

Longacre Group Limited

Annual Report and Financial Statements

For the period ended 31 December 2021

Company Registration No. 11976847 (England and Wales)

FRIDAY



ABJGFZWA

A36

23/12/2022

#32

COMPANIES HOUSE

Longacre Group Limited

Company Information

Directors	E Nicholson I H Abrahams S E Schmidt-Chiari
Company number	11976847
Registered office	1 Mercer Street London United Kingdom WC2H 9QJ
Auditor	Moore Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ

Longacre Group Limited

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 7
Directors' responsibilities statement	8
Independent auditor's report	9 - 12
Group statement of comprehensive income	13 - 14
Group balance sheet	15 - 16
Company balance sheet	17
Group statement of changes in equity	18
Company statement of changes in equity	19
Group statement of cash flows	20
Company statement of cash flows	21
Notes to the financial statements	22 - 48

Longacre Group Limited

Strategic Report (Continued)

For the period ended 31 December 2021

The directors present their strategic report for the period ended 31 December 2021.

Longacre Group is the owner of or investor in a group of diversified B2B product and services companies. These companies operate around the world but are primarily headquartered in the UK and DACH regions. Longacre Group will continue to seek to acquire or invest into similar businesses in the future.

Key Performance Indicators

Longacre Group closely monitors the progress, trading performance and key performance indicators of its subsidiary companies during the period.

Performance, particularly profitability, is much improved in 2021 vs. 2020 with EBITDA* growing to £15.3m from £6.5m in 2020 and net bank debt reducing to £15.7m from £45.4m in 2020.

This is a strong performance in the context of a challenging economic environment and is a testament to the quality of the management teams across Longacre Group.

Total	15 months to 31 December 2021 £m	12 months to 30 September 2020 £m
Revenue	126.6	78.8
EBITDA*	15.3	6.5
EBITDA* margin	12.1%	8.2%

*EBITDA is earnings before interest, taxation, depreciation, amortisation and exceptional items

The group disposed of Seafox Apollo Limited and Vacuum Furnace Engineering Limited during the period, as per note 29, which are presented as discontinued operations. The results from continuing operations are:

Continuing operations	15 months to 31 December 2021 £m	12 months to 30 September 2020 £m
Revenue	111.6	60.8
EBITDA*	13.3	5.8
EBITDA* margin	11.9%	9.5%

Financial risk management

The company seeks to manage financial risk by ensuring sufficient liquidity is available within each of the subsidiaries to meet foreseeable trading needs and to make investments or acquisitions.

Each subsidiary from time to time has transactions in differing currencies and therefore there will be exchange risk exposure through sales and purchases. These risks will be managed by trading in the company's own base currency, the utilisation of multi-currency bank accounts to match incomings and outgoings and the use of forward contracts.

Longacre Group Limited

Strategic Report (Continued)

For the period ended 31 December 2021

Principal risks and uncertainties

The Board considers the following to be the key risks of the business:

Business performance risk

The Board manages the risk that the company and its subsidiaries may not perform as expected either due to internal factors or external pressures by monitoring the key performance measures against prior year, budget and forecast each month. It ensures that appropriate management teams are in place, financial controls are operating effectively, a training and development programme is in place and that strong relationships are built and maintained with customers, suppliers and employees.

Currency risk

The directors do not consider that the group is significantly exposed to the financial risks to changes in foreign currency exchange rates as the net exposure to any exchange rate is small across the group.

Credit risk

The group's credit risk is primarily attributable to its trade receivables. The balance sheet figure is presented net of doubtful receivables. The group has no significant concentration of credit risk since the exposure is spread over a large number of customers.

Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the group uses a combination of longer-terms and short-term debt finance.

On behalf of the board



S E Schmidt-Chiari

Director

21 December 2022

Longacre Group Limited

Directors' Report

For the period ended 31 December 2021

The directors present their annual report and financial statements for the period ended 31 December 2021.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

E Nicholson
I H Abrahams
S E Schmidt-Chiari

Results and dividends

The results for the period are set out on pages 13 to 14.

The directors of Longacre Group Limited did not pay a dividend in 2021 or 2020.

Directors Insurance

The group maintains liability insurance for its directors and officers which remains in place up to the date of this report.

Political contributions

The company and group made no political donations in the period.

Disabled Persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the group continues and that the appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

Supplier payment policy

It is the Group policy, in respect of suppliers, that each operating business should both agree the terms of payment for each transaction (to ensure that suppliers are aware) and abide by those terms. The average credit period taken on trade purchases, excluding contract staff costs, by the Group is 34 days (2020: 83 days), based on the average daily amount invoiced by suppliers.

Section 172(1) Statement

The directors of Longacre Group Limited have acted in a way that they considered, in good faith, to be the most likely to promote success of Longacre Group Limited for all of its stakeholders and in doing so had regard amongst other matters, to:

- The likely consequences of any decision in the long term;
- The interests of the Company's employees
- The interests of the Company's shareholders
- The need to foster the Company's, business relationships with group companies, suppliers and other;
- The impact of the Company's operations in the community and the environment;
- The desirability of the Company maintaining a reputation for high standards of business conduct; and
- To act fairly between members of the Company.

The directors also took into account the views and interests of a wider set of stakeholders, including governmental and non-governmental organisations.

Longacre Group Limited

Directors' Report

For the period ended 31 December 2021

Considering the broad range of interests is an important part of the way the board makes decisions. However, in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome.

Examples of how the board engages stakeholders

Shareholders

The board recognise monitoring and supporting the trading of our subsidiaries is essential to the long-term success of the business and benefit of the shareholders.

The board ensure that shareholders are provided access to timely and accurate reporting information which includes current and projected performance, short and long term cash forecasts and where needed, other key subsidiary information including projected investment, key performance indicators, market conditions and any ad hoc reports requested by shareholders. The board will also meet and review performances with shareholders as and when needed.

