

Registered number: 06433017

Bland Group UK Holdings Limited

Annual report and financial statements

For the year ended 31 March 2023

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Bland Group UK Holdings Limited

Company Information

Directors

J P Gaggero
E L Howes
N J Gaggero
P Navas
S A Tomlinson

Company secretary

S A Tomlinson

Registered number

06433017

Registered office

Estate Office
Encombe House
Corfe Castle
Wareham
Dorset
BH20 5LW

Independent auditors

Menzies LLP
Statutory Auditor, Chartered Accountants
3000a Parkway
Whiteley
Fareham
Hampshire
United Kingdom
PO15 7FX

Bland Group UK Holdings Limited

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Bland Group UK Holdings Limited

Group strategic report For the year ended 31 March 2023

Introduction

The directors present their strategic report for the year ended 31 March 2023.

Business review

During the financial year the Group's subsidiary businesses have experienced varying trading performance results, due to the specific markets and sectors they operate in.

Griffon Hoverwork Limited saw spares and consultancy sales increase by 26% to £9.6m for the year (2022 - £7.6m). Craft sales revenue of £15.9m was recognised in the year (2022 - £0.1m). A significant order for the delivery of 3 large hovercraft was awarded to the value of £27.4m, the builds of which were partially completed in 2022/23 and to be delivered within the 2023/24 financial year. Gross margins increased by 5% on the prior year, which reflects increased efficiencies within all revenue streams and a change in property footprint.

Airborne Representation Limited, which trades as Skybreak, continues to recover, after being hit hard with the impact of the coronavirus pandemic on the worldwide travel industry. Airborne Representation Limited continues to focus on diversification, offering new services and the continued development of the digitalisation and mobilisation of the business, enabling a more flexible and adaptive platform, whilst continuing to enjoy a strong and long term working partnership with Gatwick Airport Limited.

Hovertravel Limited continued its recovery throughout the financial year from the adverse impact of the COVID-19 pandemic, whilst managing the high level of inflation across its cost base. The craft reliability and the continual drive for a customer focussed, streamlined operation and the return of passenger's confidence led to a 4.4% increase in passenger numbers over the previous year. Despite a 14% increase in revenue, the company generated a loss before tax of £735,515 primarily driven by the losses attributable to a significant bad debt provision on the sale of two Hovercrafts which were no longer in operation. Following the actuarial losses on the defined benefit pension scheme of £541,023, total comprehensive income before tax is a loss of £1,276,538.

Bland (The Beehive) Limited, and the arrangement with Orega (Management) Limited, has seen a continued uptake in its shared services office spaces. The business performance remains positive, despite a lack of profit share return to the Group, whilst the company recovers from the impact of the COVID-19 pandemic.

Bland Group UK Holdings Limited

Group strategic report (continued) For the year ended 31 March 2023

Principal risks and uncertainties

COVID-19

The risks presented by COVID-19 have reduced but continue to be robustly managed by the Group.

Geopolitical risk

Due to the ongoing crisis in Ukraine and other factors, Griffon Hoverwork Limited is exposed to the growing costs of materials and shipping, in addition to extended lead times within their supply chain. Prices have been increased to reflect the increases in costs and UK inflation levels, with extensions applied to delivery deadlines within their customer contracts to reflect the delays within the supply chain. On occasions, where trade is with a country which is considered a high Geopolitical risk, UK Export Insurance Cover is undertaken to mitigate any government decision which may impact Griffon Hoverwork's ability to trade.

Credit Risk

The Group reviews all aged debtors on a regular basis and requires the subsidiary businesses to monitor as well. The Group's focus on credit risk is a high priority due to the economic pressures on suppliers and customers in all sectors, especially in travel however also manufacturing with international sales now regularly take place. This is reviewed carefully by the management and the Group.

All major contracts are covered by letters of credit or bank guarantees and, as such, credit risk remains relatively low especially as the company's customer base is mainly governments, public sector bodies or local authorities.

Each of the companies within the Group continually monitor and evaluate the potential impact of Brexit. Measures are taken where appropriate to protect the individual businesses.

Foreign exchange risk

Griffon Hoverwork Limited has some exposure on supply chain materials as well as contracts which are subject to foreign exchange exposures, especially on large commodity items which have both Euro and US Dollar requirements. This however is monitored and reviewed by the management at both Griffon Hoverwork Limited and Bland Group UK Holdings Limited. In addition, on contracts denominated in foreign currency, where appropriate, forward contracts have been obtained to hedge the currency risk. In some cases the contract inflows are naturally hedged against supplier payments.

No other companies within the Group have material foreign exchange exposures.

Liquidity risk

The Company reviews the cash position of subsidiary companies weekly, and longer term cashflow forecasts are reviewed each month.

Financial key performance indicators

The Group measures its overall performance on the basis of growth of turnover, earnings before interest, tax, depreciation and amortisation (EBITDA), and profit before tax. Turnover and profit before tax are stated in the statement of comprehensive income. The EBITDA for the period (before adjusting for exceptional items) is a profit of £2,994,318 (2022: £59,635) which has been calculated as the operating profit for the period of £1,250,494 (2022: £2,065,453 loss) before the deduction of amortisation £328,242 (2022: £558,239) and depreciation £1,415,582 (2022: £1,566,849).

Bland Group UK Holdings Limited

Group strategic report (continued) For the year ended 31 March 2023

Future developments

The foremost challenge in the period ahead is to monitor and develop recovery plans following the on-going effects of the COVID-19 pandemic across all the businesses within the Group. Alongside this, all of the companies will need to strive to remain as lean as possible in respect of overhead costs, whilst maintaining market presence in sectors that are seeing tougher trading outlooks.

For Griffon Hoverwork Limited, with open tenders remaining at a high level and an enviable record in winning bid processes, there is good reason to be optimistic about the future in the short, medium and long term.

Hovertravel Limited continues to develop its strategic projects, including commercial plans to ensure it is well placed to take advantage of changing travel patterns. This includes engagement with the DfT (Department for Transport), local councils, Chamber of Shipping, tourism organisations and the Isle of Wight Transport Infrastructure Board. Safety of its customers and people always remains the number one priority of the business and it will continue to robustly control and enhance its Compliance Processes & Policies throughout the business through the QMS, as audited by the Maritime Coastguard Agency (MCA) for all maritime matters. The development of its operational activities is key to ensuring the highest level of safety and service, including a focus on the continuing development of services for those with reduced and hidden disabilities. Engagement with and the monitoring of customer feedback, ensures the business exceeds the expectations of its customers. The relationship with the emergency services including the NHS for Rapid "off-Island" transfers, for the IOW Ambulance Service, has seen steady growth throughout the year and Hovertravel has been acknowledged as a 'critical lifeline service' and an essential element of their service. The company is committed to reduce its impact on the environment and has recently been accredited with ISO14001, demonstrating a structured approach to seeking an environmentally sustainable future. Commercially, the company is focused on the growth of passenger numbers, revenue, load factor and market share, and continually sourcing new revenue streams, whilst remaining committed to local communities & charities, Chamber of Commerce, and tourism partnerships.

Following the expansion and widening of the services provided by Airborne Representation Limited in the last 12 months, the business will be trading in 3 divisions:

- **Gatwick Airport Services** – as the business secures its long-term commitment with the Airport, Airborne anticipates continued recovery and cautious growth, supported by Gatwick Airport's passenger growth expectations, and to strengthen its position of being the main representation & B2C travel agency business and passenger services support channel within the airport environment. To protect gross margin and remain competitive with online travel agents, the business is building relationships directly with airlines and working on a new distribution channel with its existing global distribution supplier offering cheaper fares.
- **Remote Passenger Services (RPS)** – Following a successful pilot last year, Airborne is focused on the expansion of its airport services onto a hybrid model with other airport partners, through both face-to-face contact with its Contact Centre using digital technology and via its remote sales and ticketing team.
- **Management Services** – Providing management services to partners for customer service and digital media and growth of the lost property repatriation service on behalf of airlines.

