluation

The fair value of the group's investment properties was determined on 31 March 2022. The valuations have been carried out by the directors on an open market basis based on expected rental yields. Had this class of asset been measured on a historical cost basis, their carrying amount would have been £12,399,978 (2021: £12,362,544).

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2022 £	2021 £
Plant and machinery	16,874,512	15,840,734
Motor vehicles	689,239	184,234
	<u>17,563,751</u>	<u>16,024,968</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

14 Investments

Company

	31 Mar 22 £	31 Mar 21 £
Investments in subsidiaries at cost	<u>50,600,001</u>	<u>50,600,001</u>

Details of undertakings

Details of the company's investments:

Undertaking	Holding	Proportion of voting rights and shares held	
		2022	2021
Subsidiary undertakings			
A E Stuart No2 Limited	Ordinary shares	100%	100%
Stuart Partners Limited	Ordinary shares	100%	100%
Stuarts Truck and Bus Limited	Ordinary shares	100%	100%
EMS Waste Services Limited	Ordinary shares	100%	100%
Exeter Waste to Energy Limited	Ordinary shares	100%	100%
Brooke Energy Group Limited (**)	Ordinary shares	60%	60%
Brooke Energy (Jewells) Limited (*) (**)	Ordinary shares	60%	60%
Brooke Energy (Exeter) Limited (*) (**)	Ordinary shares	60%	60%
Brooke Energy (Winchester) Limited (*) (**)	Ordinary shares	60%	60%
Brooke Energy (Engineering) Limited (*) (**)	Ordinary shares	60%	60%
Brooke Additives Limited (*) (**)	Ordinary shares	60%	60%
Green Otter Limited (*) (**)	Ordinary shares	60%	60%
Natural Woodshavings Limited (*) (**)	Ordinary shares	60%	60%
Brooke Biomass Limited (*) (**)	Ordinary shares	60%	60%
Renewable Asset Limited (*) (***)	Ordinary shares	60%	60%

The registered address of all subsidiaries is the same as the company's, except as per notes (**) and (***) below.

(*) Investments are indirectly held.

(**) The registered address of these subsidiaries is Jewells Hemyock, Cullompton, Devon, EX15 3PX.

(***) The registered address of these subsidiaries is RSM Northern Ireland, Number One, Lanyon Quay, Belfast, BT1 3LG.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

15 Stocks

	2022 £	Group 2021 £	2022 £	Company 2021 £
Livestock	609,373	492,130	-	-
Harvested crops	2,756	59,241	-	-
Growing crops	277,831	153,491	-	-
Other farm stocks	184,555	120,340	-	-
Parts for resale	920,728	735,490	-	-
Truck stock	8,621,698	3,815,847	-	-
Development stock	772,327	649,638	-	-
	<u>11,389,268</u>	<u>6,026,177</u>	<u>-</u>	<u>-</u>

16 Debtors

		2022 £	Group 2021 £	2022 £	Company 2021 £
Current	Note				
Trade debtors		7,754,203	5,598,497	-	-
Amounts owed by related parties	25	-	-	12,534,676	11,600,480
Other debtors		4,374,635	3,743,741	-	-
Prepayments		921,501	2,581,677	-	-
Income tax asset	11	713,342	-	43,200	-
		<u>13,763,681</u>	<u>11,923,915</u>	<u>12,577,876</u>	<u>11,600,480</u>

17 Cash and cash equivalents

	2022 £	Group 2021 £	2022 £	Company 2021 £
Cash at bank	<u>15,728,423</u>	<u>9,150,335</u>	<u>-</u>	<u>-</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

18 Creditors

	Note	2022 £	Group 2021 £	2022 £	Company 2021 £
Due within one year					
Loans and borrowings	19	7,606,369	6,936,057	3,850,000	4,150,000
Trade creditors		5,554,314	4,582,676	-	-
Corporation tax		109	474,559	-	28,022
Social security and other taxes		894,762	852,624	4,682	4,459
Outstanding defined contribution pension costs		32,266	33,205	-	-
Other creditors		9,745,036	5,205,223	-	-
Accrued expenses		8,612,459	4,904,830	-	-
		<u>32,445,315</u>	<u>22,989,174</u>	<u>3,854,682</u>	<u>4,182,481</u>
Due after one year					
Loans and borrowings	19	<u>23,749,793</u>	<u>24,499,456</u>	<u>10,000,000</u>	<u>10,000,000</u>