Subsidiary trading companies

The relationship with each subsidiary trading company is key to the long term success of the group. The size and distribution of our stakeholders both inside and outside of the group means that stakeholder engagement often takes place at an operational level. The board's approach to engage with subsidiary trading company is to ensure that the relationship is always deemed to be a long-term partnership for success.

The board ensure that the investment team meet regularly with the leadership teams and the wider employee base within each group company. Typically, members of the board also meet monthly with each subsidiary trading board of directors and review performance, market conditions, investment requirements, key customer and supplier activity and relationships, employee engagement, compliance and health and safety updates.

The board ensures that each subsidiary trading company provides weekly, monthly, and annual reporting information including but not limited to financial key performance indicators and any specific reports requested by the Longacre Group Limited board.

The board will regularly engage with a subsidiary trading company where any exceptional matters outside the ordinary course of business arise including but not limited to, key personnel appointments, significant legal or regulatory questions, substantial items of expenditure or a proposed change in company strategy.

Employees

The board strive to meet the shareholders' vision of being 'an employer of choice'. To facilitate this across the group, the board ensure that it sets the standards with its own employees by providing an environment of success and support through regular and effective employee engagement. The investment team then promote and encourage similar practices within the subsidiary trading companies.

Customers

Having built-up long-established relationships with their respective customers, the directors are fully aware that these relationships are the cornerstone of each subsidiary trading entity's business and ensuring that collectively we build on these relationships is imperative to the future performance of each company of the group. The directors of each trading subsidiary are hands-on in the businesses are in day-to-day contact with senior management from our customers. Each company's long-term success has been built on delivering exceptional client service to customers – a key contributory factor to Longacre Group's investment in the companies.

The Board is confident it has satisfied the Code's requirements for its effective performance of their statutory duties in accordance with s172(1) Companies Act 2006.

Longacre Group Limited

Directors' Report

For the period ended 31 December 2021

Streamlined Energy & Carbon Reporting

While the reporting of profits is a significant indicator for Longacre Group's performance, we recognise the importance our environmental impact has on us, our stakeholders and society at large. We therefore aim to report accurately, set goals with our management teams, measure our improvement, and offset our carbon impact until we reached our goal of reducing our carbon footprint to zero.

Longacre Group focusses on long-term development of B2B companies – sustainability is core to our business success. Together with our decentralised management teams we ensure our companies' growth strategies are sustainable and built to last. To ensure impactful growth in the long-term Longacre Group is committed to *extending its sustainability DNA to its environmental footprint and follows the Streamlined Energy and Carbon Reporting regulations to report on energy use and emissions.*

Approach

Longacre Group focusses its environmental impact efforts in 4 key parts.

Assess - Status quo

The initial phase is the assessment of the status quo of Longacre Group's carbon emissions as outlined in this report, as well as the assessment of improvement areas within Longacre Group's companies.

Define - Net-Zero Strategy

Longacre Group is developing a net-zero strategy, that involves short medium and long term goals, that are measurable and actionable.

Implement, measure progress

In collaboration with our management teams, Longacre Group will implement the Net-Zero Strategy. Just like our financial progress, we measure our progress regularly to ensure we stay ahead or on target with our carbon reduction plans.

Offsetting its carbon emissions

Until we reach net zero, Longacre Group is currently offsetting 110% of our carbon emissions.

GHG Emissions and Energy Use

Longacre Group's Scope 1 and 2 GHG emissions sources are from office building energy use and transport, including fuel consumed for business use in company cars, fleet, and private/hire cars (including where employees are reimbursed for business mileage and on-site vehicles are included). Data was collected for Longacre Group companies: Wrapex Ltd/ Procure Uk Ltd, Pioneer Safety Group, Inuvi Health Ltd, Inuvi Diagnostics Ltd, Incodia International Ltd and Dycem UK. The total Scope 1 and 2 for the year of 2021 was 1919.89 t CO₂e.

GHG Impact Areas	Total (kWh)	Total (t CO ₂ e)
Scope 1 (Gas/Heating Oil)	1,569,528.66	293.80
Scope 1 (Fuel Oil for Transport)	698,269.72	168.69
Scope 2 (Electricity)	3,435,250.00	729.41
Total (Scope 1&2)	5,703,048.38	1,191.89
Total (Scope 1&2)/£1M Revenue	63,865.60	13.35
Total (Scope 1&2)/Employee (FTE)	11,009.75	2.30
Total (Scope 1&2)/sqft	21.12	0.00

Longacre Group has excluded transport emissions associated with air, rail and taxi journeys that the company does not operate or fuel for the transportation of goods contracted to a third party.

To date, three of Longacre Group companies have confirmed the use of energy from renewable sources.

Longacre Group Limited

Directors' Report

For the period ended 31 December 2021

Company	Annual kWh	Purchased Green Tariff	Total from Renewable Sources
Inuvi Diagnostics Ltd.	130,301	44%	57,332.44
Inuvi Health Ltd.	55,000	76%	41,800.00
Pioneer Safety Group	611,053	34%	207,758.02

The emissions of each of Longacre Group's companies can be broken down to demonstrate the carbon impact.

Company	t CO ₂ e	t CO ₂ e per £1M Revenue	t CO ₂ e per Employee
Dycem UK	146.75	24.73	3.26
Incodia International Ltd.	498.79	43.51	3.67
Inuvi Diagnostics Ltd.	32.43	6.76	2.03
Inuvi Health Ltd.	17.71	1.53	0.27
Pioneer Safety Group	339.51	11.91	1.69
Wrapex Ltd / Procare UK Ltd	156.70	5.80	2.85

2021 is the first year Longacre Group carried out its GHG Emissions, having assessed our energy use from manual meter readings and invoices.

