Northumbrian Water Projects Limited

Annual Report and Financial Statements

for the year ended 31 March 2022

Registered Number 02528704

Registered Office:
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Pity Me
Durham
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Directors' report

The directors present their annual report and the audited financial statements for Northumbrian Water Projects Limited (the company) for the year ended 31 March 2022.

The financial statements are presented in Euros as this is the currency of the country in which the company carries out its trading activities.

Results and dividends

The company's profit after tax amounted to €858,000 (2021: €2,633,000 loss). The directors do not recommend the payment of a final dividend (2021: €nil) and no dividends have been paid since the year end.

Principal activity and review of the business

The company is incorporated in England and Wales and domiciled in the United Kingdom.

The company is a partner in Consort Joint Venture (CJV) which has a contract with Irish Water for the design and construction of a wastewater treatment plant and outfall at Carrigrenan, Cork, followed by the operation and maintenance of the plant for a period of 20 years. The company's responsibilities within CJV cover only the operation and maintenance portion of the contract.

The Taking-Over Certificate for the design and construction part of the contract was issued on 15 September 2004 which also marked the commencement of the operation and maintenance period. During the period the company continued operating the plant in accordance with CJV's contract with Irish Water.

The company also carried out the operation and maintenance of wastewater treatment plants at Fermoy and Mallow, County Cork. This 20 year contract with Irish Water was awarded in May 2011 and has ceased early with effect from 3 May 2021. The early cessation of this contract is not expected to have a material impact on the future performance of the company.

The company also owned a 100% subsidiary, NWG Bioenergy Limited (NWGB), whose principal activity was to operate a gas to grid anaerobic digestion plant. The plant was commissioned in September 2016 and exported biogas to the gas grid. The company sold its interest in NWGB on 31 January 2022.

Future developments

The company will continue to develop within the framework of CJV's contract with Irish Water to operate and maintain the wastewater treatment plant and outfall at Carrigrenan, Cork.

Treasury policies

The company's board is responsible for the financing strategy of the company which is determined within treasury policies set by the company's ultimate parent company, Northumbrian Water Group Limited (NWGL). The aim of this strategy is to assess the ongoing capital requirement of the company and to raise funding on a timely basis, taking advantage of any favourable market opportunities.

The treasury department of NWGL carries out treasury operations on behalf of the company. Surplus funds are invested based upon forecast requirements, in accordance with the treasury policies adopted by it. On occasion, derivatives are used as part of this process, but the treasury policy prohibits their use for speculation.

Principal risks and uncertainties

The company's principal financial instruments comprise cash, trade receivables and trade payables. Other financial assets and liabilities, such as group balances, arise directly from the company's operating activities.

The main risks associated with the company's financial assets and liabilities are set out below.

Given that the majority of the risks below derive from transactions with the NWGL group (the Group), the company does not undertake any hedging activity locally. Significant financial risks from an NWGL perspective are addressed on a case-by-case basis at NWGL level.

Directors' report (continued)

Liquidity risk

As regards day to day liquidity, the company is responsible for cash management but is reliant upon the committed borrowing facilities available to the Group. NWGL's policy is to have available standby committed bank borrowing facilities with a value of no less than £50m and with a bank agreement availability period of no less than 3 months.

Credit risk

Risk of exposure to external credit risk regarding sales transactions is concentrated with two parties as all sales are with these. However, the risk of financial loss as a result of their failure to honour their contractual obligations is considered remote.

Foreign currency risk

At 31 March 2022, the company had currency exposures with its Sterling bank account, the loan owed to NWGL and UK corporation tax owed by the company.

Going concern

The directors have considered the company's detailed budgets, forecasts and principal risks and uncertainties, including the effects of reasonably possible changes, and have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The operations are expected to be profitable over the term of the contract and performance to date is in accordance with this expectation. For these reasons, the directors continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who held office during the year and to the date of signing, were as follows:

D Hall
G B Southall
R Warneford

Indemnification of directors

Directors and officers liability insurance was in place for the year. On 21 March 2017, NWGL entered into a deed of indemnity to grant the directors of NWGL and its subsidiaries further protection against liability to third parties, and this remains in place. The company is an indirect subsidiary of NWGL.