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

19 Loans and borrowings

	2022 £	Group 2021 £	2022 £	Company 2021 £
Current loans and borrowings				
Bank borrowings	1,227,638	467,495	-	-
HP and finance lease liabilities	2,528,731	2,118,562	-	-
Redeemable preference shares	2,000,000	2,000,000	2,000,000	2,000,000
Other borrowings	1,850,000	2,350,000	1,850,000	2,150,000
	<u>7,606,369</u>	<u>6,936,057</u>	<u>3,850,000</u>	<u>4,150,000</u>

	2022 £	Group 2021 £	2022 £	Company 2021 £
Non-current loans and borrowings				
Bank borrowings	6,663,133	7,747,455	-	-
HP and finance lease liabilities	7,086,660	6,752,001	-	-
Redeemable preference shares	2,500,000	2,500,000	2,500,000	2,500,000
Non-redeemable preference shares	7,500,000	7,500,000	7,500,000	7,500,000
	<u>23,749,793</u>	<u>24,499,456</u>	<u>10,000,000</u>	<u>10,000,000</u>

Group

Included in the loans and borrowings are the following amounts due after more than five years:

	2022 £	2021 £
After more than five years by instalments	-	540,579

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

20 Secured creditors

The following amounts are secured on the assets of the group:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Due within one year				
Bank borrowings	1,227,638	467,495	-	-
HP and finance lease liabilities	<u>2,528,731</u>	<u>2,118,562</u>	<u>-</u>	<u>-</u>
	<u>3,756,369</u>	<u>2,586,057</u>	<u>-</u>	<u>-</u>
Due after one year				
Bank borrowings	6,663,133	7,747,455	-	-
HP and finance lease liabilities	7,086,660	6,752,001	-	-
Non-redeemable preference shares	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>	<u>7,500,000</u>
	<u>21,249,793</u>	<u>21,999,456</u>	<u>7,500,000</u>	<u>7,500,000</u>

Bank balances are secured by a fixed and floating charge over the assets of the group. Obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

21 Deferred tax and other provisions

Group

	Deferred tax	Other provisions	Total
	£	£	£
At 1 April 2021	1,456,000	107,228	1,563,228
Increase (decrease) in existing provisions	<u>1,269,000</u>	<u>4</u>	<u>1,269,004</u>
At 31 March 2022	<u>2,725,000</u>	<u>107,232</u>	<u>2,832,232</u>

Other provisions relates to the cost of final restoration of the group's inert landfill site and dilapidations on leased properties. These costs may be impacted by a number of factors including changes in legislation and technology.

A E Stuart Limited

Notes to the Financial Statements

Year Ended 31 March 2022

22 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £327,117 (2021 - £65,771).

Contributions totalling £32,266 (2021 - £33,205) were payable to the scheme at the end of the year and are included in creditors.

23 Share capital

Allotted, called up and fully paid shares

	31 March 2022		31 March 2021	
	No.	£	No.	£
A Ordinary shares of £1 each	80	80	80	80
B Ordinary shares of £1 each	14,545,374	14,545,374	14,545,374	14,545,374
C Preference shares of £1 each	7,500,000	7,500,000	7,500,000	7,500,000
D Preference shares of £1 each	4,500,000	4,500,000	4,500,000	4,500,000
	<u>26,545,454</u>	<u>26,545,454</u>	<u>26,545,454</u>	<u>26,545,454</u>

All dividends have been paid on the B Ordinary shares.

Rights, preferences and restrictions

A Ordinary shares have the following rights, preferences and restrictions:

Shareholders are entitled to one vote per share and ranking pari passu on a winding up. No resolution can be passed in a General Meeting without a majority of A Ordinary shareholders voting in favour.

B Ordinary shares have the following rights, preferences and restrictions:

Shareholders are entitled to one vote per share and ranking pari passu on a winding up.

