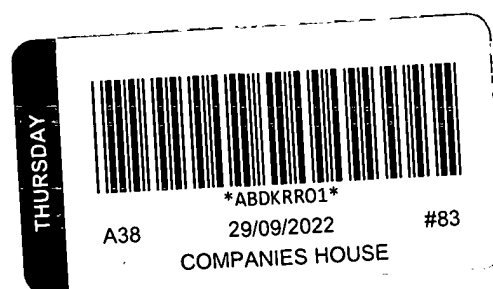


Registered number:
02263795

STANTON PRECAST LIMITED
(FORMERLY STANTON BONNA CONCRETE LIMITED)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



STANTON PRECAST LIMITED

COMPANY INFORMATION

Directors	B J R Cattin-Martel C C Richardson (Resigned 14 th March 2022) V Henriquez (appointed 31 st March 2021, resigned 14 th March 2022) I A Steel (Appointed 26 th April 2022, resigned 30 th August 2022) J Margueritte (Appointed 26 th April 2022) S W Yates (Appointed 1 st September 2022)
Company secretary	C Ball
Registered number	02263795
Registered office	Littlewell Lane Stanton By Dale Ilkeston Derbyshire DE7 4QW
Independent auditor	KPMG LLP (UK) St Nicholas House Park Row Nottingham NG1 6FQ

STANTON PRECAST LIMITED

CONTENTS

	Page(s)
Strategic report	1 – 3
Directors' report	4 – 5
Independent auditor's report to the members of Stanton Precast Limited	6 – 8
Statement of comprehensive income for the year ended 31 December 2021	9
Balance sheet as at 31 December 2021	10
Statement of changes in equity for the year ended 31 December 2021	11
Notes to the financial statements for the year ended 31 December 2021	12 - 32

STANTON PRECAST LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report of Stanton Precast Limited ("the company") for the year ended 31 December 2021.

Principal activities, business review and future developments

The principal activity of the company is the manufacture and supply of precast concrete pipes, manholes and other precast concrete products, including for the rail sector. During the year, the company also took on a significant new project supplying green tunnel segments for the HS2 London to Birmingham line.

The Directors are pleased to announce that the business has returned to profitability following a difficult Covid year at £0.5m PBT. Overall turnover at £37.8m was 67% higher than in 2020.

The key performance indicators show the following movements:

	2021	2020
Turnover	£37.8m	£22.7m
Profit/(Loss) before tax	£0.5m	(£1.1m)
Net Assets	£13.9m	£9.3m
Debtor days	36	61
Creditor days	45	80

Improved performance was possible through significant recovery from the Covid-19 period, accompanied by starting to bring on-line the HS2 related tunnel project. The new project is planned to scale up further in 2022, with the ramp up evolving throughout the year. Further opportunities are also envisaged within the traditional business, given demand within the house building sector.

The Rail element of the business is seen as a strategic opportunity that will evolve over 2022 and after, additionally enabled by the parent Group's product portfolio and considerable sector expertise.

The political unrest within Europe during quarter one 2022 has had significant impact on input pricing as seen across the majority of industries. The Directors' response has been to successfully pass these additional costs through to the client base, thus maintaining where possible, margins within the business. The Directors will continue to monitor input pricing closely to ensure minimum degradation of margin occurs.

Business overheads increased significantly during 2021 to support the new project, however, these are in line with expectations based on the level of activity and growth of the business.

Fixed Assets grew significantly during 2021 due to investment in major infrastructure to facilitate the new project. The business benefitted from a share capital injection of £1.82m during the year. Gains on the pension scheme position also increased total assets year on year. Net current liabilities increased during the year mainly due to deferred revenue held in the balance sheet linked to the HS2 tunnel project and in line with revenue recognition methodology required by the accounting standards for this project. Taking all of these factors into account, net assets increased by £4.6m in the year.