Airborne does not expect any short-term improvements in the tight labour market conditions it is experiencing, and must remain competitive to attract and retain skills within the business. With this in mind, the business is looking to target potential new markets for recruitment to include school & college leavers through its apprenticeship scheme and university graduates looking for a career in aviation. Remuneration is regularly reviewed through benchmarking and restructuring of earnings to avoid potential pay challenges from employees. As part of the Bland Group, the development and support for its bespoke booking system will be brought in house during the year to allow more control in its management.

The rapidly changing market conditions currently projected and being experienced across the Group due to COVID-19 means a very cautious approach is being taken by the Directors. Critical focus is on addressing the consolidation of loss making activities and minimising cash flow requirements.

Bland Group UK Holdings Limited

Group strategic report (continued) For the year ended 31 March 2023

Going concern

With the on-going impact of the COVID-19 pandemic and rising inflation, the future viability of all companies within the Group has been fully reviewed by the Directors.

Griffon Hoverwork Limited reported a profit before tax for the period of £1,509,347 (2022 - loss £1,841,356). Included within creditors is an amount owed to parent undertakings of £15,391,691 (2022 - £21,077,957), for which the directors of the parent undertaking have confirmed repayment will not be due within 12 months from signing. Griffon's directors have presented a forecast up to 31 March 2028, which was prepared on a worst case basis. The scenarios assumed confirmed or recurring orders only for the period.

Over the past year, Airborne Representation Limited has seen a positive recovery in its Gatwick business on the back of a strong performance from Gatwick Airport and high passenger numbers. The business has also operated a successful pilot in Heathrow, and whilst the period was used to understand its challenges, it was successful in negotiating a medium-term deal to operate across its terminals. The measures to protect the business both over this time and for the future included:

- Diversifying into other products and markets by securing a medium contract to operate at Heathrow Airport and separately, introduce management services of social media coverage.
- Seek new suppliers of flight products to help protect supply and margins.
- Renew ATOL and IATA licenses to support growth in the business.
- A continued drive to maintain both capital expenditure and operation costs to a minimum and help preserve cash.
- Recruitment of team to meet the uplift in demand at Gatwick and the new operation at Heathrow.
- Benchmarking of job roles to ensure retention of staff and remain competitive in local market and restructure remuneration.
- Final stages of securing extension to concessionaire agreement with airport.
- Decision to bring in house the IT support and development of booking system within the next financial year.

Airborne continues to face pressures which the strong recovery in international travel has brought to airport operations and the issues this brings in terms of recruitment and retention of staff. Management are focused on regularly reviewing the remuneration structure and working conditions to help prevent staff turnover, whilst ensuring the business has a suitable recruitment program in place. Management are also focused on internal training and promotion to build on the current unique skillset. The Gatwick business is forecast to return to 87% of pre-covid levels by March 24, The RPS operation, whilst expected to make losses in its 1st year of operation following the pilot, losses are expected to narrow by Q 42024. Overall cashflows from operations have returned to a positive territory, with funding from the parent company, Bland Group UK Holdings Ltd, being partially repaid by July 23. The business will, however, require support from its parent company to provide bonding for its IATA and ATOL licenses whilst it strengthens its balance sheet. Management continue to provide regular cashflow forecasts to the Board of Directors to ensure its obligations are met. There remain no external loans within the business. To support the assessment of Going Concern, the Board receive regular trading updates on a monthly basis. The Board are also regularly updated regarding the human resources challenges that the business faces and the proactive steps being taken to secure its required labour force. Management continues to regularly review its Risks and Opportunities Register and reflects the changes which are being seen to the business. With the higher volumes of sales paid by card at the time of booking, Airborne continues to benefit from no deferment on settlement from the card acquirer. On the supply side, it continues to rely upon flight purchases using IATA Bank Settlement Plan (BSP), but it has sought alternative suppliers to both mitigate the risk of using BSP, improve cashflow and to attract improved airfares to protect margins. The forecasts have factored in the costs increase in line with current level of inflation.

Bland Group UK Holdings Limited

**Group strategic report (continued)
For the year ended 31 March 2023**

Going concern (continued)

Hovertravel Limited is expected to continue to recover from the effects of the COVID-19 pandemic and the cost-of-living crisis for the foreseeable future and has obtained shareholder support from Bland Group UK Holdings Limited for the commitment to provide continuing financial support beyond the next twelve months. The business has continued to benefit from the strategic review recently carried out with the streamlining of operations and corresponding reduction in the cost base. Continued investment to make further enhancements in its technology will bring further efficiencies and improvements to the current forecast. The business is also continuing with, and promoting, its online sales portal, enhancing its online presence, in a bid to increase advance sales. The bank loan in place at Hovertravel is subject to two financial covenants including EBITDA to Debt Service and a loan to craft value. As at 31 March 2023, both are being met. The directors are in communication with their lenders and bankers with both having a high level of comfort in the ongoing position of Hovertravel. The directors believe that, even with the wider economic environment associated with the increasing global uncertainty, the business is adapting to meet the expected changes in market demand and identifying new revenue streams.


Recovery from the COVID-19 pandemic continues to have an impact on Bland (The Beehive) Limited, although the occupancy level of the serviced offices are steadily increasing to pre-COVID levels. The move towards hybrid working has seen a reduction in demand for office space. The direct impact on Bland (The Beehive) Limited is that, Orega (Management) Limited were once again not in a position to pay the full targeted base rent return due to Bland (The Beehive) Limited for the year and there was no profit share. The outcome is anticipated to improve over the next few years, with a return to a profit share position. Bland (The Beehive) Limited has sufficient cash reserves to meet its obligations over the coming year.

The directors of the Group have assessed the future financial support requirements of each of the companies in a range of COVID-19 scenarios, as outlined above. Based on reasonably foreseeable outcomes and having obtained confirmation that support and resources will be available from its parent company, Bland Group Holdings Limited, for a period of not less than 12 months from the date of signing of the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

This report was approved by the board on

14-Dec-2023

and signed on its behalf.

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J P Gaggero
Director

Bland Group UK Holdings Limited

Directors' report For the year ended 31 March 2023

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

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated financial statements in accordance with applicable law and regulations.

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

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,465,971 (2022 - loss £2,190,522).

There were no dividends recommended in the year (2022 - £nil).

Directors

The directors who served during the year were:

J P Gaggero
E L Howes
N J Gaggero
P Navas
S A Tomlinson

Bland Group UK Holdings Limited

Directors' report (continued) For the year ended 31 March 2023

Research and development activities

Griffon Hoverwork Limited has undertaken two key projects of research and development. The main development project which commenced in 2012/13 was the inception of Griffon Hoverwork's first attempt at a formalised product development program. Having undertaken significant customer research and market analysis it was identified that the most significant gap in Griffon Hoverwork's product offering was at the small scale craft range. More particularly a series of characteristics were identified by users of the existing small craft which crystallised a wish list of desirable attributes and areas where product improvement and innovation was required or desirable.

In response to the identification of these areas Griffon Hoverwork personnel began a significant period of work on the conceptual and then the detailed design of a craft, which would incorporate the ideas proposed to resolve the various existing problems. It is therefore unsurprising that this constitutes the largest R and D spend in the company's history.

The other project, 12000TD, was designed as the replacement craft to the AP188 craft previously operating on the hovercraft route between Ryde and Southsea operated by Hovertravel Limited; a company in the same corporate group. The replacement of those craft was taken as an opportunity to explore new ideas and technologies to see if performance and efficiency could be optimised through a more integrated hovercraft design. The challenges to overcome were faster turnaround at each route stop, less maintenance cost, improved fuel efficiency, better craft performance, optimised capacity, reduced build time and increased compliance standards with new regulatory regimes.

Further to the figures mentioned in the Strategic report, Griffon Hoverwork has a strong pipeline for future craft opportunities, which includes multiple units of the newly developed craft mentioned above.

Development costs of £15,000 (2022 - £15,000) have been capitalised during the year, and the net book value of capitalised development costs at 31 March 2023 is £2,112,617 (2022 - £2,256,709).

