

LONGCLIFFE QUARRIES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

LONGCLIFFE QUARRIES LIMITED

COMPANY INFORMATION

Directors	R J G Shields J F G Shields M Barkley (resigned 3 August 2022) P M Boustead (appointed 30 April 2022) I Gorbould I McDonald D E Mooney (appointed 29 September 2022) V G Russell (resigned 31 March 2023) O G Stephenson C Wainwright
Company secretary	I Gorbould
Registered number	00273400
Registered office	Longcliffe Brassington Matlock Derbyshire DE4 4HN
Independent auditors	Shorts Chartered Accountants & Statutory Auditor Cedar House 63 Napier Street Sheffield South Yorkshire S11 8HA

LONGCLIFFE QUARRIES LIMITED

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023

Introduction

The directors present their Strategic Report for the year ended 31 March 2023.

Principal activity

The principal activity of the Company has continued to be the extraction of minerals, producing high purity calcium carbonate products for industrial applications.

Business review

The Company had another profitable year, recording profits before tax of £4,230,559 (2022 - £3,164,167).

Trading conditions continue to be challenging with inflation, recruitment and resource availability all presenting problems. The Company's balance sheet strength and favourable cash position will ensure these challenges are overcome. The directors are confident of delivering another profitable result in 2024.

The progress of the business has continued to be supported by significant investment in capital expenditure.

Principal risks and uncertainties

Owing to the nature of the Company's activities and the transport fleet operated, the volatility of energy prices is a risk to the business. The Company manages this risk by entering into supply contracts at the most opportune time, although fuel prices are subject to changes in worldwide markets.

The Company has exposure to interest rate fluctuations with bank borrowings being based on variable rates. The directors consider that the risk of material impact as a result of a change in rates is small and can be accommodated through cash flows arising from forecast performance. The Company's banking facilities have been renewed and are considered adequate going forward. Short-term flexibility is achieved by overdraft facilities.

Credit risk arises on financial instruments such as trade debtors. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history and make payments in accordance with terms. Debtors are stated net of provision.

From the Balance Sheet date to the date of this report the directors have considered the trading position of the Company, along with future cash flow forecasts, and consider that the Company will be able to operate within the existing bank facility.

The directors have renewed the existing banking facilities for the Group which provide low-cost funding and sufficient working capital to support the trading expectations going forward.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Financial key performance indicators

The directors use a number of key performance indicators to monitor performance of the business which include the following:

Gross margin: 32.2% (2022: 32.3%)

Turnover by employee: £243,000 (2022: £215,000)

Section 172 Statement - Directors' statement of compliance with duty to promote the success of the Company

Longcliffe Quarries: Stakeholder Engagement

As the Board of Directors at Longcliffe Quarries, we have a legal responsibility under section 172 of the Companies Act 2006 to act in the way we consider, in good faith, would be most likely to promote the Company's success for the benefit of its members as a whole, and to have regard to the long-term effect of our decisions on the Company and its stakeholders. This statement addresses the ways in which we as a board satisfy this responsibility.

Promoting the Company's success for its members

Longcliffe Group was established in 1927 by the Shields family and continues to be owned and operated by them today. We are proud that over almost a century we have provided employment, training and income to the employees and members.

The Longcliffe Group comprises businesses involved predominantly in quarrying but also in renewable energy. The main quarrying business is one of the largest independent quarrying companies in the country. At the heart of the Group is our focus on providing a quality product, providing added value solutions to our customers and the continued acquisition of minerals and planning to sustain the quarry processing and operations.

Engaging with stakeholders

Our key stakeholders, and the ways in which we engage with them, are as follows:

Our employees

We rely upon a specialist highly skilled workforce to run our quarries and distribute our product. Our businesses are renowned for high levels of customer care and satisfaction, and this can only be achieved with the involvement of a content and dedicated workforce.

Recruitment and retention of staff at all levels is therefore critical to our success. We engage with our workforce by:

- Setting remuneration at market-leading rates and rewarding performance with bonuses at all levels in all businesses
- Providing structured training and development support
- Providing apprenticeship training where appropriate
- Involving all employees in regular business trading updates delivered in person by the Group MD
- Issuing merit awards for worthwhile acts and ideas

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023

Our customers and suppliers

We provide high quality goods and services to our customers at the right time and at the right price. We pride ourselves on being always available to our customers to respond to their needs. Our highly trained and experienced field-based employees maintain regular ongoing relationships with our customers to ensure a detailed understanding of their requirements.

