Registered number:
02263795

SATEBA UK LIMITED
(formerly Stanton Precast Limited)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

SATEBA UK LIMITED

COMPANY INFORMATION

Directors	B J R Cattin-Martel M Godin S W Yates
Company secretary	Jean-Pierre Janse Van Rensburg
Registered number	02263795
Registered office	Littlewell Lane Stanton By Dale Ilkeston Derbyshire DE7 4QW
Independent auditor	KPMG LLP (UK) EastWest Tollhouse Hill Nottingham NG1 5FS

SATEBA UK LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report of Sateba UK Limited ("the company") for the year ended 31 December 2022.

Principal activities, business review and future developments

The principal activity of the company during 2022 was the manufacture and supply of concrete pipes, concrete manholes, tunnel segments as part of the government's HS2 contract and other concrete products. Following the company's disposal of its Precast Drainage business in October 2023 as referenced in Note 23 to the financial statement; the company has focused its activities on the manufacture and supply of precast concrete products to the UK rail and infrastructure markets.

Key performance indicators

The company uses a number of financial measures to review progress against its objectives:

	2022	2021
Turnover	£53.0m	£37.8m
(Loss)/Profit before tax	£(3.3m)	£0.5m
Net Assets	£11.5m	£13.9m
Debtor days	62	36
Creditor days	81	45

The company's performance in the year was impacted by a number of significant events within the UK and across Europe. The political unrest within Europe through the year had a significant impact on input cost pricing as seen across the majority of industries. While the company took significant mitigating actions to pass these additional costs through to its client base, not all of the costs were able to be passed on impacting on margins in the business.

Sales in the core drainage business were significantly impacted in the second half of the year by the housing market drop following the autumn mini-budget which impacted both interest rates and general market confidence. The green tunnels project completed construction of its manufacturing facility and commenced production on site, ramping up volumes through the second half of 2022, with increased contract revenue contributing to the turnover growth in 2022 versus prior year.

The challenges in the UK housing market continued and deteriorated further into the 1st half of 2023 materially impacting on the sales volumes and profitability of the core drainage business. The company sold the drainage business trade, assets and inventory to Tracey Concrete Ltd in October 2023 as disclosed in Note 23 Post balance sheet events to the Financial statements. The loss for the year and the value of net assets are stated inclusive of a £2.4m impairment of the assets and inventory disposed of as part of the drainage business.

Following the sale of the drainage business the company has been renamed Sateba UK Ltd and restructured to focus on the UK rail and infrastructure markets, which are seen as a significant strategic opportunities for the company, that align with and are enabled by the wider Group's product portfolio and considerable sector experience.

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.

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 company is included within the Sateba group compliance program including Compliance Training (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.

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.

Environmental Policy

Stanton Precast is committed to leading the industry in sustainability including reducing the environmental impact of production and processes to reduce its carbon footprint. The companies detailed policy and accreditation can be found on the company website.

The company has formed a Sustainability Management group, who have introduced the business' ESG Pledge, updated the Environmental Policy to suit, renewed the ISO14001 certification, and generated carbon footprint assessments of each of the product varieties manufactured.

The company has introduced specific low carbon raw materials, invested in energy monitoring, rainwater harvesting and plant efficiency along with streamlining processes demonstrating its commitment to good environmental practices.

Streamlined Energy and Carbon Reporting (SECR)

As a large company as defined in the Companies Act 2006, Sateba UK Ltd is required to report on its energy use and related carbon information. Consumption in KwH and emissions in tonnes CO_2e for the year ended 31 December 2022 were as follows:

	2022 Consumption kWh	**2022 Tonnes CO_2e**	**2021 Consumption kwh**	**2021 Tonnes CO_2e**
Scope 1 – Natural Gas	175,269	32	166,882	31
Scope 1 – Diesel for vehicles	3,219,976	773	2,101,906	498
Scope 2 – Electricity	3,101,100	600	3,289,200	698
Total Gross Emissions	6,496,345	1,405	5,557,988	1,227

The company calculates its intensity ratio with reference to tonnes CO_2e per £m of turnover. The intensity ratio for the year ended 31 December 2022 was 26.5 tonnes CO_2e per £m of turnover (2021: 32.5 tonnes CO_2e per £m of turnover).

BEIS Conversion factors have been used to convert consumption and spend into tonnes CO_2e.

Stuart Yates
Director

Date: 1 FEBRUARY 2024

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Results and dividends

The loss for the year, after taxation, amounted to £(2,273)k (2021: Profit of £375k).

The net assets position at 31 December 2022 was £11,518k (2021: £13,907k).

The company has not declared a dividend (2021: £Nil).