Financial instruments

Transactions in foreign currencies are initially recorded in the entity's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

STANTON PRECAST LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Financial instruments (Continued)

Derivative financial instruments are disclosed as the fair value as at the reporting date.

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits. For the purpose of reporting, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Debtors and creditors, receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administration expenses.

Principal risks and uncertainties

Stanton Precast Limited faces common business challenges within a mature market. It addresses these challenges as below;

Project Risk

A major project is in progress within the business and presents increased business risks in line with its nature as a long-term contract. These are identified within a risk register which is regularly maintained and updated. The identified risks include the risk of production output not being delivered in line with the project timetable, production output not meeting contractual quality standards and costs to complete the project exceeding budget, all of which are inherent risks for a long-term contract of this nature. The identified risks are mitigated with the formation of a project steering committee that is chaired by the group Chief Executive. In addition, a dedicated project director accompanied by a project senior leadership team is in place to take overall control of the project. As such, early warning triggers are in place to ensure the project does not present an overall risk to the business.

Credit risk

The company's credit risk is primarily attributable to its trade debtors. The amount presented in the balance sheet is net of allowances or doubtful receivables. The company manages this risk by continually monitoring the status of its debtors and client list. Credit checks are made, and appropriate credit insurance is taken out in respect of all qualifying customers. Payments terms are altered where no insurance can be obtained. During the year the company continued to engage with Eurofactor for the factoring of its debts.

Cash flow and liquidity risk

The company monitors its working capital and available cash carefully to ensure that it has sufficient funds available to settle its liabilities as they fall due.

Market risk

The company operates in a highly competitive market which is a continuing risk to the company as existing clients could be lost to competitors. The company manages this risk by building strong relationships and entering into supply agreements with a large proportion of its customer base.

Regulatory and Compliance Risk

The company is subject to evolving regulatory and compliance regulations, including GDPR. The company has recruited staff with the relevant skills and experience to manage these risks and uses the services of external consultants where required.

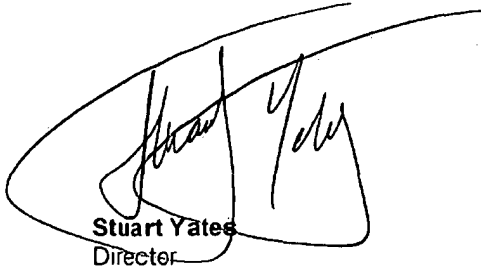
The Sateba group has strengthened its existing compliance program through additional Compliance Training (including e-learning and on-site trainings) for all leaders and client facing employees to help underpin the importance of this subject to the business and group as a whole.

STANTON PRECAST LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021

Principal risks and uncertainties (continued)

Product risk

The company manages product risk via compliance with third-party product testing schemes such as the BSI Kitemark, while also manufacturing the products under the control of a certified ISO 9001 quality management system.



Stuart Yates
Director

Date: 27th September 2022

STANTON PRECAST LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their report and the audited financial statements for the year ended 31 December 2021.

Results and dividends

The profit for the year, after taxation, amounted to £375k (2020: Loss of £997k).

The net assets position at 31 December 2021 was £13,907k (2020: £9,285k).

The company has not declared a dividend (2020: £Nil).

Directors

The directors who served during the year and up to the date of signing these financial statements, unless otherwise stated, are:

B J R Cattin-Martel

C C Richardson (Resigned 14th March 2022)

V Henriquez (appointed 31st March 2021, resigned 14th March 2022)

I A Steel (Appointed 26th April 2022, resigned 30th August 2022)

J Margueritte (Appointed 26th April 2022)

S W Yates (Appointed 1st September 2022)

None of the directors had a material interest in any contract to which the company was a party.

Charitable donations

The company made charitable donations of £257 (2020: £1,580) during the year. No political donations were made during the year.

Future developments

These are disclosed within the strategic report on page 1.

Financial instruments

These are disclosed within the strategic report on page 1.