Carbon accounting methodology follows the standards of the Greenhouse Gas Protocol and ISO 14064-1:2018

The assessment follows the operational control approach. Emissions arising from entities under the operational control of the reporting company are accounted for, looking at Scope 1 and 2 (excluding fugitive emissions arising from any air-conditioning units or refrigeration). Emissions associated with electricity use are reported using the location-based approach (assumed to be sourced from the grid at the location of the buildings).

GHG OFFSET

Longacre Group has offset its carbon emissions at 110%.

Future Developments

The Directors will continue to seek to identify appropriate investment and acquisition opportunities. The full year impact of acquisitions made, positive market recovery and the impact of sales investment means that the board are confident about the future prospects for revenue and profit growth.

Auditor

The auditor, Moore Kingston Smith LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Longacre Group Limited

Directors' Report (Continued)

For the period ended 31 December 2021

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board



S E Schmidt-Chiari

Director

Date: 21 December 2022

Longacre Group Limited

Directors' Responsibilities Statement

For the period ended 31 December 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company, 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Longacre Group Limited

Independent Auditor's Report

To the Members of Longacre Group Limited

Opinion

We have audited the financial statements of Longacre Group Limited (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2021 which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group and Company Statements of Changes in Equity, the Group and Company Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 the parent company's affairs as at 31 December 2021 and of the group's profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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 and 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.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in 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.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the 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 Strategic Report and the Directors' Report.

We have nothing to report in respect of the following matters where 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, 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 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.

Auditor's responsibilities for the audit of the financial statements

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, the relevant financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation,
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 for no purpose other than to draw to the attention of the company's members those matters we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party 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.

Karen Wardell
Moore Kingston Smith LLP

Karen Wardell (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

22 December 2022
Date:

Chartered Accountants
Statutory Auditor

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

Longacre Group Limited

Group Statement of Comprehensive Income

For the period ended 31 December 2021

		Period ended 31 December 2021		Year ended 30 September 2020	
	Notes	Continuing Discontinued operations £000	operations £000	Total £000	Total £000
Turnover	3	110,513	16,070	126,583	78,765
Cost of sales		(69,027)	(7,474)	(76,501)	(45,301)
Gross profit		41,486	8,596	50,082	33,464
Administrative expenses		(34,099)	(7,604)	(41,703)	(34,140)
Other operating income		935	92	1,027	1,672
Exceptional items	4	(795)	(87)	(882)	(1,450)
Operating profit / (loss)	5	7,527	997	8,524	(454)
Interest payable and similar expenses	9	(3,679)	(752)	(4,431)	(3,020)
Profit on disposal of subsidiaries	10	11,178	-	11,178	-
Profit/(loss) before taxation		15,026	245	15,271	(3,474)

Longacre Group Limited

Group Statement of Comprehensive Income (Continued)

For the period ended 31 December 2021

		Period ended 31 December 2021		Year ended 30 September 2020	
	Notes	Continuing operations £000	Discontinued operations £000	Total £000	Total £000
Profit/(loss) before taxation (cont)		15,026	245	15,271	(3,474)
Tax on profit/(loss)	11	(1,606)	(826)	(2,432)	(664)
Profit/(loss) for the financial period		<u>13,420</u>	<u>(581)</u>	<u>12,839</u>	<u>(4,138)</u>
Profit/(loss) for the financial period is attributable to:					
- Owners of the parent company		10,664		10,664	(3,758)
- Non-controlling interests		<u>2,175</u>		<u>2,175</u>	<u>(380)</u>
		12,839		12,839	(4,138)
Total comprehensive income for the period is attributable to:					
- Owners of the parent company		10,664		10,664	(3,758)
- Non-controlling interests		<u>2,175</u>		<u>2,175</u>	<u>(380)</u>
		12,839		12,839	(4,138)

Longacre Group Limited

Group Balance Sheet

As at 31 December 2021

		31 December 2021		30 September 2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	13		25,521		37,685
Negative goodwill	13		(3,177)		(1,030)
Net goodwill			22,344		36,655
Other intangible assets	13		2,014		2,817
Total intangible assets			24,358		39,472
Tangible assets	14		6,326		6,653
			30,684		46,125
Current assets					
Stocks	18	9,432		9,788	
Debtors	19	24,398		26,479	
Cash at bank and in hand		11,910		6,637	
		45,740		42,904	
Creditors: amounts falling due within one year	20	(23,574)		(27,913)	
Net current assets			22,166		14,991
Total assets less current liabilities			52,850		61,116
Creditors: amounts falling due after more than one year	21		(25,804)		(47,417)
Provisions for liabilities	24		(386)		(766)
Net assets			26,660		12,933

Longacre Group Limited

Group Balance Sheet (Continued)

As at 31 December 2021

		31 December		30 September	
		2021		2020	
	Notes	£000	£000	£000	£000
Capital and reserves					
Called up share capital	27		10,466		17,518
Capital redemption reserve	27		7,052		-
Profit and loss reserves			6,092		(4,256)
			<u>23,610</u>		<u>13,262</u>
Equity attributable to owners of the parent company			23,610		13,262
Non-controlling interests			3,050		(329)
			<u>26,660</u>		<u>12,933</u>

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:



S E Schmidt-Chiari
Director

Longacre Group Limited

Company Balance Sheet

As at 31 December 2021

		31 December 2021		30 September 2020	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	15		19,267		20,037
Current assets					
Debtors	19	10,870		22,405	
Cash at bank and in hand		2,430		-	
		13,300		22,405	
Creditors: amounts falling due within one year	20	(1,235)		(1,069)	
Net current assets			12,065		21,336
Total assets less current liabilities			31,332		41,373
Creditors: amounts falling due after more than one year	21		-		(23,685)
Net assets			31,332		17,688
Capital and reserves					
Called up share capital	27		10,466		17,518
Capital redemption reserve	27		7,052		-
Profit and loss reserves			13,814		170
Total equity			31,332		17,688

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the period was £13,644,000 (2020: £170,000).

