

Company Registration No. 01501134

ALDERBURGH LIMITED
Report and Financial Statements
31 December 2022



ALDERBURGH LIMITED

REPORT AND FINANCIAL STATEMENTS

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ALDERBURGH LIMITED

STRATEGIC REPORT

The Directors present the Company's Strategic Report for the year ended 31 December 2022.

The principal activity of the Company is the design and manufacture of flood water defence systems.

Review of the business

The income statement for the year is set out on page 8. The Directors are satisfied with the results for the year and the future prospects of the Company.

The Company's loss for the year before taxation was £768,000 compared to a profit of £519,000 in the year to December 2021. Turnover returned back to pre-pandemic levels in 2021, however, the impact of increased global plastic prices saw a reduction in margins. Enquiry levels remained very strong throughout the year with a busy 2023 expected.

Capital expenditure during the year was £1,096,000 (2021: £379,000).

The Company continues to provide high quality products to the construction industry, thereby maintaining their reputation and increasing demand.

Key performance indicators

The key performance indicators used by the Board to assess performance of the Company are set out in the table below:

KPI	2022	2021
Revenue growth	23.2%	16.1%
Operating (loss) / profit to turnover	(3.0%)	4.0%
(Loss) / profit on ordinary activities before taxation	(£462,000)	£489,000

S172 Statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its members as a whole. Engagement with our shareholders and wider stakeholder groups plays a vital role across the Genuit Group plc and its subsidiaries, including at Board level. One of the primary areas of focus for the Board at any time is the impact its decisions or actions may have on key stakeholder groups represented within the Board's duty under Section 172 of the Companies Act 2006. Further details of the Group's engagement with key stakeholders can be found in the consolidated financial statements of Genuit Group plc.

The Directors have not made any decisions during the year that have had a significant impact on stakeholders.

Further information relating to engagement with stakeholders, employees and environmental responsibilities are included within the Directors' Report.

Principal risks and uncertainties

There are certain risks and uncertainties within the Company that may affect the Company's future performance as follows:

Macroeconomic and political conditions - The Company is dependent on the level of activity in its end markets, especially the construction industry, and is therefore susceptible to any changes in its cyclical economic conditions, Government policy, interest rates, any political and economic uncertainty and impacts of the Russian invasion of Ukraine.

Raw materials supply and pricing - The Company is exposed to security of supply risks in respect of raw materials, components and haulage, including associated cost volatility, due to (amongst other matters) the consequence of economic uncertainty, the Russian invasion of Ukraine, supply interruptions in China (potentially due to Covid-19), the relationship between the UK and the EU post Brexit, fluctuations in the market price of crude oil and other petroleum feedstocks, foreign currency exchange rate movements, and changes to suppliers' capacity.

Business disruption - The Company's manufacturing and distribution operations could be subjected to disruption due to incidents including, but not limited to, fire, failure of equipment, power outages, workforce strikes, pandemics, or unexpected or prolonged periods of severe weather.

Reliance on key customers - The Company is dependent on key customers in highly competitive markets and the Company may fail to adequately manage relationships with these key customers.

Climate change - The increase in frequency, intensity and impact of weather events such as flooding, drought and coastal erosion. The longer-term implications of climate change give rise to the transition risk to address the challenges expediently.

Recruitment and retention of key personnel - The Company is dependent on attracting and retaining people with the right skills, experience and capability as well as the continued wellbeing and mental health of our people.

ALDERBURGH LIMITED

STRATEGIC REPORT (continued)

Failure of information systems or cyber breach - The Company is increasingly dependent on the continued efficient operation of its information systems and is therefore vulnerable to potential failures due to power losses, telecommunication failures, or from a security breach including the increasing levels and evolving tactics of sophisticated cyber criminals targeting businesses.

Health, Safety & Environmental – The Company is subject to the requirements of UK and European environmental and occupational safety and health laws and regulations, including obligations to take the correct measures to prevent fatalities or serious injury, and investigate and clean up environmental contamination on or from properties.