Change of name

On 20 November 2023 the Company changed its name from Stanton Precast Limited to SATEBA UK Limited.

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 Marguerítte (Appointed 26th April 2022, resigned 20 June 2023)
S W Yates (Appointed 1st September 2022)
M Godin (Appointed 20 June 2023)

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 £135 (2021: £257) 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 financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

The company meets its day to day working capital requirements from operational cash flows, intercompany loan and trading balances with the group headed by Villé Holding Participations SAS, the ultimate parent company.

The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its immediate parent company, to meet its liabilities as they fall due during the 12 month period ending 28 February 2025, the going concern assessment period.

The cashflow forecasts have been prepared on the basis of the business retained post the disposal of the Drainage business in October 2023. This includes continued planned completion of the Green Tunnels project in 2025 and a number of new contracts in the rail sector for which the Company are at advanced tender stage and believe that, considering the local company and group capability in the retained business and the established operating base in the local market, they will be successful in obtaining these contracts. The downside scenario includes a delay and reduction in the rail sector contracts currently not yet secured.

Villé Holding Participations SAS has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £3.05m, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

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 strategic report, the directors report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with the UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice),including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they are either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

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: 1 FEBRUARY 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATEBA UK LIMITED (FORMERLY STANTON PRECAST LIMITED)

Opinion

We have audited the financial statements of Sateba UK Limited (formerly Stanton Precast Limited) ("the company") for the year ended 31 December 2022 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 2022 and of its loss 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATEBA UK LIMITED (FORMERLY STANTON PRECAST LIMITED)

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

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 an entry to the revenue account and 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATEBA UK LIMITED (FORMERLY STANTON PRECAST LIMITED)

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:

- 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 8, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATEBA UK LIMITED (FORMERLY STANTON PRECAST LIMITED)

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

Emma Mayer (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
EastWest
Tollhouse Hill
Nottingham
NG1 5FS

Date: 1 February 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	Note	2022 £000	2021 £000
Turnover	4	53,025	37,780
Cost of sales		(41,436)	(28,622)
Gross profit		11,589	9,158
Distribution costs		(5,376)	(5,447)
Administrative expenses		(9,054)	(3,012)
Operating (loss)/profit	5	(2,841)	699
Interest receivable and similar income	9	7	36
Interest payable and similar expenses	10	(468)	(218)
Other finance Income/(costs)	11	51	(18)
(Loss)/profit before taxation		(3,251)	499
Tax on (Loss)/profit	12	978	(124)
(Loss)/Profit for the financial year		(2,273)	375
Other comprehensive Income/(expense) for the year			
Actuarial (loss)/gain on defined benefit pension scheme		(179)	3,582
Movement of deferred tax relating to pension asset		63	(1,155)
Other comprehensive (expense)/income for the year		(116)	2,427
Total comprehensive (expense)/income for the year		(2,389)	2,802

All results relate to continuing operations.

The notes on pages 17 to 39 form an integral part of these financial statements.

SATEBA UK LIMITED
REGISTERED NUMBER: 02263795

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £000		2021 £000
Fixed assets					
Tangible assets	13		31,290		24,100
Pensions asset	20		2,737		2,595
Current assets					
Stocks	14	4,627		4,655	
Debtors: amounts falling due within one year	15	7,674		4,643	
Cash at bank and in hand		2,209		1,829	
		14,510		11,127	
Creditors: amounts falling due within one year	16	(36,005)		(22,714)	
Net current liabilities			(21,495)		(11,587)
Total assets less current liabilities			12,532		15,108
Provision for other liabilities	18		(1,014)		(1,201)
Net assets			11,518		13,907
Capital and reserves					
Called up share capital	19		12,629		12,629
Revaluation reserve			2,655		2,655
Profit and loss account			(3,766)		(1,377)
Total equity			11,518		13,907

These financial statements were approved by the board of directors on 1st February 2024 and were signed on its behalf by:

Stuart Yates
Director

Date: 1 FEBRUARY 2024

The notes on pages 17 to 39 form an integral part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2022	12,629	2,655	(1,377)	13,907
Comprehensive (expense)/income for the year				
(Loss)/Profit for the financial year	-	-	(2,273)	(2,273)
Actuarial loss on pension scheme	-	-	(179)	(179)
Deferred tax relating to pension asset	-	-	63	63
At 31 December 2022	12,629	2,655	(3,766)	11,518

	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 gains on pension scheme	-	-	3,582	3,582
Deferred tax relating to pension asset	-	-	(1,155)	(1,155)
Share Issue	1,820	-	-	1,820
At 31 December 2021	12,629	2,655	(1,377)	13,907

The notes on pages 17 to 39 form an integral part of these financial statements.