The financial statements were approved by the board of directors and authorised for issue on 21 December 2022 and are signed on its behalf by:



S E Schmidt-Chiari
Director

Company Registration No. 11976847

Longacre Group Limited

Group Statement of Changes in Equity

For the period ended 31 December 2021

	Notes	Share capital £000	Capital redemption reserve £000	Profit and loss reserves £000	Total controlling interest £000	Non- controlling interest £000	Total £000
Balance at 1 October 2020		17,518	-	(4,256)	13,262	(329)	12,933
Profit for the period		-	-	10,664	10,664	2,175	12,839
Total comprehensive income for the period		-	-	10,664	10,664	2,175	12,839
Removal of NCI on disposal		-	-	-	-	478	478
Additional NCI on acquisition		-	-	-	-	410	410
Dividend on NCI		-	-	(316)	(316)	316	-
Redemption of shares	27	(7,052)	7,052	-	-	-	-
Balance at 31 December 2021		10,466	7,052	6,092	23,610	3,050	26,660

Longacre Group Limited

Company Statement of Changes in Equity

For the period ended 31 December 2021

	Notes	Share capital £000	redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 October 2020	27	17,518	-	170	17,688
Profit and total comprehensive income for the period		-	-	13,644	13,644
Redemption of shares	27	(7,052)	7,052	-	-
Balance at 31 December 2021		<u>10,466</u>	<u>7,052</u>	<u>13,814</u>	<u>31,332</u>

Longacre Group Limited

Group Statement of Cash Flows

For the period ended 31 December 2021

		31 December 2021 £000	30 September 2020 £000
	Notes	£000	£000
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	33	21,160	(2,109)
Interest paid		(4,431)	(3,020)
Taxation paid		(3,068)	(682)
Cash inflow/(outflow) from operating activities		13,661	(5,811)
Investing activities			
Purchase of subsidiaries		(3,872)	(15,037)
Proceeds from disposal of subsidiaries		21,782	-
Purchase of tangible assets		(2,280)	(2,844)
Purchase of intangible assets		(459)	(330)
Net cash generated from/(used in) investing activities		15,171	(18,211)
Financing activities			
Proceeds from borrowings		1,901	21,447
Repayment of borrowings		(25,561)	(1,412)
Net cash generated from / (used in) financing activities		(23,660)	20,035
Net increase in cash and cash equivalents		5,172	(3,987)
Cash and cash equivalents at beginning of period		6,637	393
Cash acquired on business combinations		101	10,231
Cash and cash equivalents at end of period		11,910	6,637
Relating to:			
Cash at bank and in hand		11,910	6,637

Longacre Group Limited

Company Statement of Cash Flows

For the period ended 31 December 2021

	Notes	2021 £000	2020 £000
Cash flows from operating activities			
Cash generated from/(absorbed by) operations	34	11,522	(17,556)
Interest paid		(2,017)	(3,020)
Net cash inflow/(outflow) from operating activities		9,505	(20,576)
Investing activities			
Purchase of subsidiaries		-	(2,200)
Proceeds from disposal of subsidiaries		16,612	-
Net cash generated from investing activities		16,612	(2,200)
Financing activities			
Repayment of borrowings		(23,687)	-
Proceeds from borrowings		-	22,776
Net cash (used in)/generated from financing activities		(23,687)	22,776
Net increase in cash and cash equivalents		2,430	-
Cash and cash equivalents at beginning of		-	-
Cash and cash equivalents at end of period	35	2,430	-

Longacre Group Limited

Notes to the Financial Statements

For the period ended 31 December 2021

1 Accounting policies

Company information

Longacre Group Limited ("the company") is a private company limited by shares, domiciled and incorporated in England and Wales. The registered office is 1 Mercer Street, London, United Kingdom, WC2H 9QJ.

The group consists of Longacre Group Limited and all of its subsidiaries.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

The Group and company have taken the exemption from preparing the statement of cash flows available under small company regime, as it is the first period the Group is above the threshold.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Longacre Group Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

All subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account include the results of the acquired companies from their acquisition date as per note 28, and up to the date of disposal for the entities sold in the period per note 29. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company and the group has adequate resources to continue in operational existence for the foreseeable future, being at least twelve months from the date of the approval of these financial statements.

The directors have considered the continued impact of the COVID-19 outbreak and the measures taken to contain it on the company and the group. In the period following the period end, forecasts were produced and approved by the directors, taking into account the impact of the acquisitions and disposals made in the period. These forecasts show the group can continue to operate for at least the next twelve months following the approval of these financial statements.

Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Reporting period

The current reporting period covers 15 months to 31 December 2021, and the prior period covered 12 months to 30 September 2020.

1.5 Turnover

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

1.6 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. Negative goodwill represents the excess of the inducement received to acquire a business over the fair value of the net assets acquired.

The above amounts are initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Both positive and negative goodwill amounts are considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.7 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software	3-10 years
Intellectual property	5-10 years
Customer list	3 years
Other intangibles	3-5 years

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% per annum (land is not depreciated)
Leasehold improvements	Over the period of the lease
Fixtures and Fittings	3-5 years straight line
Plant and Equipment	3-10 years reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

1.9 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.10 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.11 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.12 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.13 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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 and 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

Derecognition of financial liabilities

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

1.14 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

1.15 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.16 Provisions

Provisions are recognised when the group has a legal or constructive present obligation as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

1 Accounting policies

1.17 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.19 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to the amounts received under the Coronavirus Job Retention Scheme where staff have been furloughed due to the global pandemic are recognised in the same periods as the related salary costs within other income

1.20 Subsidiary companies audit exemption

The Company's active subsidiaries Seafox Warwick 1 Limited and Seafox Warwick 2 Limited are exempt from the requirements of the Companies Act 2006 relating to the audit of their individual accounts by virtue of section 479A of the Companies Act 2006.