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor are aware of that information. This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Directors' report (continued)

Auditor

The company had expressed its intention to undertake a selection process to appoint an auditor for the year ending 31 March 2022. However, in order to allow and enable an effective and competitive tender process to take place, the Group decided to appoint Deloitte LLP as the company's auditor for the year ended 31 March 2022 and to carry out a selection process for the following year.

Following a competitive tender process, Deloitte LLP were re-appointed as the company's auditor for the year ended 31 March 2023.

Approved for issue by the Board of Directors on 6 October 2022 and signed on it behalf by:

G B Southall
Director
7 October 2022

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 "Reduced Disclosure Framework". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

Independent auditor's report to the members of Northumbrian Water Projects Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Northumbrian Water Projects Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 101 "Reduced Disclosure Framework" and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the Statement of comprehensive income;
- the Balance sheet;
- the Statement of changes in equity; and
- the related notes 1 to 19.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (FRC's) Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Independent auditor's report to the members of Northumbrian Water Projects Limited (continued)

Other information

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

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

We have nothing to report in respect of these matters.

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management and internal audit about their own identification and assessment of the risks of irregularities.

Independent auditor's report to the members of Northumbrian Water Projects Limited (continued)

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and Tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team and relevant internal specialists namely tax and IT regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Accuracy of revenue: we performed a three way check to ensure sales invoices agree to purchase orders and subsequent cash receipts given the complexity of the contract with Irish Water.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management, the audit committee and external legal counsel concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' report.

Independent auditor's report to the members of Northumbrian Water Projects Limited (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report.

We have nothing to report in respect of these matters.

Use of our report

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

David Johnson FCA (Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Leeds, United Kingdom
7 October 2022

Statement of comprehensive income
for the year ended 31 March 2022

	Note	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Revenue	2	5,177	5,624
Operating costs		(4,874)	(5,248)
Operating profit	4	303	376
Finance costs	7	(4)	-
Foreign exchange gain		293	99
Profit on disposal of subsidiary	11	373	-
Impairment of assets	11	-	(3,077)
Profit/(loss) before taxation		965	(2,602)
Tax	8	(107)	(31)
Profit/(loss) for the financial year		858	(2,633)

Revenue and operating profit are all derived from continuing operations.

Balance sheet
as at 31 March 2022

	Note	31 March 2022 €000	31 March 2021 €000
Non-current assets			
Intangible assets	9	29	41
Property, plant and equipment	10	20	28
Deferred tax assets	12	29	27
		78	96
Current assets			
Trade and other receivables	13	1,489	15,668
Cash and bank balances		17,459	5,152
		18,948	20,820
Total assets		19,026	20,916
Current liabilities			
Trade and other payables	14	(11,874)	(14,346)
Net current assets		7,074	6,474
Total assets less current liabilities		7,152	6,570
Non-current liabilities			
Deferred income	15	(869)	(1,145)
		(869)	(1,145)
Total liabilities		(12,743)	(15,491)
Net assets		6,283	5,425
Equity			
Called up share capital	16	-	-
Retained earnings		6,283	5,425
Equity attributable to owners of the company		6,283	5,425

The financial statements of the company (registered number 02528704) were approved by the Board of directors and authorised for issue on 6 October 2022. They were signed on its behalf by:

G B Southall
Director
7 October 2022

Statement of changes in equity
for the year ended 31 March 2022

	Called up share capital €000	*Retained earnings* €000	*Total* €000
At 1 April 2020	-	8,058	8,058
Loss for the year and total comprehensive loss	-	(2,633)	(2,633)
At 31 March 2021	-	5,425	5,425
Profit for the year and total comprehensive income	-	858	858
At 31 March 2022	-	6,283	6,283

Notes to the financial statements

1. General information

The company is incorporated in the United Kingdom under the Companies Act 2006.

The company is a private company limited by shares and is registered in England and Wales. The address of the company's registered office is shown on the front page. The nature of the company's operations and its principal activities are set out in the Directors' report on page 3.