Over nearly 100 years enduring relationships have also been established with our suppliers who are, where possible, sourced from the local area. Longcliffe Quarries has a reputation as a fair and transparent business partner.

Our community

As a family run company with roots in the local area, we have through our Longcliffe Community Fund invested heavily with charitable donations and support programmes. We aid the local parish councils and actively support local and grass roots businesses.

Sponsorships are also made to local schools and sports teams. We also engage with our local schools by hosting educational trips to the quarries.

Our planet

The quarrying industry plays a vital role in maintaining and improving biodiversity and Longcliffe is passionately committed to the protection of the environment. We always strive to be a good neighbour and our substantial investment in environmentally friendly measures will ensure a lasting legacy for the benefit of the future generations. We adopt the latest continuous improvement training, techniques and technology through our Operational Fundamentals programme, setting targets for the reduction of energy consumption and carbon emissions. We aim to reduce our use of fossil fuels in our operations, primarily production and transport and through energy efficiency and seeking alternative renewable energy sources. This has led to an overall target of net zero carbon by 2027.

This report was approved by the board on 2 August 2023 and signed on its behalf.

I Gorbould

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors present their report and the financial statements for the year ended 31 March 2023.

Results and dividends

The profit for the year, after taxation, amounted to £3,079,786 (2022 - £2,979,900).

Particulars of dividends are disclosed in note 12.

Directors

The directors who served during the year were:

R J G Shields
J F G Shields
M Barkley (resigned 3 August 2022)
P M Boustead (appointed 30 April 2022)
I Gorbould
D E Mooney (appointed 29 September 2022)
V G Russell (resigned 31 March 2023)
O G Stephenson
C Wainwright

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

LONGCLIFFE QUARRIES LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Future developments

The Company is committed to a capital expenditure plan to both maintain and improve its service provision and product offering. This will enable it to take advantage of demand fluctuations across the varied market sectors it sells into.

Research and development activities

Research and development expenditure during the year has been concentrated on the development of new processes for value added limestone products.

Disclosure of information to auditors

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

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

Post balance sheet events

No post balance sheet events have been noted.

Auditors

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

This report was approved by the board on 2 August 2023 and signed on its behalf.

I Gorbould

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGCLIFFE QUARRIES LIMITED

Opinion

We have audited the financial statements of Longcliffe Quarries Limited (the 'Company') for the year ended 31 March 2023, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGCLIFFE QUARRIES LIMITED (CONTINUED)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGCLIFFE QUARRIES LIMITED (CONTINUED)

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement team collectively had the appropriate competence, capabilities and skills to identify and recognise non-compliance with applicable laws and regulations; and
- through discussions with the directors and other management and from our commercial knowledge, we identified the laws and regulations applicable to the Company.

We assessed the susceptibility of the Company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed the general ledger entries during the year to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims;
- considering relationships with HMRC and other relevant regulators; and
- reviewing legal and professional costs to identify any indicators of litigation.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LONGCLIFFE QUARRIES LIMITED (CONTINUED)

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

Use of our report

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

Andrew Irvine (Senior Statutory Auditor)

for and on behalf of

Shorts

Chartered Accountants
Statutory Auditor

Cedar House
63 Napier Street
Sheffield
South Yorkshire
S11 8HA

2 August 2023

LONGCLIFFE QUARRIES LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £	2022 £
Turnover	4	46,231,381	42,290,757
Cost of sales		(31,362,233)	(28,624,195)
Gross profit		14,869,148	13,666,562
Administrative expenses		(11,112,443)	(11,639,906)
Other operating income	5	432,979	499,081
Fair value movements on investment properties		(1,081,791)	(624,988)
Operating profit	6	3,107,893	1,900,749
Income from shares in group undertakings		1,800,000	1,763,684
Interest receivable and similar income		-	3,011
Interest payable and similar expenses	10	(677,334)	(503,277)
Profit before tax		4,230,559	3,164,167
Tax on profit	11	(1,150,773)	(184,267)
Profit for the financial year		3,079,786	2,979,900
Other comprehensive income for the year			
Actuarial gains on defined benefit pension scheme		704,000	2,545,000
Movement of deferred tax relating to pension deficit		(176,000)	(636,250)
Other comprehensive income for the year		528,000	1,908,750
Total comprehensive income for the year		3,607,786	4,888,650

The notes on pages 14 to 35 form part of these financial statements.