Qualifying third party indemnity provisions

Directors' and officers' insurance cover has been established for all Directors to provide appropriate cover for their reasonable actions on behalf of the Group.

Matters covered in the Group strategic report

Future developments, going concern and financial risk management policies are all disclosed in the Strategic report.

Bland Group UK Holdings Limited

**Directors' report (continued)
For the year ended 31 March 2023**

Disclosure of information to auditors

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

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

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

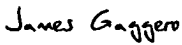
Post balance sheet events

There have been no other significant events affecting the Group since the year end.

Auditors

Under section 487(2) of the Companies Act 2006, Menzies LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 14-Dec-2023 and signed on its behalf.

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J P Gaggero
Director

Bland Group UK Holdings Limited

Independent auditors' report to the members of Bland Group UK Holdings Limited

Opinion

We have audited the financial statements of Bland Group UK Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2023, which comprise the Group Statement of comprehensive income, the Group and Company Balance sheets, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent 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.

Bland Group UK Holdings Limited

Independent auditors' report to the members of Bland Group UK Holdings Limited (continued)

Other information

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 6, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Bland Group UK Holdings Limited

Independent auditors' report to the members of Bland Group UK Holdings Limited (continued)

Auditors' responsibilities for the audit of the financial statements

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

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

- The Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation, and general regulations such as health and safety. There are no industry specific laws and regulations which would be deemed to have a significant impact on the financial statements. We assessed the extent of compliance with the appropriate laws and regulations as part of our procedures on the related financial statement items.
- We understood how the Company is complying with the legal and regulatory frameworks by, making inquiries to management, those responsible for legal and compliance procedures and the company secretary. We corroborated our inquiries through our review of board minutes.
- The engagement partner assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognize non compliance with laws and regulations. The assessment did not identify any issues in this area.
- We assessed the susceptibility of the Company financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
 - Understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
 - Challenging assumptions and judgments made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations.
- As a result of the above procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas:
 - Posting of unusual journals and complex transactions;
 - Misappropriation of funds through fraudulent purchase ledger and payroll activity; and
 - Manipulation of amounts subject to significant judgment or estimate.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

Bland Group UK Holdings Limited

Independent auditors' report to the members of Bland Group UK Holdings Limited (continued)

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

Use of our report

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

DocuSigned by:

Andrew Galliers

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Andrew Galliers FCA (Senior statutory auditor)

for and on behalf of
Menzies LLP

Statutory Auditor,
Chartered Accountants

3000a Parkway
Whiteley
Fareham
Hampshire
United Kingdom
PO15 7FX

Date: 14-Dec-2023

Bland Group UK Holdings Limited**Consolidated statement of comprehensive income
For the year ended 31 March 2023**

	Note	2023 £	2022 £
Turnover		37,492,189	14,263,108
Cost of sales		(27,837,258)	(11,222,669)
Gross profit		9,654,931	3,040,439
Administrative expenses		(8,119,042)	(6,414,650)
Exceptional administrative expenses		-	(55,000)
Other operating income	5	78,223	89,839
Fair value movements		(363,618)	1,273,919
Operating profit/(loss)	6	1,250,494	(2,065,453)
Interest receivable and similar income	10	261,205	321
Interest payable and similar expenses	11	(61,730)	(73,407)
Other finance income		16,002	11,981
Profit/(loss) before taxation		1,465,971	(2,126,558)
Tax on profit/(loss)	13	-	(63,964)
Profit/(loss) for the financial year		1,465,971	(2,190,522)
Actuarial losses on defined benefit pension scheme		(541,023)	(203,856)
Other comprehensive income for the year		(541,023)	(203,856)
Total comprehensive income for the year		924,948	(2,394,378)
Profit/(loss) for the year attributable to:			
Owners of the parent Company		1,465,971	(2,190,522)
		1,465,971	(2,190,522)

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited
Registered number: 06433017

Consolidated balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	15	2,519,211	2,715,904
Tangible assets	16	4,241,681	5,324,924
Investments	17	5,519	5,519
		<u>6,766,411</u>	<u>8,046,347</u>
Current assets			
Stocks	18	8,336,553	8,398,197
Debtors: amounts falling due after one year	19	-	41,989
Debtors: amounts falling due within one year	19	29,830,745	18,936,942
Cash at bank and in hand	20	3,007,747	4,368,988
		<u>41,175,045</u>	<u>31,746,116</u>
Creditors: amounts falling due within one year	21	(24,457,673)	(13,154,577)
Net current assets		<u>16,717,372</u>	<u>18,591,539</u>
Total assets less current liabilities		<u>23,483,783</u>	<u>26,637,886</u>
Creditors: amounts falling due after one year	22	(15,785,816)	(20,177,136)
Provisions for liabilities			
Dilapidation provision	25	(355,000)	(355,000)
Net assets excluding pension asset		<u>7,342,967</u>	<u>6,105,750</u>
Pension asset		174,032	486,301
Net assets		<u><u>7,516,999</u></u>	<u><u>6,592,051</u></u>
Capital and reserves			
Called up share capital	26	15,304,430	15,304,430
Capital redemption reserve	27	1,213,310	1,213,310
Merger reserve	27	1,863,003	1,863,003
Profit and loss account	27	(10,863,744)	(11,788,692)
Equity attributable to owners of the parent Company		<u><u>7,516,999</u></u>	<u><u>6,592,051</u></u>

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

DocuSigned by: 14-Dec-2023

James Gaggero
 JP Gaggero
 Director


The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited
Registered number: 06433017

Company balance sheet
As at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	15	15,750	15,750
Tangible assets	16	1,653	1,235
Investments	17	4,770,296	4,770,296
		<u>4,787,699</u>	<u>4,787,281</u>
Current assets			
Debtors: amounts falling due after more than one year	19	15,391,691	21,077,957
Debtors: amounts falling due within one year	19	11,044,973	7,232,785
Cash at bank and in hand	20	446,424	628,650
		<u>26,883,088</u>	<u>28,939,392</u>
Creditors: amounts falling due within one year	21	(55,828)	(474,438)
Net current assets		<u>26,827,260</u>	<u>28,464,954</u>
Total assets less current liabilities		<u>31,614,959</u>	<u>33,252,235</u>
Creditors: amounts falling due after more than one year	22	(14,350,000)	(17,100,000)
Net assets		<u><u>17,264,959</u></u>	<u><u>16,152,235</u></u>
Capital and reserves			
Called up share capital	26	15,304,430	15,304,430
Profit and loss account	27	1,960,529	847,805
		<u><u>17,264,959</u></u>	<u><u>16,152,235</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14-Dec-2023

DocuSigned by:

 054A305B664342B...
JP Gaggero
 Director

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited

Consolidated statement of changes in equity
For the year ended 31 March 2023

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2022	15,304,430	1,213,310	1,863,003	(11,788,692)	6,592,051
Comprehensive income for the year					
Profit for the year	-	-	-	1,465,971	1,465,971
Actuarial losses on pension scheme	-	-	-	(541,023)	(541,023)
Other comprehensive income for the year	-	-	-	(541,023)	(541,023)
Total comprehensive income for the year	-	-	-	924,948	924,948
Total transactions with owners	-	-	-	-	-
At 31 March 2023	15,304,430	1,213,310	1,863,003	(10,863,744)	7,516,999

Consolidated statement of changes in equity
For the year ended 31 March 2022

	Called up share capital	Capital redemption reserve	Merger reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 April 2021	15,304,430	1,213,310	1,863,003	(9,394,314)	8,986,429
Comprehensive income for the year					
Loss for the year	-	-	-	(2,190,522)	(2,190,522)
Actuarial losses on pension scheme	-	-	-	(203,856)	(203,856)
Other comprehensive income for the year	-	-	-	(203,856)	(203,856)
Total comprehensive income for the year	-	-	-	(2,394,378)	(2,394,378)
Total transactions with owners	-	-	-	-	-
At 31 March 2022	15,304,430	1,213,310	1,863,003	(11,788,692)	6,592,051