The parent company has therefore guaranteed all existing liabilities of the above entities at 31 December 2021, and this guarantee will remain in force until those liabilities are settled.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Goodwill valuation

The group determines whether goodwill is impaired at each period end or otherwise when changes in events or situations indicate that the carrying value may not be recoverable. The group's determination of whether goodwill is impaired requires an assessment of the value in use of the cash generating units to which goodwill is allocated. This requires key assumptions and judgement to be applied in the selection of a suitable discount rate in order to calculate the present value of cash flows, additionally the revenue growth rate which is based on internal forecasts, supported by external industry predictions in the industry.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Intangible fixed assets

The annual amortisation charge for intangible assets is sensitive to changes in the estimated lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

Goodwill impairment reviews are also performed annually. These reviews require an estimation of the value in use of the cash generating units to which goodwill has been allocated. The value in use calculation requires the entity to estimate the future cash flows expected to arise for the cash generating unit and a suitable discount rate to calculate present value.

See note 13 for the carrying amount of the intangible assets and notes 1.6 and 1.7 for the useful economic lives for each class of asset.

Tangible fixed assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

See note 14 for the carrying amount of the property, plant and equipment and note 1.8 for the useful economic lives for each class of asset.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

2 Judgements and key sources of estimation uncertainty (continued)

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Stock valuation

At each reporting date, stock is assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Provisions

Provisions have been made for dilapidations, restructuring and customer warranties. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

3 Turnover and other revenue

	2021 £000	2020 £000
Turnover analysed by class of business		
Goods	94,422	66,446
Services	32,141	12,319
	<u>126,583</u>	<u>78,765</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

4	Exceptional costs/(income)	2021	2020
		£000	£000
	Costs of restructure in subsidiaries and deal costs on acquisitions	882	1,450
		<u>882</u>	<u>1,450</u>
	Included within discontinued operations	87	134
	Included within continuing operations	<u>795</u>	<u>1,316</u>
5	Operating (loss)/profit	2021	2020
		£000	£000
	Operating (loss)/profit for the period is stated after charging / (crediting):		
	Depreciation of owned tangible fixed assets	2,623	2,099
	Amortisation of intangible assets	5,524	4,829
	Government grants	<u>(1,215)</u>	<u>(1,672)</u>
6	Auditor's remuneration	2021	2020
		£000	£000
	Fees payable to the company's auditor and associates:		
	For audit services		
	Audit of the financial statements of the group and company	45	28
	Audit of the financial statements of the company's subsidiaries	<u>178</u>	<u>185</u>
		<u>223</u>	<u>213</u>
	For other services		
	Taxation compliance services	20	20
	Accounts preparation	<u>25</u>	<u>25</u>
		<u>45</u>	<u>45</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

7 Employees

The average monthly number of persons (including directors) employed by the group was:

	2021	2020
Total employees	743	549

	2021 £000	2020 £000
Wages and salaries	32,608	26,183
Social security costs	2,980	2,634
Pension costs	1,232	1,132
Total	36,820	29,949

There were no employees in the company in the current or prior period.

8 Directors remuneration

	2021 £000	2020 £000
Wages and salaries	317	190
Pension costs	3	3
Total	320	193

Highest paid director

Wages and salaries	158	95
Pension costs	2	2
Total	160	97

There were 2 directors (2020: 2) participating in the pension scheme in the current period.

9 Interest payable and similar expenses

	£000	£000
	2021 £000	2020 £000
Interest on convertible loan notes	2,017	1,896
Interest on finance leases and hire purchase contracts	132	136
Other interest on financial liabilities	2,282	988
Total finance costs	4,431	3,020

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

10 Fair value gains and losses

	2021 £000	2020 £000
Gain on disposal of subsidiaries (note 29)	11,178	-

11 Taxation

	2021 £000	2020 £000
Current tax		
UK corporation tax on profits for the current period	2,476	410
Deferred tax		
Origination and reversal of timing differences	(44)	254
Taxation charge for the period	2,432	664

The actual charge for the period can be reconciled to the expected charge/(credit) for the period based on the profit or loss and the standard rate of tax as follows:

	2021 £000	2020 £000
Profit/(loss) before taxation	15,271	(3,474)
<i>Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19% (2020: 19.00%)</i>	2,901	(660)
Tax effect of expenses that are not deductible in determining taxable profit	1,141	430
Tax effect of utilisation of tax losses not previously recognised	-	(84)
Income not taxable	(1,932)	-
Deferred tax not recognised	499	254
Prior year adjustment in relation to current tax	(607)	-
Change in tax rates	110	-
Permanent capital allowances in excess of depreciation	-	(242)
Amortisation on assets not qualifying for tax allowances	119	918
Other permanent differences	245	60
Under/(over) provided in prior years	-	(12)
Current taxation charge for the period	2,476	410

12 Discontinued operations

Discontinued operations relate to the sale of subsidiary entities in the UK.