LONGCLIFFE QUARRIES LIMITED
REGISTERED NUMBER: 00273400

BALANCE SHEET
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	13	16,565,120	17,599,862
Investments	14	3,140,502	3,140,502
Investment property	15	14,121,538	16,419,716
		<u>33,827,160</u>	<u>37,160,080</u>
Current assets			
Stocks	16	571,280	544,467
Debtors: amounts falling due after more than one year	17	759,000	1,191,500
Debtors: amounts falling due within one year	17	12,774,567	10,770,391
Cash at bank and in hand		3,063,445	2,092,891
		<u>17,168,292</u>	<u>14,599,249</u>
Creditors: amounts falling due within one year	18	(12,883,714)	(12,651,821)
Net current assets		<u>4,284,578</u>	<u>1,947,428</u>
Total assets less current liabilities		<u>38,111,738</u>	<u>39,107,508</u>
Creditors: amounts falling due after more than one year	19	(10,393,154)	(12,894,179)
Provisions for liabilities			
Deferred tax	22	(1,877,440)	(1,886,287)
Net assets excluding pension liability		<u>25,841,144</u>	<u>24,327,042</u>
Pension liability		(3,036,000)	(4,766,000)
Net assets		<u><u>22,805,144</u></u>	<u><u>19,561,042</u></u>

LONGCLIFFE QUARRIES LIMITED
REGISTERED NUMBER: 00273400

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

	Note	2023 £	2022 £
Capital and reserves			
Called up share capital		145,474	145,474
Share premium account	23	234,375	234,375
Capital redemption reserve	23	16,493	16,493
Profit and loss account	23	22,408,802	19,164,700
		<u>22,805,144</u>	<u>19,561,042</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 2 August 2023.

R J G Shields
Director

I Gorbould
Director

The notes on pages 14 to 35 form part of these financial statements.

LONGCLIFFE QUARRIES LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2021	145,474	234,375	16,493	14,639,734	15,036,076
Comprehensive income for the year					
Profit for the year	-	-	-	2,979,900	2,979,900
Actuarial gains on defined benefit pension scheme net of deferred tax	-	-	-	1,908,750	1,908,750
Total comprehensive income for the year	-	-	-	4,888,650	4,888,650
Dividends: Equity capital	-	-	-	(363,684)	(363,684)
At 1 April 2022	145,474	234,375	16,493	19,164,700	19,561,042
Comprehensive income for the year					
Profit for the year	-	-	-	3,079,786	3,079,786
Actuarial gains on defined benefit pension scheme net of deferred tax	-	-	-	528,000	528,000
Total comprehensive income for the year	-	-	-	3,607,786	3,607,786
Dividends: Equity capital	-	-	-	(363,684)	(363,684)
At 31 March 2023	145,474	234,375	16,493	22,408,802	22,805,144

The notes on pages 14 to 35 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

1. General information

Longcliffe Quarries Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 00273400). The registered office address is Longcliffe, Brassington, Matlock, Derbyshire, DE4 4HN. The principal activity of the business in the year remained that of quarrying activities.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Longcliffe Group Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have prepared budgets and forecasts, based upon all information available, which demonstrate sufficient cash resources will be available to the Company to ensure it can meet its financial obligations as they fall due for the foreseeable future, this being the period covering at least twelve months from the date of approval of these financial statements. For these reasons they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.5 Revenue recognition

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

Revenue is recognised at the point of delivery of goods.