Breach of legislation including UK GDPR, Competition Law, the Bribery Act and Sanctions Compliance – Failure to comply with elements of a significantly increased and still evolving governance, legislative and regulatory business environment including, but not limited to, the UK General Data Protection Regulation, Competition Law, the Bribery Act and Sanctions Compliance.

Product failures - The Company manufactures products that are potentially vital to the safe operation of its customers' products or processes. These products are often incorporated into the fabric of a building or dwelling or buried in the ground as part of an infrastructure system and in each case, it would be difficult to access, repair, recall or replace such products.

Liquidity and funding – The risk that the Company will not be able to meet its short-term liquidity and long-term funding financial obligations as they fall due.

Acquisitions do not perform as expected - The management of acquisitions' activity and their integration play a part in delivering the Company's growth strategy and there is a risk that any acquisitions may not perform as expected.

Foreign currency risk - The risk that the fair value of a financial instrument or future cash flows will fluctuate because of changes in foreign currency exchange rates. The Company's risk relates primarily to its operating activities where the revenue or expense is denominated in a currency other than the functional currency of the entity undertaking the transaction.

Credit risk - The risk that a counterparty of the Company will not be able to meet its obligations under a financial instrument or customer contract. The Company is exposed to credit risk from its trading activities (primarily from trade receivables) and from its financing activities, including deposits with banks.

Approved by the Board and signed on its behalf by:



E G Versluys
Secretary
27 September 2023

ALDERBURGH LIMITED

DIRECTORS' REPORT

The Directors present their report and audited financial statements for the year ended 31 December 2022.

Directors

The Directors who held office during the year and up to the date of signing the financial statements, with all exceptions noted, were as follows:

M K Payne – resigned 28 February 2022

P A James

J M Vorih – appointed 28 February 2022

None of the Directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

Proposed dividend

The Directors do not recommend the payment of a dividend (2021: £nil).

Future developments and outlook

No change in the Company's strategy is anticipated in the foreseeable future.

The Directors continue to be mindful of the risks to the overall pace and sustainability of the economic recovery following the impact of Covid-19. The price increases seen in the latter half of the year are expected to continue and will be addressed within the pricing strategy. The Directors are, however, encouraged by the trading performance and are confident in the Company's position as markets continue to recover.

Employees

The Company has retained its focus on developing and training employees and is committed to providing the appropriate skills and technical training that allows employees to operate effectively and safely in their roles and deliver excellent customer service. As part of our ongoing commitment to excellence, we continue to offer all front-line service personnel accredited training focusing on employee engagement, business relations and customer satisfaction. We continue to develop and roll out training programmes relevant to our people needs which form part of our long-term development cycle to continually enhance our employees' customer service capabilities.

The Directors believe that the organisation performs at its best when employees are motivated and engaged. The Company circulates newsletters, videos and emails, uses blogs, holds business update meetings and hosts employee forums.

Whilst the Company does not have a specific human rights policy, it is a subsidiary of the Genuit Group plc (formerly Polypipe Group plc) which does have an Anti-Slavery policy and a Modern Slavery Act Transparency statement available on its website, within which the zero-tolerance policy towards modern slavery and human trafficking rights violations are stated.

The Company gives every consideration to applicants for employment regardless of their sex, sexual orientation, religion, colour, race, nationality, marital status or disability having regard for their aptitude and ability to adequately perform the role whilst maintaining a safe working environment. Where employees become disabled, the Company makes appropriate and reasonable adjustments to their work environment and/or duties, endeavouring to maintain their employment wherever possible and practicable.

Environment and energy efficiency initiatives

The Company recognises its corporate responsibility to carry out its operations whilst minimising environmental impacts. The Directors' continued aim is to comply with all applicable legislation.

The Company is exempt from the disclosure requirements of the Streamlined Energy and Carbon Reporting Framework ("SECR") for the year ended 31 December 2022 as this information is disclosed in the consolidated financial statements of Genuit Group plc.