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited**Company statement of changes in equity
For the year ended 31 March 2023**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2022	15,304,430	847,805	16,152,235
Comprehensive income for the year			
Profit for the year	-	1,112,724	1,112,724
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,112,724	1,112,724
Total transactions with owners	-	-	-
At 31 March 2023	15,304,430	1,960,529	17,264,959

**Company statement of changes in equity
For the year ended 31 March 2022**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2021	15,304,430	439,761	15,744,191
Comprehensive income for the year			
Profit for the year	-	408,044	408,044
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	408,044	408,044
Total transactions with owners	-	-	-
At 31 March 2022	15,304,430	847,805	16,152,235

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited**Consolidated statement of cash flows
For the year ended 31 March 2023**

	2023 £	2022 £
Cash flows from operating activities		
Profit/(loss) for the financial year	1,465,971	(2,190,522)
Adjustments for:		
Amortisation of intangible assets	328,242	558,239
Depreciation of tangible assets	1,418,543	1,566,849
Loss on disposal of tangible assets	1,888	(167,434)
Government grants	(78,223)	(44,579)
Interest paid	61,730	73,407
Interest received	(261,205)	(321)
Taxation charge	-	63,964
Decrease/(increase) in stocks	61,644	(1,861,625)
(Increase) in debtors	(11,019,160)	(9,659,175)
(Increase) in amounts owed by joint ventures	(70,566)	(197,047)
Increase in creditors	10,082,121	7,813,085
(Decrease)/increase in amounts owed to groups	(2,758,195)	7,368,195
Increase in provisions	-	55,000
(Decrease) in net pension assets/liabs	(231,715)	(107,562)
Corporation tax received	373	-
(Increase)/decrease in fair value of financial instrument assets	363,618	(1,273,919)
Net cash generated from operating activities	<u>(634,934)</u>	<u>1,996,555</u>
Cash flows from investing activities		
Purchase of intangible fixed assets	(131,549)	(59,430)
Purchase of tangible fixed assets	(779,965)	(1,188,086)
Sale of tangible fixed assets	445,738	793,258
Government grants received	78,223	44,579
Interest received	261,205	321
Net cash from investing activities	<u>(126,348)</u>	<u>(409,358)</u>

Bland Group UK Holdings Limited**Consolidated statement of cash flows (continued)
For the year ended 31 March 2023**

	2023	2022
	£	£
Cash flows from financing activities		
Repayment of loans	(496,563)	(480,993)
Repayment of other loans	(41,666)	(166,667)
Interest paid	(61,730)	(73,407)
Net cash used in financing activities	<u>(599,959)</u>	<u>(721,067)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(1,361,241)</u>	<u>866,130</u>
Cash and cash equivalents at beginning of year	4,368,988	3,502,858
Cash and cash equivalents at the end of year	<u><u>3,007,747</u></u>	<u><u>4,368,988</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,007,747	4,368,988
	<u><u>3,007,747</u></u>	<u><u>4,368,988</u></u>

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited**Consolidated Analysis of Net Debt
For the year ended 31 March 2023**

	At 1 April 2022 £	Cash flows £	At 31 March 2023 £
Cash at bank and in hand	4,368,988	(1,361,241)	3,007,747
Debt due after 1 year	(1,708,941)	1,708,941	-
Debt due within 1 year	(539,326)	(1,170,712)	(1,710,038)
Financial instruments	1,200,859	(195,923)	1,004,936
	<u>3,321,580</u>	<u>(1,018,935)</u>	<u>2,302,645</u>

The notes on pages 21 to 58 form part of these financial statements.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

1. General information

Bland Group UK Holdings Limited is a private company limited by shares, incorporated in England. The address of its registered office is Estate Office, Encombe House, Corfe Castle, Wareham Dorset, BH20 5LW and its principal places of business are Gatwick, Southampton and the Isle of Wight.

Bland Group UK Holdings Limited ("the Company") is the UK based holding company of a group of companies involved during the year in the design and manufacture of hovercraft, precision engineering and manufacturing, transportation, travel and property. The Company provides management support, strategic direction and reviews investment opportunities.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

Therefore, the Group continues to recognise a merger reserve which arose on a past business combination that was accounted for as a merger in accordance with UK GAAP as applied at that time.

An exemption has been taken in presenting the unconsolidated statement of comprehensive income under section 408 of the Companies Act 2006.

Bland Group UK Holdings Limited

**Notes to the financial statements
For the year ended 31 March 2023**

2. Accounting policies (continued)

2.3 Associates and joint ventures

An entity is treated as a joint venture where the Group is a party to a contractual agreement with one or more parties from outside the Group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the Group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the Group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the Group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the Group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.4 Going concern

With the on-going impact of the COVID-19 pandemic and rising inflation, the future viability of all companies within the Group has been fully reviewed by the Directors.

Griffon Hoverwork Limited reported a profit before tax for the period of £1,509,347 (2022 - loss £1,841,356). Included within creditors is an amount owed to parent undertakings of £15,391,691 (2022 - £21,077,957), for which the directors of the parent undertaking have confirmed repayment will not be due within 12 months from signing. Griffon's directors have presented a forecast up to 31 March 2028, which was prepared on a worst case basis. The scenarios assumed confirmed or recurring orders only for the period.

Over the past year, Airborne Representation Limited has seen a positive recovery in its Gatwick business on the back of a strong performance from Gatwick Airport and high passenger numbers. The business has also operated a successful pilot in Heathrow, and whilst the period was used to understand its challenges, it was successful in negotiating a medium-term deal to operate across its terminals. The measures to protect the business both over this time and for the future included:

- Diversifying into other products and markets by securing a medium contract to operate at Heathrow Airport and separately, introduce management services of social media coverage.
- Seek new suppliers of flight products to help protect supply and margins.
- Renew ATOL and IATA licenses to support growth in the business.
- A continued drive to maintain both capital expenditure and operation costs to a minimum and help preserve cash.
- Recruitment of team to meet the uplift in demand at Gatwick and the new operation at Heathrow.
- Benchmarking of job roles to ensure retention of staff and remain competitive in local market and restructure remuneration.
- Final stages of securing extension to concessionaire agreement with airport.
- Decision to bring in house the IT support and development of booking system within the next financial year.

Airborne continues to face pressures which the strong recovery in international travel has brought to airport operations and the issues this brings in terms of recruitment and retention of staff. Management are focused on regularly reviewing the remuneration structure and working conditions to help prevent staff turnover, whilst ensuring the business has a suitable recruitment program in place. Management are also focused on internal training and promotion to build on the current unique skillset. The Gatwick business is forecast to return to 87% of pre-covid levels by March 24, The RPS operation, whilst expected to make losses in its 1st year of operation following the pilot, losses are expected to narrow by Q 42024. Overall cashflows from operations have returned to a positive territory, with funding from the parent company, Bland Group UK Holdings Ltd, being partially repaid by July 23. The business will, however, require support from its parent company to provide bonding for its IATA and ATOL licenses whilst it strengthens its balance sheet. Management continue to provide regular cashflow forecasts to the Board of Directors to ensure its obligations are met. There remain no external loans within the business. To support the assessment of Going Concern, the Board receive regular trading updates on a monthly basis. The Board are also regularly updated regarding the human resources challenges that the business faces and the proactive steps being taken to secure its required labour force. Management continues to regularly review its Risks and Opportunities Register and reflects the changes which are being seen to the business. With the higher volumes of sales paid by card at the time of booking, Airborne continues to benefit from no deferment on settlement from the card acquirer. On the supply side, it continues to rely upon flight purchases using IATA Bank Settlement Plan (BSP), but it has sought alternative suppliers to both mitigate the risk of using BSP, improve cashflow and to attract improved airfares to protect margins. The forecasts have factored in the costs increase in line with current level of inflation.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.4 Going concern (continued)

Hovertravel Limited is expected to continue to recover from the effects of the COVID-19 pandemic and the cost-of-living crisis for the foreseeable future and has obtained shareholder support from Bland Group UK Holdings Limited for the commitment to provide continuing financial support beyond the next twelve months. The business has continued to benefit from the strategic review recently carried out with the streamlining of operations and corresponding reduction in the cost base. Continued investment to make further enhancements in its technology will bring further efficiencies and improvements to the current forecast. The business is also continuing with, and promoting, its online sales portal, enhancing its online presence, in a bid to increase advance sales. The bank loan in place at Hovertravel is subject to two financial covenants including EBITDA to Debt Service and a loan to craft value. As at 31 March 2023, both are being met. The directors are in communication with their lenders and bankers with both having a high level of comfort in the ongoing position of Hovertravel. The directors believe that, even with the wider economic environment associated with the increasing global uncertainty, the business is adapting to meet the expected changes in market demand and identifying new revenue streams.