Going concern

The Board after making due enquires have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason, the going concern basis continues to be adopted in preparing the financial statements.

At the date of approval of the accounts, there is political unrest within Europe, however the Directors have assessed the impact of this on the business and implemented mitigating strategies to ensure the business remains a going concern.

The Directors have prepared cash flow forecasts covering a period to September 2023. These demonstrate that the company will continue to have sufficient cash reserves to continue as a going concern and meet all of its liabilities as they fall due.

Sensitivity analysis was undertaken to stress test the cash flows and factors considered were reductions in revenue, margin dilution and raw material price increase due to possible market pressures. In the downside scenarios modelled via the sensitivity analysis, the company will continue to have sufficient cash reserves to continue as a going concern and meet all of its liabilities as they fall due. No additional Government Covid-19 stimuli has been assumed.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

STANTON PRECAST LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

Registered Office

The registered office address for the business is:

Littlewell Lane, Stanton By Dale, Ilkeston, Derbyshire, DE7 4QW

Statement of directors' responsibilities in respect of the financial statements

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

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

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

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

Directors' confirmations

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

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

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



Stuart Yates
Director

Date: 27th September 2022

STANTON PRECAST LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STANTON PRECAST LIMITED

Opinion

We have audited the financial statements of Stanton Precast Limited ("the company") for the year ended 31 December 2021 which comprise the Statement of comprehensive income, Balance sheet, Statement of changes in equity and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related 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 going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors as to the Company's high-level policies and procedures to prevent and detect fraud, as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Using analytical procedures to identify any unusual or unexpected relationships.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

STANTON PRECAST LIMITED

As required by auditing standards, and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular the risk that revenue is recorded in the wrong period and the risk that management may be in a position to make inappropriate accounting entries.

We did not identify any additional fraud risks.

We also performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included those posted to unusual pairings of accounts featuring a credit entry to the profit and loss account and also those posted to unusual pairings of accounts featuring an entry to an account related to cash or borrowings.
- Transactional testing of revenue entries around the year end date to compare the date of revenue recognition to supporting documentation.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation, taxation legislation and pensions legislation (relating to the defined benefit pension scheme) and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: health and safety and employment law, recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

STANTON PRECAST LIMITED

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Emma Mayer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
St Nicholas House
Park Row
Nottingham
NG1 6FQ

Date: 27 September 2022

STANTON PRECAST LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £000	2020 £000
Turnover	4	37,780	22,736
Cost of sales		(28,622)	(16,717)
Gross profit		9,158	6,019
Distribution costs		(5,447)	(4,119)
Administrative expenses		(3,012)	(2,924)
Operating profit/(loss)	5	699	(1,024)
Interest receivable and similar income	9	36	5
Interest payable and similar expenses	10	(218)	(105)
Other finance costs	11	(18)	(16)
Profit/(loss) before taxation		499	(1,140)
Tax on profit/loss	12	(124)	143
Profit/(loss) for the financial year		375	(997)
Other comprehensive income/(expense) for the year			
Actuarial gains/(loss) on defined benefit pension scheme		3,582	(769)
Movement of deferred tax relating to pension deficit		(1,155)	146
Other comprehensive income/(expense) for the year		2,427	(623)
Total comprehensive income/(expense) for the year		<u>2,802</u>	<u>(1,620)</u>

All results relate to continuing operations.

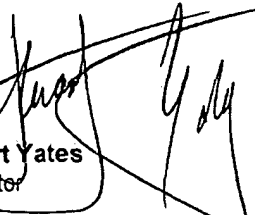
The notes on pages 12 to 32 form an integral part of these financial statements.