Going concern

The Company continues to meet its day-to-day working capital and other funding requirements through a combination of cash generated from operations, cash deposits and long-term funding from the Group as required. As the Company is reliant on the continued support of the Group, due to the way the intra-group funding structure is managed, the Directors have obtained a letter of support from the ultimate parent company, Genuit Group plc, stating that it is their intention to provide financial support for the going concern period up to 31 December 2024.

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 18 months ending 31 December 2024, sales volumes grow in line with or moderately above external construction industry forecasts. In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks and reverse stress testing. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

At 30 June 2023, the Group had available £217.9m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2027, subject to covenant headroom. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue to support the Company in operational existence for a period of at least up to 31 December 2024. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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DIRECTORS' REPORT (continued)

Disclosure of information to the auditors

Each of the Directors has confirmed that as at the date of this report:

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

This confirmation is given and should be interpreted in accordance with the provisions of Section 418 of the Companies Act 2006.

Approved by the Board and signed on its behalf by:



E G Versluys
Secretary
27 September 2023

ALDERBURGH LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

UK 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 UK Generally Accepted Accounting Practice (UK 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 Company and of the profit or loss for that period.

In preparing the Company's financial statements, the Directors are required to:

- present fairly the financial position and financial performance of the Company;
- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- 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;
- provide additional disclosures when compliance with the specific requirements in UK GAAP FRS 101 is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Company financial position and financial performance; 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. 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.

Under applicable law and regulations, the Directors are also responsible for preparing a Strategic Report and Directors' Report, that comply with that law and those regulations. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBURGH LIMITED

Opinion

We have audited the financial statements of Alderburgh Limited for the year ended 31 December 2022 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21, 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 FRS 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the Company's affairs as at 31 December 2022 and of its loss 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's 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the Company's ability to continue to adopt the going concern basis of accounting included understanding the forecast future cashflows, the impact of downside scenarios on the Company's ability to continue as a going concern, and the consistency of management's forecast growth rate with external industry forecasts.

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 the period to 31 December 2024.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's 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 this 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 the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALDERBURGH LIMITED (continued)

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 5, 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.

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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

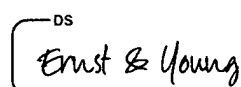
Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 101 "Reduced Disclosure Framework" and Companies Act 2006).
- We understood how the Company is complying with those frameworks by making enquiries of management and those responsible for compliance and legal matters. We corroborated our enquiries through our review of Board minutes and consideration of the results of our audit procedures performed across the Company, including audit procedures in respect of the compliance of these financial statements with the disclosure requirements of FRS 101 and the Companies Act 2006.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur in relation to financial reporting and the effectiveness of the Company's controls and procedures in respect of fraud prevention.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved assessing the appropriateness of account estimates and judgements made by management, reviewing any manual journals with a focus on those posting to revenue and those which have a higher susceptibility to management override of controls, assessing the compliance of the financial statements with the required reporting frameworks, and assessing the Company's compliance with the applicable laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://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.

DS


Chris Robson (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds
29 September 2023

ALDERBURGH LIMITED

INCOME STATEMENT

For the year ended 31 December 2022

	Notes	2022 £'000	2022 £'000
Turnover	5	15,503	12,579
Cost of sales		(12,067)	(9,043)
Gross profit		3,436	3,536
Distribution costs		(1,538)	(1,073)
Administration expenses		(2,358)	(1,966)
Operating (loss) / profit	6	(460)	497
Interest payable and similar charges	9	(2)	(8)
(Loss) / profit on ordinary activities before taxation		(462)	489
Tax on profit / (loss) on ordinary activities	10	(306)	30
(Loss) / profit for the year	20	(768)	519

All results are derived from continuing operations.