Recovery from the COVID-19 pandemic continues to have an impact on Bland (The Beehive) Limited, although the occupancy level of the serviced offices are steadily increasing to pre-COVID levels. The move towards hybrid working has seen a reduction in demand for office space. The direct impact on Bland (The Beehive) Limited is that, Orega (Management) Limited were once again not in a position to pay the full targeted base rent return due to Bland (The Beehive) Limited for the year and there was no profit share. The outcome is anticipated to improve over the next few years, with a return to a profit share position. Bland (The Beehive) Limited has sufficient cash reserves to meet its obligations over the coming year.

The directors of the Group have assessed the future financial support requirements of each of the companies in a range of COVID-19 scenarios, as outlined above. Based on reasonably foreseeable outcomes and having obtained confirmation that support and resources will be available from its parent company, Bland Group Holdings Limited, for a period of not less than 12 months from the date of signing of the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue 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

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

On long term contracts for new craft sales, refurbishments and consultancy work, profit is recognised, if the final outcome can be assessed with reasonable certainty, by including in the statement of comprehensive income turnover and related costs as build activity progresses. Turnover recognised in the period is calculated with reference to the stage of completion of the project reached at year end. Revenue for hovercraft spares orders are recognised when the goods have been dispatched, revenue and costs are then included within the statement of comprehensive income.

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out by year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer. Full provision is made for losses on all contracts in the year in which they are first foreseen.

When acting as an agent, revenue is recognised when the goods have been dispatched or services fulfilled, with revenue and the associated costs included within the statement of comprehensive income.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.5 Revenue (continued)

Revenue arising on ticket sales is recognised on the date of travel. Income is not treated as earned until the departure date of the service provided on the relevant booking. Revenue arising from season and flexi ticket sales is recognised by reference to the stage of completion of the customer's travel provided under contractual arrangements as a proportion of total services provided. A proportion of the amount received from the sale of season and flexi tickets is deferred within liabilities and recognised in the statement of comprehensive income over the period covered by the relevant ticket.

Revenue arising on freight and delivery is recognised on the date of transit. Revenue arising from other ancillary activities is recognised on the date of sale.

2.6 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Patents	-	On a straight-line basis over 20 years
Development expenditure	-	On a straight-line basis over 20 years
Goodwill	-	On a straight-line basis over 10 years
Software	-	25% on a reducing balance basis and on a straight-line basis over 3 to 5 years

2.7 Tangible fixed assets

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

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

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on methods appropriate to class.

Depreciation is provided on the following basis:

Freehold property	- 2% on a straight-line basis
Leasehold property	- over 40 years or, if shorter, the unexpired term of the lease
Leasehold improvements	- 12.5% on a straight-line basis/remaining term of the lease
Plant and machinery	- 12.5% - 15% on a reducing balance basis
Motor vehicles	- 15% - 25% on a straight-line basis
Fixtures and fittings	- 15% - 25% on a reducing balance basis
Office equipment	- 10% on a straight-line basis and 15% and 25% on a reducing balance basis
Computer equipment	- 25% on a straight-line basis
Hovercraft in use	- 5% - 10% on a straight-line basis

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

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

2.8 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.10 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.11 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 weighted average 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.

2.12 Debtors

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

2.13 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.14 Financial instruments

The Group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Group has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Group's Balance sheet when the Group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Group's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instruments any contract that evidences a residual interest in the assets of the Group after the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans, other loans and loans due to fellow group companies are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

Debt instruments are subsequently carried at their amortised cost using the effective interest rate method.

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Group transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Group will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Group's contractual obligations expire or are discharged or cancelled.

2.15 Creditors

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

2.16 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

Two grants, relating to capital works and amounting to £212,354, were received by Hovertravel Limited during the year ending 31 March 2022. This income has been deferred, and is being released to the profit and loss over 3 years, in line with the related depreciation charge.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.17 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2.18 Finance costs

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

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.19 Pensions

Defined contribution pension plan

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

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

Defined benefit pension plan

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

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

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

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group'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'.

2.20 Interest income

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

2.21 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

2. Accounting policies (continued)

2.22 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Group 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.

2.23 Taxation

Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

2.24 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

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

Preparation of the financial statements requires management to make significant judgements and estimates.

Judgements

The Directors of each of the companies within the Group have presented long term forecasts, which were prepared on a worst case basis and to reflect plausible downside scenarios as a result of the COVID-19 pandemic and its impact on the global economy. Bland Group UK Holdings Limited has committed not to recall amounts due from Group companies and to continue to provide financial support for a period of not less than 12 months from the date of signing of the financial statements.

With further future losses anticipated as a result of difficult trading conditions and the COVID-19 global pandemic, the judgement was taken to no longer recognise the deferred tax asset held by Airborne Representation Limited and this was fully removed in the year ending 31 March 2021.

A judgement has been taken that the economic life of the hovercraft owned by Hovertravel Limited will be in line with similar previously owned assets, and the long term view that the hovercraft would require to be overhauled over a 10 year period, or sold and replaced with a more efficient model to reflect the needs of the business at that time. The approach to the economic life of spares is that assets generally are replenished over a 3 year period as they become less efficient over time, given the conditions in which the hovercraft operate.

At Griffon Hoverwork Limited, no impairment loss due to slow-moving or obsolete stock was recognised in cost of sales against stock during the year. All stock recognised in the balance sheet is in use or in adequate condition for resale.

The value of the assets and obligations in respect of the defined benefit pension plan operated by Hovertravel Limited are based on judgements, assumptions and calculations made by independent actuaries.

Estimates

The group has recognised provisions for impairment of trade receivables in its financial statements which requires management to make judgements. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

The group uses long term contract accounting for valuing work completed on crafts in build across the end of financial periods. This is done with reference to actual versus expected completion time on each craft build which represents a judgement made about the state of completion of each relevant build.

In managing Hovertravel Limited's exposure to fuel price fluctuations, a forward hedge position is taken out to reduce the risk of adverse pricing movements. The size of the hedge is a percentage of the forecast fuel utilisation over the period covered, and is based on historic experience of usage and other reasonable factors. The value of the hedge agreements is recognised in the accounts.

In order to mitigate the exposure to adverse currency fluctuations on the large contract which was awarded in foreign currency, Griffon Hoverwork Limited has taken out forward contracts, based on the expected values and timings of future receipts of cash.

Intangible assets in respect of development costs have been recognised in relation to new craft designs. Key estimates have been made in respect of the longevity and future commercial viability of these designs, based on experience of existing craft types and the valuation included in the financial statements has been justified using a Net Present Value method of assessing future cash flows. This will be reviewed at the end of each financial period to ensure the carrying value of the asset remains appropriate. The carrying value at year end of the intangible assets in question is £2,112,617 (2022 - £2,256,709).

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****3. Judgements in applying accounting policies (continued)****Impairment of goodwill and investments**

Management have considered whether there are any indications that goodwill and other intangible assets may have been impaired at the reporting date. As previously described within the accounting policies, the directors have completed an exercise of comparing the carrying value of the goodwill and investments to the expected recoverable amount based upon approved budgets that exist for each of the relevant businesses.