2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.7 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

The Company operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.8 Interest income

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

2.9 Finance costs

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

2.10 Current and deferred taxation

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.11 Tangible fixed assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 20 - 50 years
Plant and machinery	- 3 - 15 years

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

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

2.12 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.15 Debtors

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

2.16 Creditors

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

2.17 Financial instruments

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

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.18 Provisions for liabilities

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

The Company is obliged to return the principal asset of the business to a condition specified by local planning law and permissions. A calculation has been made based on estimated costs to be incurred in the various stages of plant decommissioning and land remediation expected to be required in the future at the end of the life of the quarries. This provision will be built up each year based on the expected output of the quarries over their expected life.

2.19 Dividends

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

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing the financial statements, management are required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

The key estimates used in the preparation of the financial statements are as follows:

The pension liability has been valued by an actuary in accordance with FRS 102. Key estimates applied in the valuation of the pension scheme include inflation, discount rate and mortality rates. Management consider the estimates applied by the actuary to be reasonable.

Estimates have been made in the calculation of the decommissioning provision of future costs to be incurred in the plant decommissioning and land remediation as well as the expected future output of the quarries.

Investment property is recognised at fair value, subject to property valuations which are in themselves an estimate by an external expert.

Similarly, the depreciation rates adopted for all classes of property, plant and equipment are an estimate based on management's best estimate of the use and longevity of the asset.

The carrying value of overage rights are based on a valuation provided by management's external expert.

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

The whole of the turnover is attributable to the single business activity.

All turnover arose within the United Kingdom.

5. Other operating income

	2023 £	2022 £
Other operating income	229,641	231,112
Net rents receivable	203,338	267,969
	<u>432,979</u>	<u>499,081</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £	2022 £
Depreciation charge on owned assets	1,020,697	1,600,558
Depreciation of assets held under hire purchases	1,310,310	653,276
Profit on sale of tangible assets	(347,926)	(321,461)
Exchange differences	-	(6,906)
Other operating lease rentals	329,806	326,518
Defined contribution pension cost	<u>639,240</u>	<u>613,928</u>

7. Auditors' remuneration

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>38,000</u>	<u>34,000</u>

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

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

8. Employees

Staff costs, including directors' remuneration, were as follows:

	2023 £	2022 £
Wages and salaries	9,352,463	9,166,816
Social security costs	1,104,328	989,550
Cost of defined contribution pension scheme	639,240	613,932
	<u>11,096,031</u>	<u>10,770,298</u>

Other pension costs are charged in respect of the defined benefit pension scheme with £113,000 (2022:£154,000) being recognised within the Statement of Comprehensive Income.

Finance charges in respect of the defined benefit pension scheme are shown within Note 10, with actuarial movements, net of deferred tax, being shown within other comprehensive income.

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

	2023 No.	2022 No.
Production, distribution and sales	101	108
Management and administrative	89	89
	<u>190</u>	<u>197</u>

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	1,680,083	1,489,587
Company contributions to defined contribution pension schemes	219,343	50,568
	<u>1,899,426</u>	<u>1,540,155</u>

During the year retirement benefits were accruing to 4 directors (2022 - 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £457,156 (2022 - £438,332).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

The value of the Company's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £NIL (2022 - £NIL).

The total accrued pension provision of the highest paid director at 31 March 2023 amounted to £NIL (2022 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 March 2023 amounted to £NIL (2022 - £NIL).

10. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	353,817	175,476
Other loan interest payable	110,003	75,333
Finance leases and hire purchase contracts	100,514	98,468
Net interest on defined benefit pension liability	113,000	154,000
	<u>677,334</u>	<u>503,277</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

11. Taxation

	2023 £	2022 £
Corporation tax		
Current tax on profits for the year	636,276	-
Adjustments in respect of previous periods	266,844	(63,718)
Total current tax	903,120	(63,718)
Deferred tax		
Origination and reversal of timing differences	247,653	247,985
Total deferred tax	247,653	247,985
Tax on profit	1,150,773	184,267

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit before tax	4,230,559	3,164,167
Profit multiplied by standard rate of corporation tax in the UK of 19%	803,806	601,192
Effects of:		
Expenses not deductible for tax purposes	517,467	596,601
Adjustments to tax charge in respect of previous periods	266,844	(63,718)
Non-taxable income	(342,000)	(335,100)
Remeasurement of deferred tax for changes in tax rates	126,804	(59,826)
Other differences leading to a decrease in the tax charge	(222,148)	(299,375)
Group relief	-	(255,507)
Total tax charge for the year	1,150,773	184,267