ALDERBURGH LIMITED

STATEMENT OF COMPREHENSIVE INCOME For the year ended 31 December 2022

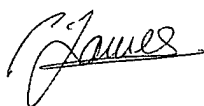
	Notes	2022 £'000	2021 £'000
<i>(Loss) / profit for the year</i>		(768)	519
<i>Other comprehensive income:</i>			
Item that will not be reclassified to profit or loss		-	-
Tax relating to item that will not be reclassified to profit or loss	20	-	(72)
<i>Other comprehensive expense for the year, net of income tax</i>		<u>(768)</u>	<u>(72)</u>
Total comprehensive (expense) / income for the year		<u>(768)</u>	<u>447</u>

ALDERBURGH LIMITED

BALANCE SHEET At 31 December 2022

	Notes	31 December 2022 £'000	31 December 2021 £'000
Fixed assets			
Tangible assets	11	5,910	5,498
Right-of-use assets	12	161	20
Total non-current assets		6,071	5,518
Current assets			
Inventories	13	2,480	1,152
Receivables	14	2,434	2,851
Cash and cash equivalents		1,064	1,066
		5,978	5,069
Payables: amounts falling due within one year	15	(7,964)	(6,171)
Net current liabilities		(1,986)	(1,102)
Total assets less current liabilities		4,085	4,416
Payables: amounts falling due after one year	16	(165)	(2)
Provision for liabilities	17	(667)	(393)
Net assets		3,253	4,021
Capital and reserves			
Share capital	19	10	10
Non distributable reserves	20	1,059	1,059
Capital redemption reserve	20	10	10
Retained earnings	20	2,174	2,942
Total equity		3,253	4,021

These financial statements were approved for issue by the Board of Directors and signed on its behalf by:



P A James
Director
27 September 2023

Company Registration No. 01501134

The accompanying Notes are an integral part of these financial statements.

ALDERBURGH LIMITED

STATEMENT OF CHANGES IN EQUITY For the year ended 31 December 2022

	Share capital £'000	Non distributable reserves £'000	Capital redemption reserve £'000	Retained earnings £'000	Total equity £'000
At 1 January 2021	10	1,059	10	2,495	3,574
Loss for the year	-	-	-	519	519
Item that will not be reclassified to profit or loss	-	-	-	(72)	(72)
Total comprehensive expense for the year	-	-	-	447	447
At 31 December 2021	10	1,059	10	2,942	4,021
Profit for the year	-	-	-	(768)	(768)
Other comprehensive expense	-	-	-	-	-
Total comprehensive income for the year	-	-	-	(768)	(768)
At 31 December 2022	10	1,059	10	2,714	3,793

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 December 2022

1. Authorisation of financial statements

The financial statements of Alderburgh Limited for the year ended 31 December 2022 were authorised for issue by the Board of Directors on 27 September 2023 and the balance sheet was signed on the Board's behalf by P A James.

Alderburgh Limited is a private company limited by shares incorporated and domiciled in England and Wales. The Registered Office of the Company is 4 Victoria Place, Holbeck, Leeds, West Yorkshire, LS11 5AE.

2. Accounting policies

The basis of preparation and accounting policies used in preparing the Company's financial statements for the year ended 31 December 2022 are set out below. These accounting policies have been consistently applied in all material respects to all the periods presented. No relevant accounting standards or interpretations became effective in the current reporting period.

2.1 Basis of preparation and statement of compliance with FRS 101

The financial statements of Alderburgh Limited have been prepared in accordance with FRS 101, and in accordance with applicable accounting standards. The financial statements are prepared under the historical cost convention.

The financial statements are prepared in Pounds Sterling and are rounded to thousands (£'000) unless otherwise indicated.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2022.

The Company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of paragraph 79(a)(iv) of IAS 1, and paragraph 73(e) of IAS 16 Property, Plant and Equipment;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 10(d), 10(f) and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Error;
- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment; and
- the requirements of IFRS 15 Revenue from Contracts with Customers, including paragraphs 110, 113(a), 114-115, 118, 119(a)-(c), 120-127, and 129.

2.2 Going concern

The Company continues to meet its day-to-day working capital and other funding requirements through a combination of cash generated from operations, cash deposits and long-term funding from the Group as required. As the Company is reliant on the continued support of the Group, due to the way the intra-group funding structure is managed, the Directors have obtained a letter of support from the ultimate parent company, Genuit Group plc, stating that it is their intention to provide financial support for the going concern period up to 31 December 2024.