1. General Information

Sateba UK Limited (formerly Stanton Precast Limited) whose principal activity during 2022 was 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.

Following the sale of the precast drainage business in October 2023 (Refer to note 23 Post balance sheet events) the companies principal activity has changed to focus on the manufacture and supply of precast products for the UK Rail market.

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 2022, Ville Holding Participations SAS includes the Company in its consolidated financial statements. The consolidated financial statements of Ville Holding Participations SAS 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 SAS 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.

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.
The company meets its day to day working capital requirements from operational cash flows, intercompany loan and trading balances with the group headed by Villé Holding Participations SAS, the ultimate parent company.
The directors have prepared cash flow forecasts and performed a going concern assessment which indicates that, in both the base and reasonably possible downsides, the company will require additional funds, through funding from its immediate parent company, to meet its liabilities as they fall due during the 12 month period ending 28 February 2025, the going concern assessment period.
The cashflow forecasts have been prepared on the basis of the business retained post the disposal of the Drainage business in October 2023. This includes continued planned completion of the Green Tunnels project in 2025 and a number of new contracts in the rail sector for which the Company are at advanced tender stage and believe that, considering the local company and group capability in the retained business and the established operating base in the local market, they will be successful in obtaining these contracts. The downside scenario includes a delay and reduction in the rail sector contracts currently not yet secured.
Villé Holding Participations SAS has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts currently due to the group, which at 31 December 2022 amounted to £3.05m, during the going concern assessment period. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.
Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared 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.

2.4 Turnover (continued)

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.

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.

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'.

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.

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.

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.

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.

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

The preparation of the financial statements requires the directors 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 the directors' judgements are 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. Director reviews are performed to estimate the level of reserves required for irrecoverable debt. Provisions are made specifically where recoverability is uncertain. The directors 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, the directors consider 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 £59,000 (2021:£13,000) 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, the directors 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 the directors 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.

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, the directors consider 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 £566,000 (2021: £400,000).

Impairment of Fixed Assets

The directors review fixed assets at each balance sheet date for indicators of impairment. At 31 December 2022 given the loss making position of the precast drainage business an Impairment indicator existed. The judgement of the directors is that the post year end sales price of the Drainage business (as disclosed in note 23 Post Balance sheet events) – reflects the best estimate of the recoverable value of the assets as at 31 December 2022 (on the fair value less costs to sell method) and on this basis an impairment of £2,171k has been booked in the financial statements. The contracted sales price by asset category are considered the best estimate of fair value by asset type and costs to sell have been allocated proportionally to each class of assets in line with the sales price.

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.

Contract pipeline

The financial statements have been prepared on a going concern basis. In undertaking the going concern assessment, the Directors have considered the company's pipeline of future contracts and potential to secure future contracts. In assessing the likelihood of securing future contracts, the directors have taken into account their judgement of the context of the UK Market, the company's physical assets and the company's and group's core capabilities in the rail sector.

4. Turnover

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

	2022 £000	2021 £000
Sale of goods	28,068	30,569
Revenue recognised on long term contracts	24,957	7,211
Total	53,025	37,780

All turnover arose within the United Kingdom.

5. Operating (loss)/profit

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

	2022 £000	2021 £000
Operating lease charges	511	75
Depreciation	2,769	1,563
Impairment – see note 13	2,171	-

6. Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	169	185

7. Employees

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

	2022 £000	2021 £000
Wages and salaries	8,489	6,998
Social security costs	855	680
Other pension costs	479	420
	9,823	8,098

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

	2022 No.	2021 No.
Production	145	122
Administration	82	67
	227	189

In addition, the average number of employees includes 8 temporary staff (2021:6).

8. Directors' remuneration

	2022 £000	2021 £000
Aggregate emoluments	451	168
Company contributions to defined contribution pension schemes	29	12
Amounts paid to third parties in respect of directors services	130	-
	610	180

	2022 £000	2021 £000
Highest paid director		
Aggregate emoluments	268	168
Company contributions to defined contribution pension schemes	17	12
	285	180

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.

9. Interest receivable and similar income

	2022 £000	2021 £000
Bank interest	7	36

10. Interest payable and similar expenses

	2022 £000	2021 £000
Other interest and financing charges	468	218

11. Other finance income/(costs)

	2022 £000	2021 £000
Net interest income/(expense) on net defined benefit asset	51	(18)

12. Tax on (loss)/profit

	2022 £000	2021 £000
Corporation tax		
Current tax on (loss)/profit for the year	-	-
Adjustments in respect of previous periods	-	-
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(570)	140
Adjustments in respect of prior periods	(408)	(16)
Total deferred tax	(978)	124
Taxation on (loss)/profit on ordinary activities	(978)	124

Prior year adjustment £408,000 relates to revised capital allowances claim, following 2022 capital allowances review undertaken by Lovell tax consultants following completion of the assets under construction linked to the long term contract.