These financial statements are presented in Euros because that is the currency of the country in which the company operates.

These financial statements are separate financial statements. The group financial statements of NWGL are available to the public and can be obtained as set out in note 19. The company is therefore exempt from preparing consolidated accounts as per s401 of the Companies Act 2006.

2. Significant accounting policies

Basis of accounting

The company meets the definition of a qualifying entity under FRS 100 "Application of Financial Reporting Requirements" issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 "Reduced Disclosure Framework".

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to presentation of a cash flow statement, standards not yet effective, financial instruments, presentation of comparative information in respect of certain assets and capital management.

Where relevant, equivalent disclosures have been given in the group financial statements of NWGL.

The financial statements have been prepared on the historical cost basis. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

The impact of new standards adopted in the year was not material to the financial statements.

The principal accounting policies adopted are set out below.

Going concern

The directors continue to adopt the going concern basis in preparing the financial statements. Further information is included in the Directors' report.

Intangible assets

Intangible fixed assets comprise directly attributable bid costs, incurred after it is virtually certain that a contract will be obtained, which are capitalised only to the extent that they lead to the creation of an enduring asset, which delivers benefits at least as great as the amount capitalised.

Bid development costs are stated at cost, net of amortisation and any provision for impairment which are charged to operating costs. Amortisation is provided on a straight line basis over the 20 year operational phase of the contract with CJV.

Property, plant and equipment

All property, plant and equipment are initially recorded at cost.

Depreciation is provided on all property, plant and equipment, evenly over the expected useful life of each asset, at rates calculated to write off the cost or valuation, less estimated residual value, based on prices prevailing at the date of acquisition of each asset.

The expected useful life of property, plant and equipment is as follows:

Plant and machinery	–	4 to 5 years
Motor vehicles	–	4 to 5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

2. Significant accounting policies (continued)

Taxation

The tax expense represents the sum of the current tax charge and deferred tax.

Current tax

The current tax charge is based on the taxable profit for the year. Taxable profit differs from profit before taxation as reported in the Statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the Balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Deferred income

Deferred income, which comprises advance payments received, is released evenly over the course of the 20 year contract for the operation and maintenance of the wastewater treatment plant in Carrigrenan, Cork.

Foreign currencies

Transactions in foreign currencies are recorded at the 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.

Pensions

The company operates a defined contribution pension scheme. Costs are charged to the Statement of comprehensive income in the period in which they are incurred.

Non-current asset investments

Other investments are valued on a cost basis and are assessed for impairment when factors arise which may indicate a reduction in the recoverable amount of the investment in accordance with IAS 36 'Impairment of Assets'.

2. Significant accounting policies (continued)

Finance costs

The finance cost recognised in the Statement of comprehensive income in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

Investments

Investments are shown at cost less provision for any impairment in value.

Financial instruments

Financial assets and financial liabilities are recognised in the company's Balance sheet when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Revenue recognition

Revenue is stated net of value added tax. Revenue is measured based on the consideration which the company expects to be entitled to in a contract with a customer based upon volumes flowing through the operating plants during the period and excludes amounts collected on behalf of third parties. The company incurred no losses from bad debt during the period. Revenue, dividends, profit before tax and net assets are wholly attributable to the principal activities of the company and arise solely within the UK and Ireland.

Borrowings

Borrowings are initially measured at fair value, net of transaction costs.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements (other than those involving estimates) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Impairment of investments and loans

In the prior year, there was a key judgement surrounding the potential impairment of the subsidiary investment in NWGB and the associated loans, the directors had considered the realisable value that would result from the sale of its investment at fair value, less costs to sell. The realisable value was lower than the total of the investment and the loans and therefore impairments were made to the investment and loans, which are disclosed in note 11 to the financial statements.

There were no critical judgements made in the current or prior years and no key accounting estimates made in the current year given the disposal of the NWGB subsidiary.