STANTON PRECAST LIMITED
REGISTERED NUMBER: 02263795

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	13	24,100	12,803
Pensions asset	20	2,595	-
Current assets			
Stocks	14	4,655	4,372
Debtors: amounts falling due within one year	15	4,643	4,741
Cash at bank and in hand		1,829	954
		<u>11,127</u>	<u>10,067</u>
Creditors: amounts falling due within one year	16	(22,714)	(12,123)
Net current liabilities		<u>(11,587)</u>	<u>(2,056)</u>
Total assets less current liabilities		<u>15,108</u>	<u>10,747</u>
Provision for other liabilities	18	(1,201)	(57)
Pensions and similar obligations	20	-	(1,405)
Net assets		<u><u>13,907</u></u>	<u><u>9,285</u></u>
Capital and reserves			
Called up share capital	19	12,629	10,809
Revaluation reserve		2,655	2,655
Profit and loss account		(1,377)	(4,179)
Total equity		<u><u>13,907</u></u>	<u><u>9,285</u></u>

These financial statements were approved by the board of directors on 27th September and were signed on its behalf by:


Stuart Yates
 Director

Date: 27th September 2022

The notes on pages 12 to 32 form an integral part of these financial statements.

STANTON PRECAST LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2021	10,809	2,655	(4,179)	9,285
Comprehensive (expense)/income for the year				
Profit for the financial year	-	-	375	375
Actuarial gain on pension scheme	-	-	3,582	3,582
Deferred tax relating to pension deficit	-	-	(1,155)	(1,155)
Share Issue	1,820	-	-	1,820
At 31 December 2021	<u>12,629</u>	<u>2,655</u>	<u>(1,377)</u>	<u>13,907</u>

	Called up share capital £000	Revaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 January 2020	10,809	2,655	(2,559)	10,905
Comprehensive (expense)/income for the year				
Profit for the financial year	-	-	(997)	(997)
Actuarial gains on pension scheme	-	-	(769)	(769)
Deferred tax relating to pension asset	-	-	146	146
Share Issue	-	-	-	-
At 31 December 2020	<u>10,809</u>	<u>2,655</u>	<u>(4,179)</u>	<u>9,285</u>

The notes on pages 12 to 32 form an integral part of these financial statements.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. General information

Stanton Precast Limited whose principal activity is the manufacture and supply of concrete pipes, concrete manholes, tunnel segments as part of a larger government contract and other concrete products is a private company, limited by shares, incorporated and domiciled in England, in the United Kingdom. The company's registered number and registered office address can be found on the company information page.

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 ("FRS 102") 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 consistently.

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The Company's ultimate parent undertaking as at 31st December 2021, Ville Holding Participations includes the Company in its consolidated financial statements. The consolidated financial statements of Ville Holding Participations are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from The Secretary at, Tour CB21, 16 Place de L'Iris, 92040, Paris La Defense Cedex, France. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Ville Holding Participations include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 *Share Based Payments*; and,
- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

STANTON PRECAST LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.3 Going concern

The Board after making due enquires have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and for this reason, the going concern basis continues to be adopted in preparing the financial statements.

At the date of approval of the accounts, there is political unrest in Europe, however the Directors have assessed the impact of this on the business and implemented mitigating strategies to ensure the business remains a going concern

The Directors have prepared cash flow forecasts covering a period to September 2023. These demonstrate that the company will continue to have sufficient cash reserves to continue as a going concern and meet all of liabilities as they fall due.

Sensitivity analysis was undertaken to stress test the cash flows and factors considered were reductions in revenue, margin dilution and raw material price increases due to possible market pressures. In the downside scenarios modelled via the sensitivity analysis, the company will continue to have sufficient cash reserves to continue as a going concern and meet all of its liabilities as they fall due. No additional Government Covid-19 stimuli has been assumed.

Based on the above, the directors believe it remains appropriate to prepare the financial statements on a going concern basis.

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. 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 revenue is recognised:

Sale of goods

Turnover from the sale of the non-project business goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from the sales of the major project is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered excluding VAT and trade discounts.