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

12. Dividends

	2023 £	2022 £
Ordinary dividends	<u>363,684</u>	<u>363,684</u>

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Total £
Cost			
At 1 April 2022	4,710,527	46,197,351	50,907,878
Additions	370,045	946,526	1,316,571
Disposals	-	(1,454,394)	(1,454,394)
At 31 March 2023	<u>5,080,572</u>	<u>45,689,483</u>	<u>50,770,055</u>
Depreciation			
At 1 April 2022	779,963	32,528,053	33,308,016
Charge for the year on owned assets	11,964	2,319,043	2,331,007
Disposals	-	(1,434,088)	(1,434,088)
At 31 March 2023	<u>791,927</u>	<u>33,413,008</u>	<u>34,204,935</u>
Net book value			
At 31 March 2023	<u>4,288,645</u>	<u>12,276,475</u>	<u>16,565,120</u>
At 31 March 2022	<u>3,930,564</u>	<u>13,669,298</u>	<u>17,599,862</u>

Freehold property includes land other than that which is currently being quarried amounting to £1,650,783 (2022: £2,821,943).

The net book value of assets held under finance leases or hire purchase contracts, included above within plant and machinery, was £3,502,256 (2022: £5,541,120).

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

14. Fixed asset investments

	Investments in subsidiary companies £	Other fixed asset investments £	Total £
Cost			
At 1 April 2022	2,551,002	3,139,500	5,690,502
At 31 March 2023	2,551,002	3,139,500	5,690,502
Impairment			
At 1 April 2022	2,550,000	-	2,550,000
At 31 March 2023	2,550,000	-	2,550,000
Net book value			
At 31 March 2023	1,002	3,139,500	3,140,502
At 31 March 2022	1,002	3,139,500	3,140,502

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Principal activity	Class of shares	Holding
Avochie Granite Co. Limited	Dormant		100
Longcliffe Lime Company Limited	Dormant	Ordinary	%
Longcliffe Limited	Dormant	Ordinary	100
Longcliffe Industrial Minerals Limited	Dormant	Ordinary	%
Ryder Point Wind Limited	Wind farming	Ordinary	100
Vital Earth GB Limited	Recycling and composting - now discontinued	Ordinary	%

The other fixed asset investments relate to overage rights on land acquired from a director in the prior year. These overage rights were valued by an independent firm of chartered surveyors.

LONGCLIFFE QUARRIES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Investment property

	Freehold investment property £
Valuation	
At 1 April 2022	16,419,716
Additions at cost	1,667,081
Disposals	(2,883,468)
Surplus on revaluation	(1,081,791)
	<hr/>
At 31 March 2023	<u>14,121,538</u>

The 2023 valuations were made by Cauldwell & Co. Bowlt's Chartered Surveyors, Mather Jamie Limited and Fanshawe White, on an open market value for existing use basis.

If the investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2023 £	2022 £
Historic cost	<u>11,425,447</u>	<u>13,754,415</u>

16. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>571,280</u>	<u>544,467</u>

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

17. Debtors

	2023 £	2022 £
Due after more than one year		
Deferred tax asset	<u>759,000</u>	<u>1,191,500</u>
	2023 £	2022 £
Due within one year		
Trade debtors	10,450,680	9,098,630
Amounts owed by group undertakings	11,794	11,794
Other debtors	369,760	357,302
Prepayments and accrued income	1,942,333	1,252,665
Tax recoverable	-	50,000
	<u>12,774,567</u>	<u>10,770,391</u>

18. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	762,641	1,057,101
Other loans	-	600,000
Trade creditors	6,314,211	5,938,699
Amounts owed to group undertakings	6,212	6,212
Corporation tax	903,120	-
Other taxation and social security	2,155,366	2,049,066
Obligations under finance lease and hire purchase contracts	1,022,414	1,205,788
Other creditors	136,228	197,351
Accruals and deferred income	1,583,522	1,597,604
	<u>12,883,714</u>	<u>12,651,821</u>

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

19. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Bank loans	7,913,312	8,185,678
Other loans	-	1,217,854
Net obligations under finance leases and hire purchase contracts	2,479,842	3,490,647
	<u>10,393,154</u>	<u>12,894,179</u>

Secured loans

During the year, the Company has consolidated their eleven bank loans into one bank loan at the year end. This loan is secured by a fixed and floating charge on the relevant freehold properties. The loan is repayable over a 15 year period with interest charged at 1.75% p.a. above base rate.