Vacuum Furnace Engineering Limited was sold on 4 August 2021, and Seafox Apollo 1 Limited and its trading subsidiary Taylor Hopkinson Limited were sold on 7 December 2021. Further details can be found in note 29.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

13 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Software £000	Intellectual property £000	Website £000	Trademarks £000	Customer list £000	Total £000
Cost								
At 1 October 2020	42,285	(1,145)	1,226	275	8	462	3,798	46,909
Additions - business combinations	-	-	842	-	-	-	-	842
Additions – separately acquired	116	(2,339)	330	100	-	29	-	(1,764)
Disposal of subsidiaries	(9,654)	-	(741)	(250)	-	(357)	-	(11,001)
At 31 December 2021	32,747	(3,484)	1,657	125	8	134	3,798	34,986
Amortisation and impairment								
At 1 October 2020	4,600	(115)	758	103	8	292	1,791	7,437
Acquired on business combinations	-	-	935	-	-	-	-	935
Amortisation charged for the period	5,097	(192)	154	21	-	64	380	5,524
Disposal of subsidiaries	(2,471)	-	(432)	(100)	-	(266)	-	(3,269)
At 31 December 2021	7,226	(307)	1,415	24	8	90	2,171	10,627
Carrying amount								
At 31 December 2021	25,521	(3,177)	242	101	-	44	1,627	24,358
At 30 September 2020	37,685	(1,030)	468	172	-	170	2,007	39,472

The company had no intangible fixed assets at 31 December 2021 or 30 September 2020.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

14 Tangible fixed assets

Group	Freehold land and buildings improvements £000	Leasehold improvements £000	Plant and fixtures and equipment £000	Computers fittings £000	Computers £000	Total £000
Cost						
At 1 October 2020	1,069	3,049	19,741	1,805	1,932	27,596
Additions	18	352	878	653	379	2,280
Business combinations	-	283	632	29	123	1,067
Disposals	(14)	(423)	(892)	(940)	(454)	(2,723)
At 31 December 2021	1,073	3,261	20,359	1,547	1,980	28,220
Depreciation and impairment						
At 1 October 2020	384	2,044	15,482	1,572	1,461	20,943
Depreciation charged in the period	12	448	1,520	221	422	2,623
Business combinations	-	100	547	13	55	715
Eliminated in respect of disposals	-	(272)	(858)	(900)	(357)	(2,387)
At 31 December 2021	396	2,320	16,691	906	1,581	21,894
Carrying amount						
At 31 December 2021	677	941	3,668	641	399	6,326
At 30 September 2020	685	1,005	4,259	233	471	6,653

The company had no tangible fixed assets at 31 December 2021 or 30 September 2020.

The net carrying value of tangible fixed assets above includes £2,745,000 (2020: £2,207,000) in respect of assets held under finance leases or hire purchase contracts. Depreciation charged to the profit and loss account in respect of these assets is £387,000 (2020: £316,000).

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

15 Fixed asset investments

		Group		Company	
	Notes	2021	2020	2021	2020
		£000	£000	£000	£000
Investments in subsidiaries	16	-	-	19,267	20,037

Movements in fixed asset investments Company

	Shares in group undertakings £000
Cost or valuation	
At 1 October 2020	20,037
Additions	100
Impairment	(870)
At 31 December 2021	19,267
Carrying amount	
At 31 December 2021	19,267
At 30 September 2020	20,037

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

16 Subsidiaries

The company made a number of acquisitions in the period. The direct interest represents the share capital acquired in the holding companies, details of which are included in note 26. The indirect interest then represents the holding Longacre Group Limited has in their trading subsidiaries as a result of these acquisitions.

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Inuvi Group Limited	England	Holding company	Ordinary	-	50.60
Inuvi Health Limited	England	Provision of medical screening services to the protection insurance sector	Ordinary	-	50.60
Inuvi Medical Services Ltd	England	Holding company	Ordinary	50.60	-
Inuvi Diagnostics Ltd	England	Laboratory testing	Ordinary	-	50.60
Seafox Dycem 1 Limited	England	Holding company	Ordinary	85.40	-
Seafox Dycem 2 Limited	England	Holding company	Ordinary	-	85.40
Dycem Limited	England	Manufacture and supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem Asia Inc	Philippines	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem Corporation	United States of America	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem GmbH	Germany	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Seafox VFE 1 Limited	England	Holding company	Ordinary	87.00	-
Seafox VFE 2 Limited	England	Holding company	Ordinary	-	87.00
Seafox VFE PTE Limited	Singapore	Consultancy services	Ordinary	-	87.00
Seafox Merlin Limited	England	Holding company	Ordinary	91.57	8.43
Seafox Bidco Limited	England	Holding company	Ordinary	-	100.00
Incodia International Limited	England	Manufacture, printing and design	Ordinary	-	100.00
Longacre Group International Limited	England	Holding company	Ordinary	100.00	-
Longacre Aerospace Limited	England	Holding company	Ordinary	100.00	-
Longacre Willow Limited	England	Holding company	Ordinary	-	100.00
Pioneer Safety Group Limited	England	Holding company	Ordinary	90.00	10.00
Pyropress (PropCo)	England	Property holding company	Ordinary	-	100.00

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

16 Subsidiaries

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Pyropress Limited	England	Designer and manufacturer of switches and transmitters	Ordinary	-	100.00
AllenWest Limited	Scotland	Holding company	Ordinary	-	86.00
AllenWest Group Limited	Scotland	Holding company	Ordinary	-	86.00
AllenWest Pioneer Limited	England	Designer and manufacturer of transformers	Ordinary	-	86.00
AllenWest Kuzbass Limited	Russia	Designer and manufacturer of transformers	Ordinary	-	86.00
Pyroban Group Limited	England	Holding company	Ordinary	-	86.85
Euro Access Limited	Ireland	Bespoke access platform solutions to military	Ordinary	-	86.00
Pyroban Limited	England	Development and sale of flame protection systems for operating equipment	Ordinary	-	86.85
Pyroban France SARL	France	Development and sale of flame protection systems for operating equipment	Ordinary	-	86.85
Pyroban (Suzhou) Safety Co. China Limited	China	In administration	Ordinary	-	86.85
Baldwin & Francis Limited	England	Design, manufacture, support and electrical engineering into critically safe environments	Ordinary	-	89.00
Longacre Avon Limited	England	Holding company	Ordinary	75.00	-
Longacre Landmark Limited	England	Holding company	Ordinary	-	75.00
Prowrap Limited	England	Holding company	Ordinary	-	75.00
Wrapex Limited	England	Manufacturing of clingfilm and tin foil	Ordinary	-	75.00
Procure UK Limited	England	Manufacturing of foil for use in hairdressers	Ordinary	-	75.00