Turnover from the major project is recognised in the profit and loss account in proportion to the stage of completion of the project at the reporting date. Turnover is recognised when the recovery of the consideration is probable and when the amount of turnover, the stage of completion, the costs incurred for the transaction, and the costs to complete the transaction can be measured reliably.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.4 Turnover (continued)

The stage of completion of the project is assessed by the reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Variations in contract work and claims are included to the extent that the amount can be measured reliably and its receipt is considered highly probable. Deferred income is stated as amounts billed less turnover recognised.

2.5 Interest receivable

Interest receivable is recognised in the Statement of comprehensive income using the effective interest method.

2.6 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP. All amounts in the financial statements have been rounded to the nearest £1,000.

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 the Statement of comprehensive income 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 the Statement of comprehensive income within 'other operating income'.

2.7 Finance costs

Finance costs are charged to the Statement of comprehensive income 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.

2.8 Operating leases

Arrangements which transfer substantially all of the risks and rewards of ownership of an asset to the company are classified as finance leases. All other arrangements are classified as operating leases.

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease-term.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.9 Post employment benefits

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 the Statement of comprehensive income 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 previously operated 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'.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.10 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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.

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.

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 land and buildings	- 10-25 years
Plant, machinery, fixtures and fittings	- 2-25 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 the Statement of comprehensive income.

Freehold land is not depreciated.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.18 Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

2.19 Financial instruments

The company only enters into basic financial instrument transactions when required 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.20 Called-up share capital

Share capital comprises the ordinary issued share capital of the company. When share capital recognised as equity is repurchased, the amount of the consideration paid, including directly attributable costs, is recognised as a deduction from equity.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.12 Assets under construction

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the company's accounting policy.

Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

2.13 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.

Stock also includes spares which are items which include spare parts and servicing equipment.

2.14 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.

Trade Debtors are factored and 3rd party insurance is obtained to mitigate any bad debt risk.

2.15 Cash and cash equivalents

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

2.16 Creditors

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

2.17 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 the Statement of comprehensive income 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.

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.21 Contingent liabilities

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when it is not probable that there will be;

- I. an outflow of resources or;
- II. that the amount cannot be reliably measured at the reporting date or;
- III. when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control.

Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following are judgements applied by the company:

Provisions

A provision is recognised when the company has a present legal or constructive obligation as a result of a past event for which it is probably that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

Whether a present obligation is probable or not requires judgement. The nature and type of risks for these provisions differ and management's judgement is applied regarding the nature and extent of obligations in deciding if an outflow of resources is probable or not. The key provisions for which judgement has been applied in the financial statements relate to claims and regulatory penalties.

Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. The impact of the estimation is inherently included within note 13.

Recoverability and impairment of debtors

Trade and other debtors are recognised to the extent that are judged to be recoverable. Management reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically where recoverability is uncertain. Management assess customer credit worthiness, current economic trends and changes in payment terms when making a judgement to evaluate the recoverability of debtors.

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. The impairment reflected in the Balance Sheet amounted to £13,000 (2020: £100,000) as disclosed within note 15.

Revenue recognition for long term projects

Estimates and judgements are continually evaluated with regards to the major project. In determining the revenue and deferred revenue on the major project, management make judgements on the overall expected outturn costs to complete the project in order to recognise the expected margin for the overall project on the costs incurred. Such judgements are made by reference to all information available to management at the balance sheet date, including but not limited to assessments of all operational and commercial risks and opportunities.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are reviewed on a quarterly basis by the project steering committee.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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

Stock and impairment of stock

Stock includes spares which are used to support ongoing production. Given the nature of items held within spares and the level of throughput, the Directors are of the view that spares should be included in stock.

The company makes an estimate of the recoverable value of stock and work in progress. When assessing the impairment of stock and work in progress, management considers factors including the current demand for product lines, obsolescence and the condition of stock in determining the carrying value. The impairment reflected in the Balance Sheet amounted to £400k (2020: £469k).