The Directors have made enquiries into the adequacy of the Group's financial resources, through a review of the Group's budget and medium-term financial plan, including cash flow forecasts. The Group has modelled a range of scenarios, with the base forecast being one in which, over the 18 months ending 31 December 2024, sales volumes grow in line with or moderately above external construction industry forecasts. In addition, the Directors have considered several downside scenarios, including adjustments to the base forecast, a period of significantly lower like-for-like sales, profitability and cash flows. Consistent with our principal risks and uncertainties, these downside scenarios included, but were not limited to, loss of production, loss of a major customer, product failure, recession, increases in interest rates and increases in raw material prices. Downside scenarios also included a combination of these risks and reverse stress testing. The Directors have considered the impact of climate-related matters on the going concern assessment and they are not expected to have a significant impact on the Group's going concern.

At 30 June 2023, the Group had available £217.9m of undrawn committed borrowing facilities in respect of which all conditions precedent had been met. These borrowing facilities are available until at least August 2027, subject to covenant headroom. The Directors are satisfied that the Group has sufficient liquidity and covenant headroom to withstand reasonable variances to the base forecast, as well as the downside scenarios. In addition, the Directors have noted the range of possible additional liquidity options available to the Group, should they be required.

As a result, the Directors have satisfied themselves that the Group has adequate financial resources to continue to support the Company in operational existence for a period of at least up to 31 December 2024. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Foreign currency translation

Transactions in foreign currencies are initially recognised by the Company at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange at the balance sheet date. All differences arising on settlement or translation are taken to the income statement.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

2.4 Revenue from contracts with customers and interest payable

Revenue from contracts with customers is recognised when control of the goods is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods.

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

2. Accounting policies (continued)

2.4.1 Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the goods is transferred to the customer, generally on delivery of the goods. Our most commonly used standard payment terms are 30 days net end of month.

2.4.2 Interest payable

Interest payable is recognised as interest accrues on cash balances using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to its net carrying amount.

2.5 Income taxes

Current income tax

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the tax authorities based on income tax rates and laws that are enacted or substantively enacted by the balance sheet date.

Deferred income tax

Deferred income tax is recognised on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements, with the following exceptions:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- deferred income tax assets are recognised only to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carried forward tax credits or tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date. Deferred income tax assets and liabilities are offset only if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred income taxes relate to the same tax authority and that authority permits the Company to make a single net payment.

Deferred income tax assets and liabilities are measured on an undiscounted basis at the income tax rates that are expected to apply when the asset is realised or the liability is settled, based on income tax rates and tax laws enacted or substantively enacted at the balance sheet date.

Income tax is charged or credited to other comprehensive income if it relates to items that are charged or credited to other comprehensive income. Similarly, income tax is charged or credited directly to equity if it relates to items that are charged or credited directly to equity. Otherwise income tax is recognised in the income statement.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost comprises the aggregate amount paid, and the fair value of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on the cost less residual value of tangible fixed assets, and is on a straight-line basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	Over expected economic life not exceeding 50 years
Plant and other equipment	4 to 10 years
Fixtures and fittings	3 to 10 years
Motor vehicles	4 years

The carrying amounts of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying amount may not be recoverable and are written down immediately to their recoverable amount. Useful lives, residual values and depreciation methods are reviewed at each balance sheet date and where adjustments are required these are made prospectively.

Tangible fixed assets and any significant part initially recognised is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any profit or loss arising on the derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS (continued)
For the year ended 31 December 2022

2. Accounting policies (continued)

2.7 Leasing

Right-of-use-assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its expected useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating a lease, if the lease term reflects the Company exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Determining the lease term of contracts with renewal options

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Company has the option, under some of its leases, to lease the assets for additional terms. The Company applies judgement in evaluating whether it is reasonably certain to exercise the option to renew. That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy).

