

Longacre Group Limited

Annual Report and Financial Statements

For the year ended 31 December 2022



Company Registration No 11976847 (England and Wales)

Longacre Group Limited

Company Information

Directors	E G 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 - 4
Directors' report	5 - 8
Independent auditor's report	9 - 13
Group statement of comprehensive income	14 - 15
Group balance sheet	16 - 17
Company balance sheet	18
Group statement of changes in equity	19
Company statement of changes in equity	20
Notes to the financial statements	22 - 48

Longacre Group Limited

Strategic Report

For the year ended 31 December 2022

The directors present the strategic report for the year ended 31 December 2022.

Principal activities

Longacre Group Limited is the owner of or investor in a portfolio 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.

Fair review of the business and key performance indicators

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

Performance was strong during 2022, achieving revenue of £108.2m, with our companies reverting to a more normal trading pattern after the disruption of the COVID-19 pandemic and is a testament to the quality of the management teams across the Longacre Group.

12 Months to 31 December 2022 £m

Revenue	108.2
Operating EBITDA*	13.1
Operating EBITDA* margin	12.1%

*Operating EBITDA is earnings before interest, taxation, depreciation, amortisation, exceptional items and head office costs.

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 year ended 31 December 2022

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 financials risk 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.

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 the success of the 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 interest 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.

Considering the broad range of interests it 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.

Longacre Group Limited

Strategic Report (Continued)

For the year ended 31 December 2022

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

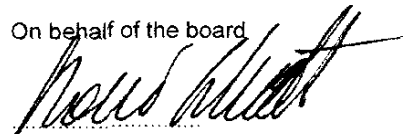
Strategic Report (Continued)

For the year ended 31 December 2022

Future developments

The Directors of Longacre Group remain committed to identifying suitable investment and acquisition prospects. Considering the positive impact of our acquisitions throughout the year, and the returns from our sales investments, we hold a high level of confidence in the future outlook for revenue and profit growth.

On behalf of the board



S E Schmidt-Chiari

Director

Date: 14 Nov. 2023

Longacre Group Limited

Directors' Report

For the year ended 31 December 2022

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

Directors

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

E G Nicholson
I H Abrahams
S E Schmidt-Chiari

Results and dividends

The results for the year are set out on pages 14 to 15.

The directors of Longacre Group Limited did not pay a dividend in 2022 or 2021.

Directors' insurance

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

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.

Political donations

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

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.

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 year ended 31 December 2022

Streamlined energy and 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 primarily stem from office building energy use and transport. Data was collected from Wrapex Ltd/ Procure Uk Ltd, Pioneer Safety Group, Inuvi Health Ltd, Inuvi Diagnostics Ltd, Incodia International Ltd and Dycem UK/Asia/USA/Europe totalled for scope 1 and 2 1298.54 t CO₂e in 2022.

	2022 kWh	2021 kWh
Energy consumption		
Aggregate of energy consumption in the year	6,252,650	5,703,048

Longacre Group Limited

Directors' Report (Continued)

For the year ended 31 December 2022

	2022 metric tonnes	2021 metric tonnes
Emissions of CO2 equivalent		
Scope 1 - direct emissions		
- Gas combustion	294.21	293.80
- Fuel consumed for owned transport	360.76	168.69
	654.97	462.49
Scope 2 - indirect emissions		
- Electricity purchased	643.57	729.41
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	-	-
Total gross emissions	1,298.54	1,191.90
Intensity ratio		
Tonnes CO2e per employee	2.17	2.3

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.

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

	2022 t CO ₂ e	2021 t CO ₂ e
Dycem	322.17	146.75
Incodia International Ltd	397.90	498.79
Inuvi Diagnostics Ltd	26.16	32.43
Inuvi Health Ltd	16.53	17.71
Pioneer Safety Group	375.89	339.51
Wrapex Ltd / Procure UK Ltd	159.89	156.71
	1,298.54	1,191.90

Longacre Group carried out its GHG Emissions, having assessed our subsidiaries' energy use from manual meter readings and invoices.

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

Our assessment adheres to the operational control methodology, where we account for emissions generated by entities under the direct operational oversight of the reporting company. This evaluation encompasses both Scope 1 and Scope 2 emissions, with exceptions for fugitive emissions originating from air-conditioning units or refrigeration systems. Furthermore, emissions attributed to electricity consumption are reported using the location-based approach, presuming that the electricity is sourced from the local grid at the respective building locations.

GHG OFFSET

Longacre Group has offset its carbon emissions at 110%.