12. Tax on (loss)/profit continued

Factorings affecting tax (credit)/charge for the year

The tax assessed for the year is higher than (2021: higher than) the standard rate of corporation tax in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
(Loss)/profit before tax	(3,251)	499
(Loss)/profit multiplied by standard rate of corporation tax in the UK of 19% (2021: 19%)	(618)	95
Effects of:		
Adjustments to tax charge in respect of prior periods	(408)	(16)
Fixed asset difference	(292)	45
Deferred tax asset not recognised	451	-
Difference between corporation tax rate and deferred tax rate	(111)	
Total tax (credit)/charge for the year	(978)	124

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 have been calculated at 25%, except for deferred tax on defined benefit scheme surplus, which have been calculated at 35%, on the basis that these are the rates at which those assets and liabilities are expected to unwind.

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 2022	7,272	8,898	12,351	28,521
Transfer of assets	10,305	2,046	(12,351)	-
Additions	7,115	3,194	1,821	12,130
At 31 December 2022	24,692	14,138	1,821	40,651
Accumulated depreciation and impairment				
At 1 January 2022	1,233	3,188	-	4,421
Charge for the year on owned assets	1,072	1,697	-	2,769
Impairment charge	-	2,171	-	2,171
At 31 December 2022	2,305	7,056	-	9,361
Net book value				
At 31 December 2022	22,387	7,082	1,821	31,290
At 31 December 2021	6,039	5,710	12,351	24,100

Freehold land and buildings include land at a value of £4,304,000 (2021: £2,100,000) on which no depreciation is charged.

At 31 December 2022 the loss making position of the precast drainage business was considered an indicator of impairment. The director's judgement is that the post year end sale of the precast drainage business (as disclosed in note 23 Post Balance sheet events) – reflects the best estimate of the recoverable value of the assets as at 31 December 2022 (on the fair value less costs to sell method). The contracted sales price by asset category are considered the best estimate of fair value by asset type and costs to sell have been allocated proportionally to each class of assets in line with the sales price; on this basis an impairment of £2,171k has been booked in the financial statements in 2022. This impairment charge has been recognised in administrative expenses within the statement of comprehensive income.

14. Stocks

	2022 £000	2021 £000
Raw materials	132	152
Finished goods	4,495	4,503
	4,627	4,655

Stocks are stated after provisions for impairment of £566k (2021: £400k).

15. Debtors: Amounts falling due within one year

	2022 £000	2021 £000
Trade debtors	5,200	4,452
Amounts owed by group undertakings	274	-
Corporation tax debtor	-	25
Advanced payment	1,148	-
Prepayments and accrued income	207	166
Deferred Tax	828	-
Other Debtors	17	-
	7,674	4,643

Trade debtors are stated after impairment of £59,000 (2021: £13,000).

Advance payments are made up of amounts contractually advanced or loaned to a key supplier of the major project.

16. Creditors: Amounts falling due within one year

	2022 £000	2021 £000
Invoice discounting	4,647	3,890
Trade creditors	6,185	5,679
Amounts owed to group undertakings	6,112	1,601
Other taxation and social security	244	83
Other creditors	73	73
Accruals and deferred income	18,744	11,388
	36,005	22,714

Amounts owed to group undertakings include £3,065,000 interest bearing loan at a rate 0.5% above the SONIA Reference Rate 3 month, payable on demand. The remaining balance results from trading activities, is non interest bearing and repayable on demand.

17. Deferred taxation

	2022 £000	2021 £000
At beginning of year	(1,171)	108
Credited/(charged) to profit or loss	978	(124)
Credited/(charged) to other comprehensive income	63	(1,155)
At end of year	(130)	(1,171)

17 Deferred Taxation continued

The deferred tax liability is made up as follows:

	2022 Asset	2022 Liability	2022 Total	2021 Total
	£000	£000	£000	£000
Short term timing differences	22	-	22	20
Defined benefit pension scheme	-	(958)	(958)	(908)
Fixed Assets	(3,881)	-	(3,881)	(851)
Losses and other deductions	4,735	-	4,735	616
Capital gains	(48)	-	(48)	(48)
	828	(958)	(130)	(1,171)

18. Provision for other liabilities

	Deferred Tax	Customer Claims provision	2022 Total
	£000	£000	£000
At 1 January 2022	1,171	30	1,201
(Credited) to other comprehensive income	(63)	-	(63)
(Credited)/charged to profit and loss account	(150)	26	(124)
	958	56	1,014

19. Called up share capital

	2022 £000	2021 £000
Allotted, called up and fully paid		
12,628,745 - (2021: 12,628,745) Ordinary shares of £1 each	12,629	12,629

During 2021 1,820,000 Ordinary Shares with a nominal value of £1 were issued. The consideration received by the company for the allocated shares was £1,820,000. There has been no change in 2022.