Obligations under finance leases and hire purchase contracts are secured by related assets and bear finance charges at normal commercial rates.

20. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	762,641	1,057,101
Other loans	-	600,000
Amounts falling due 1-2 years		
Bank loans	762,641	678,452
Amounts falling due 2-5 years		
Bank loans	2,287,924	280,760
Other loans	-	1,217,854
Amounts falling due after more than 5 years		
Bank loans	4,862,746	7,226,466
	<u>8,675,952</u>	<u>11,060,633</u>

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2023 £	2022 £
Within one year	1,022,414	1,205,788
Between 1-5 years	1,015,460	1,083,112
Over 5 years	1,464,382	2,407,535
	<u>3,502,256</u>	<u>4,696,435</u>

22. Deferred taxation

	2023 £	2022 £
At beginning of year	694,787	(189,448)
Charged to profit or loss	247,653	247,985
Charged to other comprehensive income	176,000	636,250
At end of year	<u>1,118,440</u>	<u>694,787</u>

The deferred tax balance is made up as follows:

	2023 £	2022 £
Revaluation surplus	674,023	666,326
Excess of taxation allowances over depreciation of fixed assets	1,228,485	1,220,706
Pension deficit	(784,068)	(1,192,245)
	<u>1,118,440</u>	<u>694,787</u>
Comprising:		
Asset - due after one year	(759,000)	(1,191,500)
Liability	1,877,440	1,886,287
	<u>1,118,440</u>	<u>694,787</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

23. Reserves

Share premium account

The share premium account is used to record the aggregate amount or value of premiums paid when the Company's shares are issued at an amount in excess of nominal value.

Capital redemption reserve

The reserve records the nominal value of shares repurchased by the Company.

Profit and loss account

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders.

24. Capital commitments

At 31 March 2023, the Company had capital commitments contracted for but not provided in these financial statements of £427,000 (2022: £1,198,797).

At 31 March 2023, the Company had a commitment in place to purchase diesel for a total amount of £NIL (2022: £333,007).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

25. Pension commitments

The Company operates two defined contribution pension schemes.

The assets of the scheme are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to the fund and amounted to £639,240 (2022 - £613,932). Contributions totalling £75,784 (2022 - £73,287) were outstanding at the year end.

The Company operates a defined benefit pension scheme.

The defined benefit pension scheme is for all qualifying employees which is funded by the payment of contributions to separately administered funds. The scheme is closed both to new entrants and to future benefit accruals. The Company made contributions of £1,139,000 during the year (2022 - £1,100,000).

The valuation is based on the most recent comprehensive actuarial valuation dated 31 March 2022 which has been updated by Barnett Waddingham to assess the assets and liabilities of the scheme at 31 March 2023.

Reconciliation of present value of plan liabilities:

	2023 £	2022 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	25,235,000	27,995,000
Interest cost	671,000	545,000
Actuarial gains	(6,807,000)	(1,790,000)
Benefits paid	(739,000)	(1,515,000)
Experience gain on liabilities	(681,000)	-
Changes to demographic assumptions	(147,000)	-
At the end of the year	17,532,000	25,235,000

Reconciliation of present value of plan assets:

	2023 £	2022 £
At the beginning of the year	20,469,000	19,738,000
Interest income	558,000	391,000
Actuarial (losses)/gains	(6,931,000)	755,000
Contributions	1,139,000	1,100,000
Benefits paid	(739,000)	(1,515,000)
At the end of the year	14,496,000	20,469,000

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

25. Pension commitments (continued)

Composition of plan assets:

	2023 £	2022 £
Equities (including property)	13,337,000	16,044,000
Bonds	563,000	3,843,000
Insured pensions	93,000	133,000
Cash	503,000	449,000
Total plan assets	14,496,000	20,469,000
	2023 £	2022 £
Fair value of plan assets	14,496,000	20,469,000
Present value of plan liabilities	(17,532,000)	(25,235,000)
Net pension scheme liability	(3,036,000)	(4,766,000)

The amounts recognised in profit or loss are as follows:

	2023 £	2022 £
Interest on obligation	671,000	545,000
Interest income on plan assets	(558,000)	(391,000)
Total	113,000	154,000

The cumulative amount of actuarial gains and losses recognised in the Statement of Comprehensive Income was £11,543,000 (2022 - £12,247,000).