Longacre Group Limited

Directors' Report (Continued)

For the year ended 31 December 2022

Statement of directors' responsibilities

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.

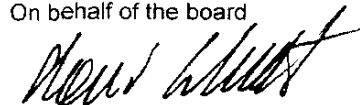
Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of risk management and future developments.

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.

On behalf of the board



S E Schmidt-Chiari

Director

Date: 14 Nov 2023

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 year ended 31 December 2022 which comprise the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group Statement 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 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 the parent company's affairs as at 31 December 2022 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the group and parent company 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 year 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 their environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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 parent company or to cease operations, or have no realistic alternative but to do so.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

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.

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 company'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.

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.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

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

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

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.

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, UK 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.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

Longacre Group Limited

Independent Auditor's Report (Continued)

To the Members of Longacre Group Limited

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

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

Date: 17 November 2023

Chartered Accountants
Statutory Auditor

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

Longacre Group Limited

Group Statement of Comprehensive Income
For the year ended 31 December 2022

				Year ended			Period ended
				31 December 2022		31 December 2021	
				operations	operations	operations	operations
				£000	£000	£000	£000
	Notes						
Turnover	3						
Cost of sales		95,318	12,899	108,217	110,513	16,070	126,583
		(54,784)	(10,173)	(64,957)	(69,027)	(7,474)	(76,501)
Gross profit		40,534	2,726	43,260	41,486	8,596	50,082
Distribution costs		(2,049)	(765)	(2,814)	-	-	-
Administrative expenses		(33,048)	(2,328)	(35,376)	(33,225)	(7,604)	(40,829)
Other operating income		237	-	237	935	92	1,027
Exceptional item	4	(7)	-	(7)	(795)	(87)	(882)
Operating profit	5	5,667	(367)	5,300	8,401	997	9,398
Interest receivable and similar income	9	112	-	112	-	-	-
Interest payable and similar expenses	10	(1,516)	(220)	(1,736)	(3,679)	(752)	(4,431)
Profit on disposal of subsidiaries	11	-	-	-	10,304	-	10,304
Profit before taxation		4,263	(587)	3,676	15,026	245	15,271
Tax on profit	12	(295)	159	(136)	(1,606)	(826)	(2,432)
Profit for the financial year		3,968	(428)	3,540	13,420	(581)	12,839

Longacre Group Limited

Group Statement of Comprehensive Income (Continued) For the year ended 31 December 2022

	Year ended 31 December 2022		Period ended 31 December 2021	
	Continuing operations £000	Discontinued operations £000	Continuing operations £000	Discontinued operations £000
Notes				
Other comprehensive income				
Currency translation differences		74		-
Total comprehensive income for the year		<u>3,614</u>		<u>12,839</u>
Profit for the financial year is attributable to:				
- Owners of the parent company		2,687		10,664
- Non-controlling interests		<u>853</u>		<u>2,175</u>
		<u>3,540</u>		<u>12,839</u>
Total comprehensive income for the year is attributable to:				
- Owners of the parent company		2,753		10,664
- Non-controlling interests		<u>861</u>		<u>2,175</u>
		<u>3,614</u>		<u>12,839</u>

Longacre Group Limited

Group Balance Sheet

As at 31 December 2022

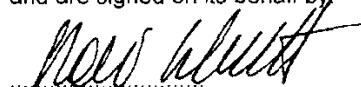
		2022		2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Goodwill	14		24,412		25,521
Negative goodwill	14		(2,865)		(3,177)
Net goodwill			21,547		22,344
Other intangible assets	14		1,622		2,014
Total intangible assets			23,169		24,358
Tangible assets	15		6,573		6,326
			29,742		30,684
Current assets					
Stocks	19	14,428		9,432	
Debtors	20	29,583		24,398	
Cash at bank and in hand		8,891		11,910	
		52,902		45,740	
Creditors: amounts falling due within one year	21	(29,443)		(23,574)	
Net current assets			23,459		22,166
Total assets less current liabilities			53,201		52,850
Creditors: amounts falling due after more than one year	22		(21,969)		(25,804)
Provisions for liabilities					
Provisions	25	(358)		(291)	
Deferred tax liability	26	(358)		(95)	
			(716)		(386)
Net assets			30,516		26,660
Capital and reserves					
Called up share capital	28		10,466		10,466
Capital redemption reserve			7,052		7,052
Other reserves			326		-
Profit and loss reserves			9,464		6,092
Equity attributable to owners of the parent company			27,308		23,610
Non-controlling interests			3,208		3,050
			30,516		26,660