Pension deficit

The cost of defined benefit pension plans are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. The impact of the estimation is inherently included within the assumptions disclosed within note 20.

The COVID-19 pandemic has led to significant changes in mortality (and likely morbidity) experience in the general population. Management have considered this and have decided not to reflect the potential effects of COVID-19 in the assumptions of mortality rates for the pension scheme members due to the uncertainty that remains on the impact of COVID-19 on mortality rates for said members. Management will continue to monitor the impact of COVID-19 and consult with the actuary should a time occur when the judgement changes.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Sale of goods	30,569	22,736
Revenue recognised on long term contracts	7,211	-
Total	37,780	22,736

All turnover arose within the United Kingdom.

5. Operating profit/(loss)

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

	2021 £000	2020 £000
Operating lease charges	75	101
Depreciation	1,563	1,491
Foreign exchange losses	18	16

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>185</u>	<u>70</u>

7. Employees

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

	2021	2020
	£000	£000
Wages and salaries	6,998	5,268
Social security costs	680	555
Other pension costs	420	353
	<u>8,098</u>	<u>6,176</u>

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

	2021	2020
	No.	No.
Production	122	124
Administration	67	59
	<u>189</u>	<u>183</u>

In addition, the average number of employees includes 6 temporary staff (2020:6).

8. Directors' remuneration

	2021	2020
	£000	£000
Company contributions to money purchase pension plans	12	26
Directors' remuneration	168	157
	<u>180</u>	<u>183</u>

Some of the directors are remunerated for their services to the Sateba Group as a whole, and not for their services to the company. Accordingly, the directors' emoluments disclosed are for the directors paid through the company for services to the company. All other directors are paid by the Sateba Group.

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

9. Interest receivable and similar income

	2021 £000	2020 £000
Bank interest	<u>36</u>	<u>5</u>

10. Interest payable and similar expenses

	2021 £000	2020 £000
Other interest and financing charges	<u>218</u>	<u>105</u>

11. Other finance costs

	2021 £000	2020 £000
Net interest expense on net defined benefit asset/(liability)	<u>18</u>	<u>16</u>

12. Tax on profit/(loss)

	2021 £000	2020 £000
Corporation tax		
Current tax on profit/(loss) for the year	-	-
Adjustments in respect of previous periods	-	(35)
Total current tax	<u>-</u>	<u>(35)</u>
Deferred tax		
Origination and reversal of timing differences	140	(145)
Adjustments in respect of prior periods	(16)	37
Total deferred tax	<u>124</u>	<u>(108)</u>
Taxation on profit/(loss) on ordinary activities	<u>124</u>	<u>(143)</u>

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

12. Tax on profit/(loss) (continued)

Factors affecting tax charge/(credit) for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
Profit/(Loss) before tax	499	(1,140)
Profit/(Loss) multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	95	(216)
Effects of:		
Adjustments to tax charge in respect of prior periods	(16)	2
Fixed asset difference	45	49
Other differences leading to an increase in the tax charge	-	22
Total tax charge/(credit) for the year	124	(143)

Factors that may affect future tax charges

The Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023. As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities (excluding the defined benefit scheme surplus) have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

Deferred tax on the defined benefit scheme surplus has been calculated at 35%.

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Tangible Assets	Freehold land and buildings	Plant, machinery, fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 January 2021	7,261	8,102	298	15,661
Transfer of assets	-	298	(298)	-
Additions	11	498	12,351	12,860
At 31 December 2021	<u>7,272</u>	<u>8,898</u>	<u>12,351</u>	<u>28,521</u>
Accumulated Depreciation				
At 1 January 2021	805	2,053	-	2,858
Charge for the year on owned assets	428	1,135	-	1,563
At 31 December 2021	<u>1,233</u>	<u>3,188</u>	<u>-</u>	<u>4,421</u>
Net book value				
At 31 December 2021	<u>6,039</u>	<u>5,710</u>	<u>12,351</u>	<u>24,100</u>
At 31 December 2020	<u>6,456</u>	<u>6,049</u>	<u>298</u>	<u>12,803</u>

Freehold land and buildings include land at a value of £2,100,000 (2020: £2,100,000) on which no depreciation is charged.