The Company expects to contribute £1,195,425 to its defined benefit pension scheme in 2024.

LONGCLIFFE QUARRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

25. Pension commitments (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2023 %	2022 %
Discount rate	4.7	2.7
Future salary increases	3.5	3.9
Inflation assumption	2.8	3.2
Mortality rates		
- for a male aged 65 now	21.3 years	21.3 years
- at 65 for a male aged 45 now	22.6 years	22.7 years
- for a female aged 65 now	23.7 years	23.7 years
- at 65 for a female member aged 45 now	25.1 years	25.1 years

Amounts for the current and previous four periods are as follows:

	2023 £	2022 £	2021 £	2020 £	2019 £
Defined benefit obligation	(17,532,000)	(25,235,000)	(27,995,000)	(24,578,000)	(25,451,000)
Unrecognised past service cost	14,496,000	20,469,000	19,738,000	14,456,000	16,066,000
Deficit	(3,036,000)	(4,766,000)	(8,257,000)	(10,122,000)	(9,385,000)

26. Commitments under operating leases

At 31 March 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	922,414	665,186
Later than 1 year and not later than 5 years	2,314,047	1,917,362
Later than 5 years	6,022,850	6,336,359
	9,259,311	8,918,907

Commitments under operating leases include a lease for land and buildings of £300,475 per annum (2022: £300,475 per annum) expiring in 2048.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

27. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

Costs of £325,749 (2022: £365,949) relating to the development of a quarry occupied by Longcliffe Quarries Limited along with other costs of £86,734 have been incurred by R J G Shields (trading as Avochie Estate Sporting Limited) and recharged to the Company. Of this amount, £32,070 (2022: 97,168) is still outstanding at the year end.

The directors' loan account at the year end is in a debtor position of £323,063 (2022: £NIL) as a result of loan notes and their associated interest owed back to Longcliffe Quarries Limited by R J G Shields of £242,206, as well as other debtors which include an amount of £60,712 (2022: £4,071) relating to costs incurred by the Company on behalf of R J G Shields and £20,145 (2022: £NIL) relating to costs incurred by the Company on behalf of J F G Shields.

Costs of £7,563 (2022: £30,250) were incurred during the year relating to office accommodation in Avochie Quarry leased from J F G Shields. Of this amount £7,563 (2022: £15,125) is still outstanding at the year end.

During the prior year a director acquired an investment property from the Company for £1,140,000 in return for transferring to the Company the contingent rights to overage payments over an area of land worth £3,000,000, and the receipt of £104,000 in cash. The balance owed to the director constitutes unsecured loan notes of NIL (2022: £1,756,000) which were repaid in the year.

Pension plan transactions

During the year, payments totalling £170k (2022: £160k) were made to The Longcliffe Quarries (Self-Administered) Pension Plan. This is a private pension plan, of which R J G Shields, J F G Shields (both directors), A M L Shields (wife of R J G Shields), E E G Shields and E A G Shields (daughters of R J G Shields) are the beneficiaries.

Rental charges of £300k (2022: £300k) from Longcliffe Quarries Limited and £164k (2022: £57k) from Vital Earth GB Limited were paid in the year to The Longcliffe Quarries (Self-Administered) Pension Plan in relation to the rental of land. At the year end an amount of £114k was outstanding from VitalEarth GB Limited to the Pension Plan (2022: £NIL)..

28. Controlling party

The immediate and ultimate parent undertaking is Longcliffe Group Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 March 2023 have been drawn up is that headed by Longcliffe Group Limited. Copies of the group accounts are available at Companies House.

The ultimate controlling party is R J G Shields and members of his immediate family, by virtue of their shareholding in the ultimate parent undertaking.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.