Longacre Group Limited

Group Balance Sheet (Continued)

As at 31 December 2022

The financial statements were approved by the board of directors and authorised for issue on 14 Nov '23
and are signed on its behalf by



S E Schmidt-Chiari
Director

Longacre Group Limited

Company Balance Sheet

As at 31 December 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Fixed assets					
Investments	16		18,770		19,267
Current assets					
Debtors	20	13,029		10,870	
Cash at bank and in hand		201		2,430	
		13,230		13,300	
Creditors: amounts falling due within one year	21	(395)		(1,235)	
Net current assets			12,835		12,065
Total assets less current liabilities			31,605		31,332
Creditors: amounts falling due after more than one year	22		(1,500)		-
Net assets			30,105		31,332
Capital and reserves					
Called up share capital	28		10,466		10,466
Capital redemption reserve			7,052		7,052
Profit and loss reserves			12,587		13,814
Total equity			30,105		31,332

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the period was £1,227,000 (2021: £13,644,000).

The financial statements were approved by the board of directors and authorised for issue on 14 Nov 23 and are signed on its behalf by:



S E Schmidt-Chiari
Director

Company Registration No. 11976847 (England and Wales)

Longacre Group Limited

Group Statement of Changes in Equity For the year ended 31 December 2022

	Share capital	Capital redemption reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£000	£000	£000	£000	£000	£000	£000
Balance at 1 October 2020	17,518	-	-	(4,256)	13,262	(329)	12,933
Period ended 31 December 2021:							
Profit and total comprehensive income for the period	-	-	-	10,664	10,664	2,175	12,839
Redemption of shares	(7,052)	7,052	-	-	-	-	-
Acquisition of subsidiary	-	-	-	-	-	410	410
Disposal of subsidiary	-	-	-	-	-	478	478
Transfer	-	-	-	(316)	(316)	316	-
Balance at 31 December 2021	10,466	7,052	-	6,092	23,610	3,050	26,660
Year ended 31 December 2022:							
Profit for the year	-	-	-	2,687	2,687	853	3,540
Other comprehensive income:							
Currency translation differences	-	-	-	66	66	8	74
Total comprehensive income for the year	-	-	-	2,753	2,753	861	3,614
Dividends	-	-	-	-	-	(211)	(211)
Share based payment charge	-	-	326	-	326	44	370
Acquisition of subsidiaries	-	-	-	-	-	83	83
Movement in shareholdings in subsidiaries	-	-	-	619	619	(619)	-
Balance at 31 December 2022	10,466	7,052	326	9,464	27,308	3,208	30,516

Longacre Group Limited

Company Statement of Changes in Equity

For the year ended 31 December 2022

	Notes	Share capital £000	Capital redemption reserve £000	Profit and loss reserves £000	Total £000
Balance at 1 October 2020		17,518	-	170	17,688
Period ended 31 December 2021:					
Profit and total comprehensive income for the period		-	-	13,644	13,644
Redemption of shares	28	(7,052)	7,052	-	-
Balance at 31 December 2021		10,466	7,052	13,814	31,332
Year ended 31 December 2022:					
Loss and total comprehensive income for the year		-	-	(1,227)	(1,227)
Balance at 31 December 2022		10,466	7,052	12,587	30,105

Longacre Group Limited

Group Statement of Cash Flows

For the year ended 31 December 2022

		2022		2021	
	Notes	£000	£000	£000	£000
Cash flows from operating activities					
Cash generated from operations	33		3,872		21,160
Interest paid			(298)		(4,431)
Income taxes paid			(965)		(3,068)
Net cash inflow from operating activities			2,609		13,661
Investing activities					
Purchase of subsidiaries		(1,933)		(3,872)	
Proceeds from disposal of subsidiaries		-		21,782	
Purchase of intangible assets		(180)		(459)	
Purchase of tangible fixed assets		(1,680)		(2,280)	
Proceeds from disposal of tangible fixed assets		67		-	
Net cash (used in)/generated from investing activities			(3,726)		15,171
Financing activities					
Issue of loan		(2,131)		-	
Proceeds from borrowings		2,300		1,901	
Repayment of borrowings		(3,841)		(25,561)	
Payment of finance leases obligations		(593)		-	
Dividends paid to non-controlling interests		(211)		-	
Net cash used in financing activities			(4,476)		(23,660)
Net (decrease)/increase in cash and cash equivalents			(5,593)		5,172
Cash and cash equivalents at beginning of year			11,910		6,637
Cash acquired on business combinations			360		101
Cash and cash equivalents at end of year			6,677		11,910
Relating to:					
Cash at bank and in hand			8,891		11,910
Bank overdrafts included in creditors payable within one year			(2,214)		-

Longacre Group Limited

Notes to the Financial Statements

For the year ended 31 December 2022

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.