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Stocks

	2021 £000	2020 £000
Raw materials	152	85
Finished goods	4,503	4,287
	<u>4,655</u>	<u>4,372</u>

Stocks are stated after provisions for impairment of £400k (2020: £469k). Stock includes £584k relating to spares (2020: £529k).

15. Debtors: Amounts falling due within one year

	2021 £000	2020 £000
Trade debtors	4,452	4,241
Amounts owed by group undertakings	-	36
Corporation Tax Debtor	25	16
Prepayments and accrued income	166	340
Deferred taxation (note 17)	-	108
	<u>4,643</u>	<u>4,741</u>

Trade debtors are stated after impairment of £13,000 (2020: £100,000).

16. Creditors: Amounts falling due within one year

	2021 £000	2020 £000
Invoice discounting	3,890	4,021
Trade creditors	5,679	3,391
Amounts owed to group undertakings	1,601	3,294
Other taxation and social security	83	637
Other creditors	73	38
Accruals and deferred income	11,388	742
	<u>22,714</u>	<u>12,123</u>

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Deferred taxation

	2021 £000	2020 £000
At beginning of year	108	(148)
(Charged)/credited to profit or loss	(124)	110
(Charged)/credited to other comprehensive income	(1,155)	146
At end of year	<u><u>(1,171)</u></u>	<u><u>108</u></u>

The deferred tax (liability)/asset is made up as follows:

	2021 £000	2020 £000
Short term timing differences	20	12
Defined benefit pension scheme	(908)	267
Fixed Assets	(851)	(681)
Losses and other deductions	616	547
Capital gains	(48)	(37)
	<u><u>(1,171)</u></u>	<u><u>108</u></u>

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. Provision for other liabilities

	Deferred Tax £000	Customer Claims provision £000	Total £000
At 1 January 2021	-	57	57
Charged/(credited) to profit and loss account	16	(27)	(11)
Charged to other comprehensive income	1,155	-	1,155
At 31 December 2021	1,171	30	1,201

19. Called up share capital

	2021 £000	2020 £000
Allotted, called up and fully paid		
12,628,745 - (2020: 10,808,745) Ordinary shares of £1 each	<u>12,629</u>	<u>10,809</u>

During the year, 1,820,000 Ordinary shares with a nominal value of £1 were issued. The consideration received by the Company for the allotted shares was £1,820,000.

20. Pensions and similar obligations

Defined contribution pension scheme

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £420,000 (2020: £353,000).

Defined benefit pension scheme

The company operates a defined benefit pension scheme funded by the company and its employees. The scheme was closed to future accruals in June 2017 and a defined contribution scheme was opened up to all employees.

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Pension and similar obligations (continued)

Contributions to the defined benefit pension scheme are made to a pension trust whose assets are held in a separate trustee administered fund. The contributions to the scheme are determined by a qualified actuary using the projected unit method. The scheme is a closed scheme and therefore under the projected unit method the current service cost would be expected to increase as the members approach retirement.

The most recent actuarial valuation was at 5 April 2021 and updated to 31 December 2021 by a qualified actuary.