C Preference shares have the following rights, preferences and restrictions:

Non-voting shares. On a winding up, the shareholders are entitled to par value only, ranking behind D preference shares, but ahead of A Ordinary shares and B Ordinary shares. Shareholders are entitled to a cumulative annual dividend, being the higher of 2% of the nominal value or 1.25% plus base rate of the nominal value.

D preference shares have the following rights, preferences and restrictions:

Non-voting shares. On a winding up, the shareholders are entitled to par value only, ranking ahead of C preference shares, A Ordinary shares and B Ordinary shares. Shareholders are entitled to a cumulative annual dividend of 1.25% plus base rate of the nominal value. The shares are redeemable on the terms set out in the Company's articles.

A E Stuart Limited

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Year Ended 31 March 2022

24 Financial guarantee contracts

Company

The company is party to a group guarantee and has guaranteed the borrowings of its subsidiaries with NatWest Bank plc. NatWest Bank plc has fixed and floating charges over the assets of the group.

The amount guaranteed at the balance sheet date was £nil (2021: £nil).

25 Related party transactions

Group

Transactions with directors

The group operates current accounts with its directors and their close family. These amounts are repayable on demand and net interest totalling £25,874 (2021: £21,690) has been accrued during the year on these balances.

At the balance sheet date the principal amount due to these individuals was £1,858,070 (2021: £1,369,252).

Summary of transactions with all subsidiaries

The group provides finance to Brooke Energy Group Limited and its subsidiaries (BEG).

During the year the group advanced £2,382,114 (2021: £2,869,780) to BEG and received repayments of £2,706,815 (2021: £500,000). Interest of £69,916 (2021: £236,995) was charged on these amounts during the year. At the balance sheet date, the balance outstanding was £12,519,615 (2021: £12,774,400).

The funding is structured to be repaid by 30 June 2030, subject to the generation of free cashflow which is reviewed monthly.

Furthermore, BEG trades with other subsidiaries in the group, primarily renting property. Invoices totalling £202,500 (2021: £75,000) have been raised in the year and amounts outstanding are included in the loan balance above.

Summary of transactions with other related parties

Entities in which certain directors have significant influence

The group provides long term funding to an entity under the control of two of its directors. These amounts are not subject to a formal agreement. At the balance sheet date £2,479,824 (2021: £2,848,844) was due from the entity. On these amounts, interest totalling £58,431 (2021: £35,312) has been charged during the year.

Additionally, the group operates a treasury facility for the group and related companies. At the year end it was holding £2,956,769 (2021: £955,537) on behalf of a company under the control of one of its directors.

A E Stuart Limited

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Year Ended 31 March 2022

Company

During the prior period the Company acquired the entire share capital of AES No2 Limited (formerly A E Stuart Limited) from its directors. The consideration given consisted of the share capital detailed in note 23 and unsecured loan notes totalling £2.5m.

The loan notes issued attract interest at a rate of 2% above the Bank of England base rate which totalled £46,048 (2021: £22,295) during the year. The notes are redeemable in 6 monthly intervals at a minimum value of £100,000 every 6 months. During the year, £300,000 (2021: £350,000) of the loan notes had been redeemed leaving £1.85m (2021: £2.15m) outstanding at the balance sheet date. All loan notes are held by the directors and their close family.

26 Analysis of changes in net debt

Group

	At 1 April 2021 £	Cash flow £	Other non cash changes £	At 31 March 2022 £
Cash at bank and on hand	9,150,335	6,578,088	-	15,728,423
Bank overdrafts	-	-	-	-
Cash and cash equivalents	9,150,335	6,578,088	-	15,728,423
Bank borrowings	(8,214,950)	324,179	-	(7,890,771)
Finance lease liabilities	(8,870,563)	(744,828)	-	(9,615,391)
Other borrowings	(2,350,000)	500,000	-	(1,850,000)
Net debt	<u>(10,285,178)</u>	<u>6,657,439</u>	<u>-</u>	<u>(3,627,739)</u>

27 Parent and ultimate parent undertaking

The ultimate controlling party is Troy Stuart.