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.

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. The purchase consideration has been allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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.

In the period following the year end, forecasts were produced and approved by the directors, taking into account the impact of the acquisitions and disposals made during the year and after the period end. 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 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.

1.5 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 20 years. The directors consider that 20 years is a reasonable estimate for the useful economic life of goodwill, on the basis of the business model of the group. Longacre Group Limited are a buy-and-build acquisitions group and long-term investor in successful businesses. A shorter useful economic life would not be appropriate based on the business model.

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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.6 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 years straight line
Intellectual property	5 years straight line
Customer list	10 years
Other intangibles	3-10 years

1.7 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	2-6.67% straight line/over lease term
Leasehold improvements	10-20% per annum/over lease term
Fixtures and fittings	3-5 years straight line
Plant and equipment	3-10 years straight line
Computers	33% straight line

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.

1.8 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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

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.

1.11 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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.12 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.

Derecognition of financial liabilities

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

1.13 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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

1.14 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.

1.15 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.

1.16 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.

1.17 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

1 Accounting policies

(Continued)

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 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.20 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.21 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 2022, and this guarantee will remain in force until those liabilities are settled.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

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 14 for the carrying amount of the intangible assets and notes 1.5 and 1.6 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 15 for the carrying amount of the property, plant and equipment and note 1.7 for the useful economic lives for each class of asset.

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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

2 Judgements and key sources of estimation uncertainty

(Continued)

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 property contracts, dilapidations, restructuring, post-employment benefits and customer redress. 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

	2022 £000	2021 £000
Turnover analysed by class of business		
Goods	84,269	94,442
Services	23,948	32,141
	<u>108,217</u>	<u>126,583</u>

	2022 £000	2021 £000
Turnover analysed by geographical market		
United Kingdom	72,677	89,808
Europe	15,848	13,916
Rest of the World	19,692	22,859
	<u>108,217</u>	<u>126,583</u>

	2022 £000	2021 £000
Other revenue		
Interest income	112	-
	<u>112</u>	<u>-</u>

4 Exceptional item

	2022 £000	2021 £000
Expenditure		
Costs of restructure in subsidiaries and deal costs on acquisitions	7	882
	<u>7</u>	<u>882</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

5 Operating profit

	2022 £000	2021 £000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(7)	-
Research and development costs	119	-
Government grants	-	(1,215)
Depreciation of owned tangible fixed assets	1,970	2,623
Amortisation of intangible assets	3,093	5,524

6 Auditor's remuneration

	2022 £000	2021 £000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	50	45
Audit of the financial statements of the company's subsidiaries	269	178
	<u>319</u>	<u>223</u>
For other services		
Taxation compliance services	20	20
All other non-audit services	25	25
	<u>45</u>	<u>45</u>

7 Employees

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

	Group 2022 Number	2021 Number
	598	743
Total	<u>598</u>	<u>743</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

7 Employees (Continued)

Their aggregate remuneration comprised:

	Group 2022 £000	2021 £000
Wages and salaries	26,771	32,608
Social security costs	2,414	2,980
Pension costs	897	1,232
	<u>30,082</u>	<u>36,820</u>

8 Directors' remuneration

	2022 £000	2021 £000
Wages and salaries	684	317
Pension costs	3	3
	<u>687</u>	<u>320</u>

Remuneration disclosed above includes the following amounts paid to the highest paid director:

Highest paid director

Wages and salaries	342	158
Pension costs	1	2
Total	<u>343</u>	<u>160</u>

There were 2 directors (2021: 2) participating in the pension scheme in the current period.

9 Interest receivable and similar income

	2022 £000	2021 £000
Interest income		
Other interest income	112	-
	<u>112</u>	<u>-</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

10 Interest payable and similar expenses

	2022 £000	2021 £000
Interest on loans	1,059	2,017
Other interest on financial liabilities	529	2,282
Interest on finance leases and hire purchase contracts	151	132
Total finance costs	<u>1,736</u>	<u>4,431</u>

11 Fair value gains and losses

	2022 £000	2021 £000
Gain on disposal of subsidiaries	-	11,178
Other gains and losses	-	(874)
	<u>-</u>	<u>10,304</u>