2.8 Financial instruments – initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss (FVTPL).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not recognised at FVTPL, transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

The Company's financial assets include cash and cash equivalents, trade receivables and amounts owed by group undertakings.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification. The Company does not currently hold any fair value through other comprehensive income financial assets.

Financial assets at amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

2. Accounting policies (continued)

2.8 Financial instruments – initial recognition and subsequent measurement (continued)

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows, and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Company's financial assets at amortised cost include cash and cash equivalents, trade receivables and amounts owed by group undertakings.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- the rights to receive cash flows from the asset have expired, or
- the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment

The Company recognises an allowance for expected credit losses (ECLs) for all financial assets not held at FVTPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each balance sheet date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the receivables and the economic environment.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at FVTPL, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade Payables, lease liabilities and amounts owed to group undertakings.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as held for trading unless they are designated as effective hedging instruments. Profits or losses on liabilities held for trading are recognised in the income statement.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts, together with any costs or fees incurred, is recognised in the income statement.

iii) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

2. Accounting policies (continued)

2.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

- Raw materials - purchase cost on a first-in, first-out basis;
- Work in progress and finished goods - cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

2.10 Cash and cash equivalents

Cash and cash equivalents consist of cash at bank and in hand.

2.11 Pensions

The Company operates a defined contribution pension plan. Contributions payable in the year are charged to the income statement. The assets are held separately from those of the Company in an independently administered fund. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

3. Judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying to Company's accounting policies, management has made the following estimates in the years ended 31 December 2022 and 2021:

Recoverability of intercompany balances

Management periodically assess the future performance of entities with which Alderburgh Limited has an intercompany debtor balance to ascertain the recoverability of the debtor. Estimates are involved in the assessment of future performance.

The recoverable amount is determined through consideration of the net assets of debtor companies and the value in use which requires the determination of appropriate assumptions (which are sources of estimation).

4. New and amended accounting standards and interpretations

Accounting standards or interpretations which have been adopted in the year

There were no accounting standards or interpretations that have become effective in the year which had an impact on disclosures, financial position or performance.

Accounting standards or interpretations issued but not yet effective

There were no accounting standards or interpretations issued which have an effective date after the date of these financial statements that the Company reasonably expects to have an impact on disclosures, financial position or performance.

5. Segmental information

Turnover recognised in the income statement is analysed by geographical areas as follows:

	2022 £'000	2021 £'000
UK	15,381	11,440
Mainland Europe	122	1,139
	<u>15,503</u>	<u>12,579</u>

All turnover derives from the Company's principal activity and originates in the UK.

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

6. Operating profit / (loss)

This is stated after charging:

	2022 £'000	2021 £'000
Depreciation of tangible fixed assets (owned)	521	538
Depreciation of right-of-use assets	40	21
Cost of stock recognised as an expense	8,976	6,792
(Profit) on disposal of fixed assets	<u>(17)</u>	<u>(3)</u>

7. Auditor's remuneration

The Company paid the following amounts to the Company's auditor in respect of the audit of the financial statements:

	2022 £'000	2021 £'000
Audit of the Company's annual financial statements	<u>17</u>	<u>12</u>
There were no non-audit services provided to the Company (2021: £nil).		

8. Staff costs and Directors' remuneration

Staff costs for the year were:

	2022 £'000	2021 £'000
Wages and salaries	3,195	2,583
Social security costs	280	204
Other pension costs	<u>94</u>	<u>72</u>
	<u>3,569</u>	<u>2,859</u>

The average monthly number of persons employed by the Company during the year, by category was as follows:

	2022 No.	2021 No.
Selling & distribution	13	8
Administration	12	7
Production	<u>77</u>	<u>71</u>
	<u>102</u>	<u>86</u>

The remuneration of the Directors is paid by the ultimate parent Genuit Group plc. The Directors of Alderburgh Limited are also Directors of Genuit Group plc and a number of fellow subsidiaries and it is not possible to make an accurate apportionment of their remuneration in respect of each of the subsidiaries. Accordingly, their total remuneration is included in the aggregate of Directors' remuneration disclosed in the financial statements of the ultimate parent company.