4. Operating profit

This is stated after charging:

	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Staff costs	1,089	1,138
Depreciation of owned assets	10	10
Amortisation of bid development costs	12	11
Fees payable to the company's auditor for the audit of the company's financial statements	13	8
Other operating costs	3,750	4,084
Profit on disposal of tangible fixed assets	-	(3)
	4,874	5,248

Other operating costs represent external costs incurred in running the plants, in line with the terms of the contracts.

5. Directors' emoluments

The directors are remunerated in full by another Group company, namely NWGL. No emoluments were provided in the current or prior years by the company. The proportion of their time relating to the company is considered to be so small that any apportionment of salary costs would be immaterial and therefore have not been calculated or disclosed.

6. Staff costs

	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Wages and salaries	939	981
Social security costs	114	120
Other pension costs	36	37
	1,089	1,138

	No.	*No.*
The monthly average number of employees during the year was:		
Management	3	3
Administration	1	1
Operational	10	12
Maintenance	6	6
	20	22

7. Finance costs

	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Interest payable on surplus cash balances	4	-

8. Tax

(a) Tax in the Statement of comprehensive income

	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Corporation tax:		
Overseas tax payable for the year	37	47
Group relief payable for the year at 19% (2021: 19%)	75	39
Adjustments in respect of prior years:		
- Group relief	(3)	(42)
- Overseas tax	-	(17)
Total corporation tax	109	27
Deferred tax:		
Reduction due to opening rate change	(8)	-
Movement in the year at 25% (2021: 19%):		
- Origination and reversal of temporary differences in the year	6	5
- Adjustments in respect of prior years	-	(1)
Movement in the year	6	4
Total deferred tax	(2)	4
Total tax charge	107	31

Overseas tax relates to the taxation of profits arising from the company's operations in Ireland, where the rate of tax for the current year was 12.5% (2021: 12.5%). The rate of UK corporation tax for the current year was 19% (2021: 19%) however, deferred tax has been provided at 25% to reflect the change to the rate of tax enacted by Finance Act 2021.

(b) Reconciliation of total tax charge

	Year ended 31 March 2022 €000	Year ended 31 March 2021 €000
Profit/(loss) before tax	965	(2,602)
Profit/(loss) before tax multiplied by the rate of UK corporation tax of 19% (2021: 19%)	184	(494)
Effects at 19% (2021: 19%) of :		
Expenses not deductible for tax purposes	2	3
Impairment of assets not deductible for tax purposes	-	584
Non-taxable income	(69)	(3)
Deferred tax movement not at average rate for year	1	-
Opening deferred tax rate change	(8)	-
Double tax relief	(37)	(47)
Overseas tax charge	37	47
Adjustments in respect of prior years	(3)	(59)
Transfer pricing adjustments	58	91
Balancing payments receivable	(58)	(91)
Total tax charge (note 8a)	107	31

8. Tax (continued)

(c) Factors that may affect future tax charges

Future tax charges will be impacted by the rate change referred to in note 8a above, which is effective from 1 April 2023.

9. Intangible assets

	Bid development costs Total €000
Cost:	
At 1 April 2021 and 31 March 2022	224
Amortisation:	
At 1 April 2021	183
Provided during the year	12
At 31 March 2022	195
Net book value:	
At 31 March 2022	29
At 31 March 2021	41

10. Property, plant and equipment

	Motor vehicles €000	*Plant and machinery* €000	*Total* €000
Cost:			
At 1 April 2021	47	260	307
Additions	-	2	2
Disposals	-	(171)	(171)
At 31 March 2022	47	91	138
Depreciation:			
At 1 April 2021	34	245	279
Provided during the year	5	5	10
Disposals	-	(171)	(171)
At 31 March 2022	39	79	118
Net book value at 31 March 2022	8	12	20
Net book value at 31 March 2021	13	15	28

11. Investment in subsidiary undertakings

	Subsidiaries	*Total*
	€000	€000
At 1 April 2021 and 31 March 2022	-	-

On 31 January 2022, the company sold its 100% shareholding in NWGB. In the year ended 31 March 2021, following a review of the realisable value based upon offers for the entity, an impairment of €3,077,000 was recognised, €11,000 against the investment and €3,066,000 against the loans. Following the agreed sale of the entity a profit on disposal of €373,000 was realised in the year ended 31 March 2022.