4. Turnover

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

	2023 £	2022 £
Travel and tourism	12,499,244	6,866,156
Engineering and manufacturing	24,503,374	6,907,381
Other	489,571	489,571
	<u>37,492,189</u>	<u>14,263,108</u>

Analysis of turnover by country of destination:

	2023 £	2022 £
United Kingdom	14,252,319	9,687,204
North America	795,240	666,128
Rest of the World	22,444,630	3,909,776
	<u>37,492,189</u>	<u>14,263,108</u>

5. Other operating income

	2023 £	2022 £
Net rents receivable	-	45,260
Government grants receivable	78,223	44,579
	<u>78,223</u>	<u>89,839</u>

There are no unfulfilled conditions or other contingencies attached to the grant income.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****6. Operating profit/(loss)**

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

	2023 £	2022 £
Research & development charged as an expense	-	1,628
Exchange differences	(78,053)	(13,277)
Other operating lease rentals	831,997	945,361
Loss / (Profit) on disposal of fixed assets	1,888	(167,434)
Depreciation of tangible fixed assets	1,415,582	1,566,849
Amortisation of intangible assets, including goodwill	328,242	558,239
Defined contribution pension cost	339,881	311,895
Defined benefit pension cost	27,193	(29,708)
	<u> </u>	<u> </u>

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2023 £	2022 £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	87,000	92,250

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****8. Employees**

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

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Wages and salaries	7,557,001	5,428,162	384,155	357,134
Social security costs	780,379	545,216	50,524	44,227
Cost of defined benefit scheme	27,193	(29,708)	-	-
Cost of defined contribution scheme	339,881	311,895	13,947	12,288
	<u>8,704,454</u>	<u>6,255,565</u>	<u>448,626</u>	<u>413,649</u>

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

	2023 No.	2022 No.
Hovercraft operation	50	46
Engineering and manufacturing	72	40
Sales and administration	113	84
	<u>235</u>	<u>170</u>

9. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	352,598	326,741
	<u>352,598</u>	<u>326,741</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £150,000 (2022 - £150,000).

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

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****10. Interest receivable**

	2023 £	2022 £
Bank interest receivable	261,205	321
	<u>261,205</u>	<u>321</u>

11. Interest payable and similar expenses

	2023 £	2022 £
Bank interest payable	61,730	73,407
	<u>61,730</u>	<u>73,407</u>

12. Other finance costs

	2023 £	2022 £
Expected return on scheme assets	165,687	131,377
Net interest on net defined benefit liability	(149,685)	(119,396)
	<u>16,002</u>	<u>11,981</u>

Bland Group UK Holdings Limited

Notes to the financial statements
For the year ended 31 March 2023

13. Taxation

	2023 £	2022 £
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	-	148,196
Effect of tax rate change on opening balance	-	(35,566)
Prior period adjustment	-	(48,666)
Total deferred tax	-	63,964
Taxation on profit on ordinary activities	-	63,964

Factors affecting tax charge for the year

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

	2023 £	2022 £
Profit/(loss) on ordinary activities before tax	1,465,971	(2,126,558)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	278,534	(404,046)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	69,319	55,298
Capital allowances for year in excess of depreciation	(4,415)	33,174
Amounts charged directly to equity	-	(38,733)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(48,666)
Remeasurement of deferred tax for changes in tax rates	32,545	(1,156,955)
Movement in deferred tax not recognised	(251,209)	1,521,111
Other differences leading to an increase (decrease) in the tax charge	-	1
Group relief	(124,774)	101,309
Other permanent differences	-	1,471
Total tax charge for the year	-	63,964

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****13. Taxation (continued)****Factors that may affect future tax charges**

Deferred tax has been provided for at 25% (2022: 25%), being the future rate (substantively enacted in legislation) of tax applicable to taxable profits against which the deferred tax balance may be unwound. An increase of the corporation tax rate to 25% was announced in the Spring Budget 2021. This rate rise is expected to be effective from April 2023. The impact of the deferred tax liability as a result of the rate change is not considered to be material.

14. Exceptional items

	2023 £	2022 £
Dilapidations provision	-	55,000
	<u>-</u>	<u>55,000</u>

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****15. Intangible assets****Group**

	Software £	Develop't costs £	Intellectual Property £	Goodwill £	Total £
Cost					
At 1 April 2022	1,087,392	3,170,580	51,931	20,274,152	24,584,055
Additions	116,549	15,000	-	-	131,549
At 31 March 2023	<u>1,203,941</u>	<u>3,185,580</u>	<u>51,931</u>	<u>20,274,152</u>	<u>24,715,604</u>
Amortisation					
At 1 April 2022	664,832	913,871	15,296	20,274,152	21,868,151
Charge for the year on owned assets	167,341	159,092	1,809	-	328,242
At 31 March 2023	<u>832,173</u>	<u>1,072,963</u>	<u>17,105</u>	<u>20,274,152</u>	<u>22,196,393</u>
Net book value					
At 31 March 2023	<u>371,768</u>	<u>2,112,617</u>	<u>34,826</u>	<u>-</u>	<u>2,519,211</u>
At 31 March 2022	<u>422,560</u>	<u>2,256,709</u>	<u>36,635</u>	<u>-</u>	<u>2,715,904</u>

All amortisation charges are included within administrative expenses in the consolidated statement of comprehensive income.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****15. Intangible assets (continued)****Company**

	Intellectual Property £
Cost	
At 1 April 2022	15,750
At 31 March 2023	15,750
Net book value	
At 31 March 2023	15,750
At 31 March 2022	15,750

Bland Group UK Holdings Limited

Notes to the financial statements
For the year ended 31 March 2023

16. Tangible fixed assets

Group

	Land and buildings £	Plant and machinery £	Motor vehicles £	Hovercraft £	Office equipment £	Total £
Cost or valuation						
At 1 April 2022	4,174,686	1,457,780	60,655	8,590,879	989,429	15,273,429
Additions	185,166	130,567	-	416,977	47,255	779,965
Disposals	(60,847)	(211,036)	(4,820)	(2,650,938)	(2,979)	(2,930,620)
At 31 March 2023	<u>4,299,005</u>	<u>1,377,311</u>	<u>55,835</u>	<u>6,356,918</u>	<u>1,033,705</u>	<u>13,122,774</u>
Depreciation						
At 1 April 2022	2,836,420	1,319,597	50,090	4,915,570	826,828	9,948,505
Charge for the year on owned assets	119,993	78,409	720	1,167,986	48,474	1,415,582
Disposals	(17,172)	(211,036)	(4,885)	(2,209,737)	(40,164)	(2,482,994)
At 31 March 2023	<u>2,939,241</u>	<u>1,186,970</u>	<u>45,925</u>	<u>3,873,819</u>	<u>835,138</u>	<u>8,881,093</u>
Net book value						
At 31 March 2023	<u>1,359,764</u>	<u>190,341</u>	<u>9,910</u>	<u>2,483,099</u>	<u>198,567</u>	<u>4,241,681</u>
At 31 March 2022	<u>1,338,266</u>	<u>138,183</u>	<u>10,565</u>	<u>3,675,309</u>	<u>162,601</u>	<u>5,324,924</u>

The net book value of land and buildings may be further analysed as follows:

	2023 £	2022 £
Freehold	222,052	232,581
Long leasehold	1,137,712	1,105,685
	<u>1,359,764</u>	<u>1,338,266</u>

Bland Group UK Holdings Limited

Notes to the financial statements
For the year ended 31 March 2023

16. Tangible fixed assets (continued)

Company

	Office equipment £
Cost or valuation	
At 1 April 2022	111,460
Additions	1,173
	<hr/>
At 31 March 2023	112,633
	<hr/>
Depreciation	
At 1 April 2022	110,225
Charge for the year on owned assets	755
	<hr/>
At 31 March 2023	110,980
	<hr/>
Net book value	
At 31 March 2023	1,653
	<hr/> <hr/>
At 31 March 2022	1,235
	<hr/> <hr/>

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****17. Fixed asset investments****Group**

	Investment in joint ventures £
Cost or valuation	
At 1 April 2022	5,519
At 31 March 2023	<u>5,519</u>
Net book value	
At 31 March 2023	<u>5,519</u>
At 31 March 2022	<u>5,519</u>

On 6 November 2017, Adrian Went, the managing director of Griffon Hoverwork Limited, became a director of GriffonSwiss GmbH, a new company incorporated in Germany. Griffon Hoverwork Limited have a 25.1% share in the joint venture with SwissMarine. The GriffonSwiss GmbH nominal share capital is €25,000.