Reconciliation of present value of plan liabilities:

	2021 £000	2020 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	31,728	28,170
Current service cost	-	-
Loss/(gain) on curtailments	-	-
Interest cost	453	568
Actuarial (gain)/loss	(2,834)	3,921
Contributions from scheme members	-	-
Benefits paid	(1,028)	(931)
Insurance premiums for risk benefits	-	-
At the end of the year	<u>28,319</u>	<u>31,728</u>

STANTON PRECAST LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

20. Pension and similar obligations (continued)

Reconciliation of present value of plan assets:

	2021 £000	2020 £000
At the beginning of the year	30,323	27,280
Insurance premium for risk benefits	-	-
Interest income	435	552
Actuarial gains	748	3,152
Contributions from scheme members	-	-
Benefits paid	(1,028)	(931)
Settlements	(147)	(206)
Contributions from the sponsoring companies	583	476
At the end of the year	<u><u>30,914</u></u>	<u><u>30,323</u></u>

The major categories of scheme assets as a percentage of total scheme assets are as follows:

	2021	2020
Equity instruments	24%	28%
Debt instruments	36%	37%
Other assets	40%	35%
Total plan assets	<u><u>100%</u></u>	<u><u>100%</u></u>

None of the scheme's assets are the entity's own financial instruments or property occupied or used by the entity.

	2021 £000	2020 £000
Fair value of plan assets	30,914	30,323
Present value of plan liabilities	(28,319)	(31,728)
Net pension scheme asset/(liability)	<u><u>2,595</u></u>	<u><u>(1,405)</u></u>

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Pension and similar obligations (continued)

The amounts recognised in profit or loss are as follows:

	2021 £000	2020 £000
Interest on obligation	18	16
Past service cost	147	206
Loss/(Gain) on curtailments	-	-
Total	165	222
Actual return on scheme assets	1,183	3,704

The amount of actuarial gains and losses recognised in the statement of comprehensive income was a gain of £3,582,000 (2020: a loss of £769,000).

The Company is committed to regular additional contributions to fund any future potential deficit, as set out in the Schedule of Contributions, the latest version of which allows for an additional £415,000 per annum of contributions until March 2023.

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

	2021 %	2020 %
Discount rate	1.85	1.45
Future salary increases	N/A	N/A
Future pension increases	3.25	2.80
Inflation assumption	3.40	2.90
Mortality rates		
- for a male aged 65 now	86.3	86.8
- at 65 for a male aged 45 now	87.6	88.6
- for a female aged 65 now	88.1	89.2
- at 65 for a female member aged 45 now	89.6	91.1

STANTON PRECAST LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

20. Pension and similar obligations (continued)

In the previous year, the Company updated its approach to setting RPI and CPI inflation assumptions in light of the RPI reform proposals consultation response published on the 25th November 2020 by the UK Chancellor and UK Statistics Authority. The Company continued to set RPI inflation in line with the market break-even expectations less an inflation risk premium. The inflation risk premium has been decreased from 0.5% at 31 December 2019 to 0.3% at 31 December 2020, while for CPI the Company has maintained the long term gap between RPI and CPI at 0.50% to reflect increased clarity on the future of the RPI index. The estimated impact of the change in the methodology is approximately a £0.8m increase in the defined benefit obligation in respect of the scheme.

21. Commitments under operating leases

At 31 December the company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £000	2020 £000
Not later than one year	321	133
Later than one year and not later than five years	679	290
	<u>1,000</u>	<u>423</u>

22. Controlling Party

At the balance sheet date:

The company was a 100% subsidiary of Sateba Operations SAS, formerly Consolis Rail International, a company incorporated in France, renamed to reflect the change of shareholders.

On February 8th 2021, Ville Holding Participations, through its subsidiary Ville Participations SAS, signed a Securities Sale Agreement (SSA) relative to the purchase of the Consolis Rail division. This operation was the result of a carve-out operation carried out by the Consolis Group.

On March 31st 2021, 100% of the equity securities of the entities composing the Consolis Rail division, of which the Company was a part, were thus acquired.

The Company's financial statements as of December 31st 2021 are included, using the global integration method, in the consolidated accounts of the company Ville Holding Participations whose head office is registered and located in France, Tour CB21, 16 Place de L'Iris – 92040, Paris La Defense Cedex.

Ville Holding Participations is owned by Towerbrook Capital Partners Fund V through its subsidiary Dolmen Holdings B.V, registered and located in the Netherlands.