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 £479,000 (2021: £420,000).

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.

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 2022 by a qualified actuary.

Reconciliation of present value of plan liabilities:

	2022 £000	2021 £000
At the beginning of the year	28,319	31,728
Current service cost	-	-
Interest cost	513	453
Actuarial gain	(9,453)	(2,834)
Contributions from scheme members	-	-
Benefits paid	(1,133)	(1,028)
At the end of the year	18,246	28,319

20. Pension and similar obligations (continued)

Reconciliation of present value of plan assets:

	2022 £000	2021 £000
At the beginning of the year	30,914	30,323
Interest income	564	435
Actuarial (loss)/gain	(9,632)	748
Contributions from scheme members	-	-
Benefits paid	(1,133)	(1,028)
Administrative expenses	(103)	(147)
Employer contributions	373	583
At the end of the year	20,983	30,914

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

	2022	2021
Equity instruments	47%	24%
Debt instruments	47%	36%
Other assets	6%	40%
Total plan assets	100%	100%

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

	2022 £000	2021 £000
Fair value of plan assets	20,983	30,914
Present value of plan liabilities	(18,246)	(28,319)
Net pension scheme asset	2,737	2,595

20. Pension and similar obligations (continued)

The amounts recognised in profit or loss are as follows:

	2022 £000	2021 £000
Interest on obligation	(51)	18
Administrative expenses	103	147
Total	52	165
Actual return on scheme assets	(9,068)	1,183

The amount of actuarial gains and losses recognised in the statement of comprehensive income was a loss of £179,000 (2021: a gain of £3,582,000).

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 May 2023. From June 2023 no further contributions are due by the company to removing the deficit, the company will continue to meet the routine running costs of the plan up to £110,000 each year commencing on 1st June 2023.

20. Pension and similar obligations (continued)

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

	2022 %	2021 %
Discount rate	5.05	1.85
Future salary increases	N/A	N/A
Future pension increases	2.95	3.25
Inflation assumption	3.20	3.40
Mortality rates		
- for a male aged 65 now	86.3	86.3
- at 65 for a male aged 45 now	87.7	87.6
- for a female aged 65 now	88.1	88.1
- at 65 for a female member aged 45 now	89.7	89.6

The duration as at the Year End is approximately 13 years, compared to around 17 years at the Prior Year End. The duration has been estimated from sensitivity calculations.

The Company continued to set RPI inflation in line with the market break-even expectations less an inflation risk premium and maintained an inflation risk premium of 0.3% at 31 December 2022. For CPI, the Company continued to use a gap between RPI and CPI at 0.90% before 2030 and 0% after 2030 which produced an average long term gap of 0.4% at 31 December 2022, compared to 0.5% at 31 December 2021.

21. Commitments under operating leases

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

	2022 £000	2021 £000
Not later than one year	759	321
Later than one year and not later than five years	1,078	679
	1,837	1,000

22. Controlling Party

At the balance sheet date:

The company was a 100% subsidiary of Sateba Operations SAS, who is ultimately 100% owned by Ville Holding Participations SAS.

The Company's financial statements as of December 31st 2022 are included, using the global integration method, in the consolidated accounts of the company Ville Holding Participations SAS whose head office is registered and located in France, Tour CB21, 16 Place de L'Iris – 92040, Paris La Defense Cedex.

Ville Holding Parlcipations SAS is owned by Towerbrook Capital Partners Fund V through it's subsidiary Dolmen Holdings B.V, registered and located in the Netherlands.

23. Post Balance Sheet Event

On 13 October 2023 the company sold its Precast-Drainage business, constituting of the property, plant and equipment; stocks of finished goods and raw materials and associated trade to Stanton Precast Trading Ltd; a 100% subsidiary of the company incorporated on the 15th of August 2023. Stanton Precast Trading Ltd was subsequently sold to Tracey Concrete Ltd on 23 October 2023. The total consideration receivable for the business sold is £12.8m. The director's judgement is that the post year end sale of the precast drainage business reflects the best estimate of the recoverable value of the assets as at 31 December 2022 (on the fair value less costs to sell method) on this basis an impairment as disclosed in note 13 has been calculated.