There have been no transactions with GriffonSwiss GmbH during the year.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****17. Fixed asset investments (continued)****Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2022	30,679,979
At 31 March 2023	<u>30,679,979</u>
Impairment	
At 1 April 2022	25,909,683
At 31 March 2023	<u>25,909,683</u>
Net book value	
At 31 March 2023	<u><u>4,770,296</u></u>
At 31 March 2022	<u><u>4,770,296</u></u>

As at 31st March 2020 the investment in Hovertravel Limited was impaired by £2,200,000. As at 31st March 2017 the investment in Griffon Hoverwork Limited was fully impaired.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****17. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Airborne Representation Limited	Encombe House, Wareham, Dorset	Ordinary	100%
Mistycraft Limited	Encombe House, Wareham, Dorset	Ordinary	100%
Hovertravel Limited	Encombe House, Wareham, Dorset	Ordinary	100%
Bland (The Beehive) Limited	Encombe House, Wareham, Dorset	Ordinary	100%
Griffon Hoverwork Limited	8 Hazel Road, Woolston, Southampton	Ordinary	100%

18. Stocks

	Group 2023 £	Group 2022 £
Raw materials and consumables	866,524	538,575
Finished goods and goods for resale	4,946,300	38,430
Long-term contract balances	2,523,729	7,821,192
	<u>8,336,553</u>	<u>8,398,197</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****19. Debtors**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due after more than one year				
Amounts owed by group undertakings	-	-	15,391,691	21,077,957
Financial instruments (after 1 yr)	-	41,989	-	-
	<u>-</u>	<u>41,989</u>	<u>15,391,691</u>	<u>21,077,957</u>
	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Due within one year				
Trade debtors	1,654,315	4,048,955	51,601	29,656
Amounts owed by group undertakings	-	-	2,476,348	2,250,739
Amounts owed by joint ventures and associated undertakings	383,598	313,032	-	-
Other debtors	9,948,146	12,151,384	8,389,640	4,936,086
Prepayments and accrued income	16,839,750	1,222,712	127,384	16,304
Financial instruments	1,004,936	1,200,859	-	-
	<u>29,830,745</u>	<u>18,936,942</u>	<u>11,044,973</u>	<u>7,232,785</u>

Amounts owed by group undertakings includes a loan of £15,391,691 (2022 - £21,077,957) to Griffon Hoverwork Limited, repayable on demand. There were no other terms or conditions attached to the loan, other than interest charged at a rate of 3.5% over UK base rate per year. However, this loan will not be recalled within 12 months from the signed date of these financial statements and has therefore been reclassified as falling due after more than one year.

Other debtors includes £5,388,140 (2022 - £9,946,293) held by Lloyds Bank and RBS as guarantee deposits. These include cash collateral for a £2,850,000 Performance Bond for the long term contract signed by Griffon Hoverwork in the year. The £2,850,000 cash deposit forms part of a £6m guarantee from Bland Group UK Holdings Ltd, in favour of Griffon Hoverwork Ltd, supported by legal charges on certain bank accounts (also in the name of Bland Group UK Holdings Ltd).

Financial instruments comprise of forward contracts for foreign currency at Griffon Hoverwork Ltd and fuel at Hovertravel Ltd, in order to mitigate currency risk and price movements.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****20. Cash and cash equivalents**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Cash at bank and in hand	3,007,747	4,368,988	446,424	628,650
	3,007,747	4,368,988	446,424	628,650

21. Creditors: Amounts falling due within one year

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	1,710,038	497,660	-	-
Other loans	-	41,666	-	-
Payments received on account	17,039,820	8,289,653	-	-
Trade creditors	2,026,771	1,300,792	20,093	430,040
Amounts owed to group undertakings	-	-	-	324
Corporation tax	373	-	-	-
Other taxation and social security	210,008	156,366	8,235	11,427
Other creditors	107,930	60,787	-	-
Accruals and deferred income	3,312,843	2,807,653	27,500	32,647
Financial instruments	49,890	-	-	-
	24,457,673	13,154,577	55,828	474,438

The bank loans consist of two loans, both provided by Barclays Bank PLC to Hovertravel Limited. The security pledged comprises a fixed and floating charge, with the fixed charge over the two hovercraft Solent Flyer and Island Flyer, which have a carrying value of £3,676,875. Loan A is now of 7.5 years duration, at a fixed rate of 3.34%. Monthly repayments are now £23,602.22, with a balloon payment of £698,602 due in October 2023. Loan B is now of 7.5 years duration, at a fixed rate of 2.87%. Monthly repayments are now £22,870.27, with a balloon payment of £697,870 due in April 2024.

The bank loans are subject to two financial covenants including EBITDA to Debt Service and a loan to craft value. With no breach of the EBITDA to Debt Service covenant at 31 March 2023 (and no further breaches forecast), the loans can now be reclassified to the periods in which they fall due.

In the year the group has utilised a contract financing facility from the bank. Lending is made against existing contracts at a rate of 2.5% over base. The facility is entirely repayable within one year.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****22. Creditors: Amounts falling due after more than one year**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Bank loans	-	1,708,941	-	-
Amounts owed to group undertakings	15,710,000	18,468,195	14,350,000	17,100,000
Financial instruments (after 1 yr)	75,816	-	-	-
	<u>15,785,816</u>	<u>20,177,136</u>	<u>14,350,000</u>	<u>17,100,000</u>

Amounts owed to group undertakings includes loans amounting to £15,710,000 (2022 - £18,468,195), repayable on demand. However, the directors of the group undertakings have confirmed that repayment will not be due within 12 months from signing. There were no other terms or conditions attached to the loans.

23. Loans

Analysis of the maturity of loans is given below:

	Group 2023 £	Group 2022 £
Amounts falling due within one year		
Bank loans	1,710,038	497,660
Coronavirus Business Interruption Loan	-	41,666
	<u>1,710,038</u>	<u>539,326</u>
Amounts falling due 1-2 years		
Bank loans	-	1,708,941
	-	1,708,941
	<u>1,710,038</u>	<u>2,248,267</u>

The EBITDA to Debt Service covenant on the loan provided by Barclays Bank PLC to Hovertravel Limited was breached at 31 March 2021, requiring that the full loan balance be disclosed at that time as falling due within one year.

The carrying amount of the related loans payable at the reporting date amounted to £1,710,038.

The forecasts show that there are no longer expected to be any breaches of the covenants within the foreseeable future, and Barclays Bank PLC has now removed the company from 'Special Arrangements'.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****24. Financial instruments**

	Group 2023 £	Group 2022 £	Company 2023 £	Company 2022 £
Financial assets				
Financial assets measured at fair value through profit or loss	4,012,683	5,611,836	446,424	628,650
Financial assets that are debt instruments measured at amortised cost	12,871,458	16,513,371	26,309,280	28,294,438
	16,884,141	22,125,207	26,755,704	28,923,088
Financial liabilities				
Derivative financial instruments measured at fair value through profit or loss held as part of a trading portfolio	(125,706)	-	-	-
Financial liabilities measured at amortised cost	(22,867,582)	(24,885,694)	-	-
	(22,993,288)	(24,885,694)	-	-

Financial assets measured at fair value through income statement comprise cash at bank and in hand and forward foreign currency and fuel contracts. The forward contracts are not traded on active markets. These have been fair valued by the banks issuing the contracts, using observable forward exchange rates and interest rates which correspond to the maturity of the contracts.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and joint ventures, and other debtors.

Financial Liabilities measured at amortised cost comprise bank loans, other loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

Derivative financial instruments measured at fair value comprise forward foreign currency contracts.