17 Financial instruments

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Carrying amount of financial assets				
Debt instruments measured at amortised cost	20,661	25,451	10,870	22,405
Carrying amount of financial liabilities				
Measured at amortised cost	48,270	71,468	1,235	24,754

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

18 Stocks

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Raw materials and consumables	3,776	4,599	-	-
Work in progress	1,290	3,171	-	-
Finished goods and goods for resale	4,366	2,018	-	-
	<u>9,432</u>	<u>9,788</u>	<u>-</u>	<u>-</u>

19 Debtors

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Amounts falling due within one year:				
Trade debtors	17,835	20,439	-	-
Amounts due from group undertakings	-	-	10,678	18,829
Other debtors	6,563	5,011	192	3,576
Prepayments and accrued income	-	1,029	-	-
	<u>24,398</u>	<u>26,479</u>	<u>10,870</u>	<u>22,405</u>

Included in other debtors is £700k (2020: £1,600k) relating to debtors falling due over one year.

20 Creditors: amounts falling due within one year

	Notes	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Bank loans and overdrafts	22	2,267	5,630	-	-
Obligations under finance leases	23	533	825	-	-
Trade creditors		7,068	10,306	31	-
Amounts due to group undertakings		-	-	1,151	1,054
Corporation tax payable		269	367	-	-
Other taxation and social security		1,796	3,495	-	-
Accruals and deferred income		11,641	7,290	53	15
		<u>23,574</u>	<u>27,913</u>	<u>1,235</u>	<u>1,069</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

21 Creditors: amounts falling due after more than one year

	Notes	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Bank loans and overdrafts	22	19,465	6,789	-	-
Obligations under finance leases	23	1,875	1,038	-	-
Other borrowings	22	3,464	37,590	-	23,685
Deferred consideration		1,000	2,000	-	-
		<u>25,804</u>	<u>47,417</u>	<u>-</u>	<u>23,685</u>

Deferred consideration relates to the amounts due on the purchase of subsidiaries in accordance with the share purchase agreements.

22 Loans and overdrafts

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Bank loans	21,732	12,419	-	-
Loans from related parties (note 32)	-	23,685	-	23,685
Other loans	3,464	13,905	-	-
	<u>25,196</u>	<u>50,009</u>	<u>-</u>	<u>23,685</u>
Payable within one year	2,267	5,630	-	-
Payable after one year	<u>22,929</u>	<u>44,379</u>	<u>-</u>	<u>23,685</u>

Bank loans are secured on the individual assets of the subsidiary entities that they relate to by the way of fixed and floating charges. Interest is being charged on these loans at rates varying between LIBOR + 2.25% and LIBOR + 10%. Loan fees are amortised over 5 years.

The long-term loan from related parties was secured by a floating charge over the Group's assets (current and future) filed on 24 September 2019. The loan is not repayable until at least June 2026 and accumulates interest at 8% per annum. This is part of the loan facility available to the Group of up to £50m entered into during the prior period. During the period the group repaid the full balance and has no amount due at the year end, however the facility remains in place.

Other loans related to vendor loan notes relating to the purchase of subsidiaries.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

23 Finance lease obligations

	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Future minimum lease payments due under finance leases:				
Within one year	533	825	-	-
In two to five years	1,875	1,038	-	-
	<u>2,408</u>	<u>1,863</u>	<u>-</u>	<u>-</u>
Less: future finance charges	-	(8)	-	-
	<u>2,408</u>	<u>1,855</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

24 Provisions for liabilities

	Notes	Group 2021 £000	2020 £000	Company 2021 £000	2020 £000
Warranty provision		97	71	-	-
Dilapidations provision		194	301	-	-
		<u>291</u>	<u>372</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities	25	95	394	-	-
		<u>386</u>	<u>766</u>	<u>-</u>	<u>-</u>

Movements on provisions apart from deferred tax liabilities:

Group	Other provisions £000
At 1 October 2020	372
Utilisation of provision	(81)
At 31 December 2021	<u>291</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

25 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities	Liabilities
	2021	2020
Group	£000	£000
Accelerated capital allowances	(24)	(47)
Short term temporary differences	-	(8)
Tax losses	(71)	(84)
	<u>(95)</u>	<u>(139)</u>

The company has no deferred tax assets or liabilities.

26 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£000	£000
Charge to profit or loss in respect of defined contribution schemes	<u>1,232</u>	<u>1,132</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

27 Share capital

	Group and company	
	2021	2020
	£000	£000
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary of 0.1p each	-	-
Preference share capital		
Issued and fully paid		
10,465,547 (2020: 17,518,000) Preference shares of £1	<u>10,466</u>	<u>17,518</u>

The Company issued 10,000 of £0.001 ordinary shares on incorporation, at an aggregate value of £10.

The company issued 17,518,008 preference shares on 4 October 2019 with full rights to dividends and distributions.