9. Interest payable and similar charges

	2022 £'000	2021 £'000
Unwind of discount on lease liabilities	-	2
Hire purchase	<u>2</u>	<u>6</u>
Interest payable and similar charges	<u>2</u>	<u>8</u>

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

10. Income tax

(a) Tax (credit) / expense reported in the income statement

	2022 £'000	2021 £'000
<i>Current income tax:</i>		
Adjustment in respect of prior years	33	9
Total current income tax	33	9
<i>Deferred income tax:</i>		
Origination and reversal of temporary differences	193	48
Adjustment in respect of prior years	19	(110)
Effect of changes in income tax rates	61	23
Total deferred income tax	273	(39)
Total tax expense / (credit) reported in the income statement	306	(30)

(b) Reconciliation of the total tax expense / (credit)

A reconciliation between the tax (credit) / expense and the product of accounting profit multiplied by the UK standard income tax rate for the years ended 31 December 2022 and 2021 is as follows:

	2022 £'000	2021 £'000
(Loss) / profit on ordinary activities before taxation	(462)	489
(Loss) / profit on ordinary activities before taxation multiplied by the UK standard rate of income tax of 19.0% (2021: 19.0%)	(88)	93
Expenses not deductible for income tax	45	20
Income not taxable	-	(7)
Super – deduction	(46)	-
Adjustments in respect of prior years	52	(101)
Group relief at nil consideration	282	(58)
Effects of changes in income tax rates	61	23
Total tax expense / (credit) reported in the income statement	306	(30)

(c) Deferred income tax

The deferred income tax included in the Company balance sheet is as follows:

	2022 £'000	2021 £'000
Deferred income tax (assets) / liabilities		
Short-term timing differences	(12)	(13)
Capital allowances in excess of depreciation	381	108
Revaluation gains	298	298
	667	393

The Company offsets tax assets and liabilities if, and only if, it has a legally enforceable right to set off current income tax assets and current income tax liabilities and the deferred income tax assets and deferred income tax liabilities relate to income taxes levied by the same tax authority.

A reconciliation of deferred income taxes for the years ended 31 December 2022 and 2021 is as follows:

	2022 £'000	2021 £'000
Deferred income tax reported in the income statement	273	(39)
Deferred income tax reported in statement of comprehensive income	-	72
	273	33

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

10. Income tax (continued)

(d) Change in corporation tax rate

The Finance (No.2) Act 2015 reduced the main UK corporation tax rate to 19%, effective from 1 April 2017. A further reduction in the main UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by the Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the rate, thereby maintaining the current rate of 19%.

On 24 May 2021, legislation was passed which substantively enacted an increase in UK corporation tax rate from 19% to 25% from April 2023. Deferred income tax on the balance sheet at 31 December 2022 was therefore measured at 19% or 25% depending on when the deferred income tax asset or liability is expected to reverse.

11. Tangible assets

	Freehold land and buildings £'000	Plant and other equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
At 1 January 2022	3,166	6,600	248	675	10,689
Additions	14	904	47	18	983
Disposals	-	(7)	-	(81)	(88)
At 31 December 2022	3,180	7,497	295	612	11,584
Depreciation					
At 1 January 2022	145	4,346	151	549	5,191
Provided during the year	70	371	33	47	521
Disposals	-	(7)	-	(31)	(38)
At 31 December 2022	215	4,710	184	565	5,674
Net book value:					
At 31 December 2022	2,965	2,787	111	47	5,910
At 1 January 2022	3,021	2,254	97	126	5,498

Included in freehold land and buildings is non-depreciable land of £1.5m (2021: £1.5m).