25. Provisions**Group**

	Dilapidation provision £
At 1 April 2022	355,000
At 31 March 2023	355,000

A provision of £355,000 (2022 - £350,000) relating to dilapidation expenses falling due to the landlord upon Griffon Hoverwork Limited vacating their premises in December 2021.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****26. Share capital**

	2023 £	2022 £
Allotted, called up and fully paid		
15,304,430 (2022 - 15,304,430) Ordinary shares of £1.00 each	<u>15,304,430</u>	<u>15,304,430</u>

All the ordinary shares carry equal participation in assets, rights to dividends and voting power.

During November 2017, a capital reduction was undertaken, in order to reduce the share capital from £50,000,000 to £15,304,430 through the cancellation of 34,695,570 ordinary shares.

27. Reserves**Capital redemption reserve**

Relates to shares previously bought back by the company.

Merger Reserve

Relates to reserves recognised upon past business combinations.

Profit & loss account

Includes all current and prior period retained profits and losses.

28. Contingent liabilities

The Group had no contingent liabilities during the years ending 31 March 2023 and 31 March 2022.

29. Capital commitments

The Group had no capital commitments as at 31 March 2023 and 31 March 2022.

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

30. Pension commitments

The group operates several defined contribution pension schemes on behalf of its employees. The assets of these schemes are held separately from those of the group in independently administered funds. The total pension charge for the period amounted to £339,881 (2022: £311,895). There were no outstanding contributions at the year end (2022: £nil).

The Group operates a Defined benefit pension scheme.

The group participated in a defined benefit scheme for the employees of Hovertravel Limited ("Hovertravel scheme").

With effect from 31 March 2004 the Hovertravel scheme was closed to new entrants and future accruals and from 1 January 2004 a defined contribution scheme was established for eligible employees. The defined benefit scheme provides retirement benefits based on final pensionable pay for the eligible staff and directors of Hovertravel Limited and Griffon Hoverwork Limited. The assets of the scheme are held separately from those of the group. The group's contributions to the Hovertravel scheme are charged to the income statement so as to spread the cost of the pensions over the employees' working lives with the group.

A full actuarial valuation was carried out at 31 March 2023 by a qualified independent actuary.

The Hovertravel scheme was closed to new entrants and future accruals on 31 March 2004 and as a result the age profile of the active membership of the scheme is increasing. Consequently the current service cost under the projected unit method will increase as members of the scheme approach retirement.

The scheme's assets are stated at their market value at 31 March 2023. At 31 March 2023 the scheme had a net defined benefit surplus calculated in accordance with FRS102 using the assumptions set out of £174,032 (2022: £486,301). The surplus is recognised as it is confirmed that the Group does have an unconditional right to a refund of surplus contributions once all pensions have been applied and the scheme winds up. On this basis no liability for minimum funding requirements has been recognised.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****30. Pension commitments (continued)**

Reconciliation of present value of plan liabilities:

	2023 £	2022 £
Reconciliation of present value of plan liabilities		
At the beginning of the year	5,763,590	6,502,603
Interest cost	149,685	119,396
Actuarial (gains)/losses	(948,838)	(421,153)
Benefits paid	(439,408)	(437,256)
At the end of the year	4,525,029	5,763,590

Reconciliation of present value of plan assets:

	2023 £	2022 £
At the beginning of the year	6,249,891	7,085,198
Expected return on assets	165,687	131,377
Actuarial (losses)/gains	(1,489,861)	(625,009)
Contributions	214,000	96,000
Benefits paid	(439,408)	(437,256)
Expenses paid from the scheme	(1,248)	(419)
At the end of the year	4,699,061	6,249,891

Composition of plan assets:

	2023 £	2022 £
Invested assets	-	2,723,490
Cash at bank	47,213	39,060
Insured asset	4,651,848	3,487,341
Total plan assets	4,699,061	6,249,891
	2023 £	2022 £
Fair value of plan assets	4,699,061	6,249,891
Present value of plan liabilities	(4,525,029)	(5,763,590)
Net pension scheme asset	174,032	486,301

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****30. Pension commitments (continued)**

The amounts recognised in profit or loss are as follows:

	2023 £	2022 £
Interest on obligation	(149,685)	(119,396)
Expected return on scheme assets	165,687	131,377
Total	16,002	11,981
Actual return on scheme assets	(1,324,174)	(493,632)

Reconciliation of fair value of plan liabilities were as follows:

	2023 £	2022 £
Interest cost	149,685	119,396
Actuarial (gains) and losses	541,023	203,856
Closing defined benefit obligation	690,708	323,252

The cumulative amount of actuarial gains and losses recognised in the Consolidated statement of comprehensive income was £541,023 loss (2022 - £203,856 loss).

The Group expects to contribute £NIL to its Defined benefit pension scheme in 2024.

Bland Group UK Holdings Limited**Notes to the financial statements
For the year ended 31 March 2023****30. Pension commitments (continued)**

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

	2023	2022
	%	%
Discount rate	4.6	2.7
Future increases to pensions in deferment	3.1	3.6
Future increases to pensions in payment	3.1	3.6
Inflation assumption (CPI)	3.1	3.6
Mortality rates		
- at 65 for a male aged 45 now	87.6	88.2

No employees of the parent company were members of the defined benefit scheme.

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

Defined benefit pension schemes

	2023	2022	2021	2020	2019
	£	£	£	£	£
Defined benefit obligation	(4,525,029)	(5,763,590)	(6,502,603)	(6,445,220)	(2,444,724)
Scheme assets	4,699,061	6,249,891	7,085,198	6,757,153	2,969,328
Surplus	174,032	486,301	582,595	311,933	524,604
Experience adjustments on scheme liabilities	(156,648)	27,224	(72,506)	(64,507)	3,933
Experience adjustments on scheme assets	(1,489,861)	(625,009)	679,611	(324,313)	(86,063)

Bland Group UK Holdings Limited

Notes to the financial statements For the year ended 31 March 2023

31. Commitments under operating leases

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

	Group 2023 £	Group 2022 £
Land and buildings		
Not later than 1 year	747,519	774,475
Later than 1 year and not later than 5 years	2,075,766	2,185,842
Later than 5 years	1,449,514	1,894,110
	<u>4,272,799</u>	<u>4,854,427</u>
	Group 2023 £	Group 2022 £
Other		
Not later than 1 year	47,770	33,995
Later than 1 year and not later than 5 years	54,977	5,996
	<u>102,747</u>	<u>39,991</u>

32. Related party transactions

Included within the profit and loss account are transactions with related parties, all of which are subsidiaries of Bland Group Holdings Limited, being the group's immediate parent company, with the exception of Orega (Management) Limited and Encombe Limited. Orega (Management) Limited is a company with which there is an agency agreement to administer and run serviced office space within a property owned by the Group. Encombe Limited is a company of which J P Gaggero is a director.

A summary of the transactions and the balances with these related parties at 31 March 2023 are set out in the table below:

	2023 Turnover £	2022 Turnover £	2023 Balance £	2022 Balance £
Bland Group Limited	9,532	7,906	(1,354,103)	(1,360,289)
Bland Group Holdings Limited	242	161	(14,350,000)	(17,100,000)
Rock Hotel Limited	21,518	18,164	1,175	940
Bland Limited	136,734	71,492	2,745	8,627
Orega (Management) Limited	305,790	260,718	370,591	(97)
Encombe Limited	43,315	35,500	-	4,247

Bland Group UK Holdings Limited

**Notes to the financial statements
For the year ended 31 March 2023**

33. Controlling party

The directors consider the immediate parent undertaking of Bland Group UK Holdings Limited to be Bland Group Holdings Limited, a company registered in Guernsey, by virtue of it holding the entire allotted share capital of the company.

The directors consider the ultimate controlling party to be Jargo Holdings Limited, a company registered in Guernsey.

The smallest and largest group of undertakings, for which group accounts for the year ended 31 March 2021 have been drawn up, is that headed by Bland Group UK Holdings Limited.

The financial statements of both Bland Group Holdings Limited and Jargo Holdings Limited are not publicly available.