12. Deferred tax assets

The deferred tax asset provided in the financial statements comprises:

	Accelerated tax depreciation	*Other*	*Total*
	€000	€000	€000
At 1 April 2020	30	1	31
Charge in the Statement of comprehensive income	(4)	-	(4)
At 31 March 2021	26	1	27
Credit in the Statement of comprehensive income	2	-	2
At 31 March 2022	28	1	29

13. Trade and other receivables

	31 March 2022	31 March 2021
	€000	€000
Trade debtors	371	567
Amounts owed by subsidiary undertakings	-	13,146
Amounts owed by other Group undertakings	9	9
Other debtors	517	836
Other taxation and social security	79	43
Overseas tax receivable	-	23
Prepayments	123	23
Accrued income	390	1,021
	1,489	15,668

Amounts owed by subsidiary undertakings above represent three secured loans at fixed rates of 0% per annum which were repayable on demand and were provided to the company's former subsidiary NWGB. All loans were settled on or before the sale of the entity on 31 January 2022.

14. Trade and other payables

	31 March 2022 €000	31 March 2021 €000
Trade creditors	158	252
Bank overdraft	-	2,794
Amounts owed to Group undertakings	11,096	10,852
Other creditors	289	94
Other taxes and social security costs	42	40
Overseas tax payable	27	-
Accruals and deferred income	262	314
	11,874	14,346

Included in amounts owed to Group undertakings is €139,000 (2021: €29,000) in respect of group relief provisionally claimed. This amount is interest free and is due to be settled on 14 December 2022.

Also included in amounts owed to Group undertakings is an unsecured loan of €10,861,000 (2021: €10,770,000) at a fixed rate of 0% per annum which is due to the company's ultimate parent company, NWGL. The loan was provided in order to facilitate a loan to the company's former subsidiary company, NWGB. The first draw down on the loan was made on 22 October 2015 and the loan was drawn down in full by 21 March 2016. Repayments commenced on 31 January 2017 and the loan was due to be repaid by 31 March 2029.

This loan was rebased from 6% to 0% from 1 April 2018 and the loan term extended in line with the repayment profile of the loan to NWGB.

The loan was repaid in full on 17 June 2022.

Other amounts owed to Group undertakings are interest free and are repayable within 30 days of the invoice date.

15. Deferred income

	Deferred income €000
At 1 April 2021	1,145
Released to the Statement of comprehensive income	(276)
At 31 March 2022	869

Deferred income relates to advance payments received under the terms of the operation and maintenance contract for Carrigrenan, Cork.

16. Called up share capital

	No.	31 March 2022 €	31 March 2021 €
Authorised, issued and fully paid:			
Ordinary shares of £1 each	2	2	2

17. Commitments and contingent liabilities

Cross guarantees
The company is party to a cross guarantee arrangement with other Group companies in respect of bank facilities. Overdrafts outstanding at 31 March 2022 in respect of the arrangement amounted to £5.6m (2021: £6.0m). The directors do not expect any loss to arise as a result of this arrangement.

18. Related parties

The company is an indirectly wholly owned subsidiary of NWGL which produces publicly available consolidated financial statements which include the company. Accordingly, the company is exempt under the terms of IAS 24 "Related Party Disclosures" from disclosing transactions with other members of the group headed by NWGL.

19. Ultimate parent undertaking and controlling party

At the Balance sheet date, the company's immediate parent undertaking was NWGCSL, a company registered in England and Wales and a wholly owned subsidiary of NWGL.

The directors of the company consider that NWGL is the ultimate parent undertaking and controlling party of the company.

The parent undertaking of the largest and smallest group of undertakings for which group financial statements are drawn up, and of which the reporting company is a member, is NWGL. Copies of NWGL's group financial statements are available from its registered address: Northumbria House, Abbey Road, Pity Me, Durham, DH1 5FJ.