Cost or valuation at 31 December 2022 is represented by:

	Freehold land and buildings £'000	Plant and other equipment £'000	Fixtures and fittings £'000	Motor vehicles £'000	Total £'000
Cost					
Valuation in 2020	3,100	-	-	-	3,100
Cost	80	7,497	295	725	8,597
	3,180	7,497	295	725	11,697

The land and buildings were revalued by Savills (UK) Limited (RICS Registered Valuers) on 17 January 2020 as at 1 October 2019, the date the Company was acquired by Polypipe Limited.

The plant and other equipment, fixtures and fittings and motor vehicles were valued by Eddisons CJM (RICS Registered Valuers) on 7 February 2020 as at 1 October 2019, the date the Company was acquired by Polypipe Limited.

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

12. Right-of-use assets and lease liabilities

	Plant and equipment £'000	Motor vehicles £'000	Total £'000	Lease liabilities £'000
At 1 January 2022	20	-	20	(22)
Additions	32	149	181	(217)
Depreciation of right-of-use assets	(17)	(23)	(40)	-
Unwind of discount on lease liabilities	-	-	-	-
Settlement of lease liabilities	-	-	-	52
At 31 December 2022	35	126	161	(187)

13. Inventories

	31 December 2022 £'000	31 December 2021 £'000
Raw materials	489	180
Finished goods	1,991	972
	2,480	1,152

All Inventories are carried at cost less a provision to take account of slow moving and obsolete items. The provision at 31 December 2022 was £nil (2021: £25,000).

14. Receivables

	31 December 2022 £'000	31 December 2021 £'000
Trade receivables	1,714	1,831
Prepayments and accrued income	164	77
Amounts owed by group undertakings	556	943
	2,434	2,851

Trade receivables are non-interest bearing and are generally settled on 30 days' credit. Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand. These have been reclassified as long-term receivables for the current year as there is no intent to settle within 12 months of the balance sheet date.

Amounts falling due after more than one year included above are:

	31 December 2022 £m	31 December 2021 £m
Amounts owed by group undertakings	556	-

15. Payables: amounts falling due within one year

	31 December 2022 £'000	31 December 2021 £'000
Trade Payables	1,278	1,869
Other taxes and social security costs	26	153
Lease liabilities (see note 12)	22	20
Amounts owed to group undertakings	6,402	3,893
Income tax	2	8
Accruals and deferred income	234	193
Other Payables	-	35
	7,964	6,171

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

ALDERBURGH LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued) For the year ended 31 December 2022

16. Payables: amounts falling due after one year

	31 December 2022 £'000	31 December 2021 £'000
Lease liabilities (see note 12)	<u>165</u>	<u>2</u>

17. Provision for liabilities

	31 December 2022 £'000	31 December 2021 £'000
Deferred income tax liability (see note 10)	<u>667</u>	<u>393</u>

18. Capital commitments

At 31 December 2022, the Company had £nil of capital commitments relating to plant and equipment purchases (2021: £165,000).

19. Share capital

Authorised share capital:

	31 December 2022		31 December 2021	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	50,000	<u>50</u>	50,000	<u>50</u>

Allotted, called up and fully paid:

	31 December 2022		31 December 2021	
	Number	£'000	Number	£'000
Ordinary shares of £1 each	10,000	<u>10</u>	10,000	<u>10</u>

The ordinary shares are voting non-redeemable shares and rank equally as to dividends, voting rights and any return of capital on winding up.

20. Reserves

	Non distributable reserves £'000	Capital redemption reserve £'000	Retained earnings £'000
At 31 December 2021	1,059	10	2,942
Profit for the year	-	-	(768)
Other comprehensive expense for the year	-	-	-
At 31 December 2022	<u>1,059</u>	<u>10</u>	<u>2,174</u>

21. Parent company and ultimate parent company

The Company's immediate parent company is Polypipe Limited, a company incorporated in England and Wales. The ultimate parent undertaking and the smallest and largest group to consolidate these financial statements is Genuit Group plc (formerly Polypipe Group plc). Copies of Genuit Group plc's consolidated financial statements can be obtained from the Registrar of Companies, Companies House, 3 Crown Way, Cardiff, CF14 3UZ.