On 29 October 2020 the Company repurchased 7,052,453 preference shares of £1 at a cost of £7,052,453, which were subsequently cancelled, and these have been transferred to the capital redemption reserve.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

28 Acquisition of a business

On 19 April 2021 the Pioneer Safety Group Limited, a subsidiary of Longacre Group Limited, acquired 86% percent of the issued capital of Allenwest Pioneer Limited and its subsidiaries.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Intangible assets	100	-	100
Tangible assets	362	-	362
Investments	100	-	100
Stock	5,098	-	5,098
Trade and other debtors	1,155	-	1,155
Cash and cash equivalents	102	-	102
Trade and other creditors	(3,992)	(80)	(3,605)
Total identifiable net assets	2,925	(80)	2,845
Non-controlling interests			(410)
Goodwill			(2,339)
Total consideration			96

The consideration was satisfied by:

	£000
Cash	500
Fair value adjustments	(121)
Working capital payment	(283)
	96

Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:

	£000
Turnover	3,962
Profit after tax	881

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the distribution of the company's products in new markets and the future operating synergies.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

28 Acquisition of a business (continued)

On 17 November 2021 the Pioneer Safety Group Limited, a subsidiary of Longacre Group Limited, acquired 86.85% percent of the issued capital of Euro Access Limited.

	Book Value £000	Adjustments £000	Fair Value £000
Net assets acquired			
Stock	146	-	146
Trade and other debtors	50	-	50
Cash and cash equivalents	1,559	-	1,559
Trade and other creditors	(9)	-	(9)
Total identifiable net assets	1,746	-	1,746
Non-controlling interests			(230)
Goodwill			117
Total consideration			1,633
The consideration was satisfied by:			£000
Cash			1,633
			1,633
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£000
Turnover			2
Loss after tax			(4)

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

29 Disposals

On 4 August 2021 the group disposed of its holding in Vacuum Furnace Engineering Limited. Included in these financial statements are losses of £2,245,000 arising from the company's interests in Vacuum Furnace Engineering Limited up to the date of its disposal.

Net assets disposed of	£000
Net assets on disposal	1,473
Goodwill disposed off	5,405
Loans	2,980
	<hr/>
	9,858
Loss on disposal	(4,852)
	<hr/>
Total consideration	5,006
	<hr/>
The consideration was satisfied by:	£000
Cash	5,006
	<hr/>

On 7 December 2021 the group disposed of its holding in Seafox Apollo 1 Limited and its trading subsidiary Taylor Hopkinson Limited. Included in these financial statements are profits of £192,000 arising from the company's interests in Seafox Apollo 1 Limited up to the date of its disposal.

Net assets disposed of	£000
Net assets on disposal	458
Goodwill disposed off	287
	<hr/>
	745
Profit on disposal	16,030
	<hr/>
Total consideration	16,775
	<hr/>
The consideration was satisfied by:	£000
Cash	16,775
	<hr/>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

30 Operating lease commitments

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2021	2020	2021	2020
	£000	£000	£000	£000
Within one year	1,648	3,295	-	-
Between two and five years	3,821	6,433	-	-
In over five years	1,274	2,267	-	-
	<u>6,743</u>	<u>11,995</u>	<u>-</u>	<u>-</u>

31 Events after the reporting date

The group acquired 89% of the share capital of Inspec Solutions Limited through Pioneer Safety Group Limited on 27 June 2022.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

32 Related party transactions

Group

Included in long-term creditors is a loan of £0 (30 September 2020: £23,685,000) from Deepbell Limited, one of the shareholders, which was a drawdown against the loan facility of £50m. The loan was repaid in the period. The total interest paid in the year was £2,017,000 (30 September 2020: £988,000)

The group has taken advantage of the exemption available under FRS102 not to disclose transactions with its subsidiaries.

The director, I Abrahams, is considered to be the ultimate controlling party.

Company

Included in debtors is an amount of £10,678,000 (30 September 2020: £18,829,000) due from the subsidiary entities and interest accrued of £191,000 (30 September 2020: £3,425,000).

Included in creditors is an amount of £1,054,000 (30 September 2020: £1,054,000) to from the subsidiary entities, which is an interest free amount repayable on demand.

33 Cash generated from group operations

	2021 £000	2020 £000
Profit/(loss) for the period after tax	12,839	(4,138)
Adjustments for:		
Taxation charged	2,432	664
Finance costs	4,431	3,020
Amortisation and impairment of intangible assets	5,524	4,829
Depreciation and impairment of tangible fixed assets	2,623	2,099
Profit on disposal	(11,178)	-
Increase in provisions	(81)	766
Movements in working capital:		
Decrease / (increase) in stocks	355	(9,788)
Decrease /(Increase) in debtors	2,080	(25,460)
(Decrease) / Increase in creditors	(280)	22,470
Non-cash movements as part of business combination	(8,001)	3,429
Cash generated from operations	28,022	(2,109)

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the period ended 31 December 2021

34 Cash generated from/(absorbed by) operations - company

	2021 £000	2020 £000
Profit for the period after tax	13,644	170
Adjustments for:		
Finance costs	2,017	-
Profit on disposal	(12,512)	-
Movements in working capital:		
Decrease/(increase) in debtors	13,337	(18,780)
(Decrease)/increase in creditors	858	1,054
Non-cash loan settled on disposal	(5,822)	-
Cash generated from/(absorbed by) operations	11,522	(17,556)

35 Analysis of changes in net funds/(debt) - group

	1 October 2020 £000	Cash flows £000	31 December 2021 £000
Cash at bank and in hand	6,637	5,273	11,910
Borrowings excluding overdrafts	(50,009)	24,813	(25,196)
Obligations under finance leases	(2,004)	(404)	(2,408)
	<u>(45,376)</u>	<u>29,682</u>	<u>(15,694)</u>

36 Analysis of changes in net funds/(debt) - company

	1 October 2020 £000	Cash flows £000	31 December 2021 £000
Cash at bank and in hand	-	2,430	2,430
Borrowings excluding overdrafts	(23,685)	23,685	-
	<u>(23,685)</u>	<u>26,115</u>	<u>2,430</u>