12 Taxation

	2022 £000	2021 £000
Current tax		
UK corporation tax on profits for the current period	554	2,476
Adjustments in respect of prior periods	(146)	-
Total current tax	<u>408</u>	<u>2,476</u>
Deferred tax		
Origination and reversal of timing differences	(272)	(44)
Total tax charge	<u>136</u>	<u>2,432</u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

12 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2022 £000	2021 £000
Profit before taxation	3,676	15,271
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)</i>	698	2,901
Tax effect of expenses that are not deductible in determining taxable profit	-	1,141
Tax effect of income not taxable in determining taxable profit	-	(1,932)
Change in unrecognised deferred tax assets	(1,005)	499
Adjustments in respect of prior years	(146)	(607)
Effect of change in corporation tax rate	73	110
Permanent capital allowances in excess of depreciation	-	(44)
Amortisation on assets not qualifying for tax allowances	-	119
Other permanent differences	424	245
Effect of overseas tax rates	76	-
Deferred tax adjustments in respect of prior years	9	-
Foreign exchange differences	7	-
Taxation charge	136	2,432

13 Discontinued operations

Incodia International Limited

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

Incodia International Limited was sold after the balance sheet date on 17 February 2023. Further details can be found in note 30.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

14 Intangible fixed assets

Group	Goodwill £000	Negative goodwill £000	Software £000	Trademarks £000	Intellectual property £000	Customer list £000	Total £000
Cost							
At 1 January 2022	32,747	(3,484)	1,665	134	125	3,798	34,985
Additions	1,577	-	180	-	-	-	1,757
Revaluation	147	-	-	-	-	-	147
Transfers	-	-	(872)	56	-	-	(816)
At 31 December 2022	34,471	(3,484)	973	190	125	3,798	36,073
Amortisation and impairment							
At 1 January 2022	7,226	(307)	1,423	90	24	2,171	10,627
Amortisation charged for the year	2,833	(312)	154	13	25	380	3,093
Transfers	-	-	(925)	28	(13)	94	(816)
At 31 December 2022	10,059	(619)	652	131	36	2,645	12,904
Carrying amount							
At 31 December 2022	24,412	(2,865)	321	59	89	1,153	23,169
At 31 December 2021	25,521	(3,177)	242	44	101	1,627	24,358

The company had no intangible fixed assets at 31 December 2022 or 31 December 2021.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

15 Tangible fixed assets

Group	Freehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2022	1,073	3,261	23,594	292	28,220
Additions	481	209	1,545	95	2,330
Business combinations	-	-	10	-	10
Disposals	(142)	(101)	(917)	(55)	(1,215)
Transfers	773	(2,206)	(4,985)	-	(6,418)
At 31 December 2022	2,185	1,163	19,247	332	22,927
Depreciation and impairment					
At 1 January 2022	396	2,320	18,942	236	21,894
Depreciation charged in the year	175	186	1,567	42	1,970
Eliminated in respect of disposals	(142)	(21)	(866)	(55)	(1,084)
Transfers	661	(2,111)	(4,976)	-	(6,426)
At 31 December 2022	1,090	374	14,667	223	16,354
Carrying amount					
At 31 December 2022	1,095	789	4,580	109	6,573
At 31 December 2021	677	941	3,668	641	6,326

The company had no tangible fixed assets at 31 December 2022 or 31 December 2021.

The net carrying value of tangible fixed assets includes £2,211,000 (2021: £2,745,000) 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 £465,000 (2021: £387,000).

16 Fixed asset investments

	Notes	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Investments in subsidiaries	17	-	-	18,770	19,267

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

16 Fixed asset investments

(Continued)

Movements in fixed asset investments

Company	Shares in subsidiaries £000
Cost or valuation	
At 1 January 2022	19,267
Additions	1,791
At 31 December 2022	21,058
Impairment	
At 1 January 2022	-
Impairment losses	2,288
At 31 December 2022	2,288
Carrying amount	
At 31 December 2022	18,770
At 31 December 2021	19,267

During the year, subsidiary Longacre Group International Limited converted loans into share capital and issued additional shares to Longacre Group Limited, as parent, thus resulting in an increase in investments.

17 Subsidiaries

The company owns a number of subsidiaries as set out below. The direct interest represents the share capital owned in the holding companies. The indirect interest then represents the holding Longacre Group Limited has in their trading subsidiaries as a result of ownership in the holding companies.

Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Inuvi Group Limited	2	Holding company	Ordinary	-	50.60
Inuvi Health Limited	2	Provision of medical screening services to the protection insurance sector	Ordinary	-	50.60
Inuvi Medical Services Ltd	2	Holding company	Ordinary	50.60	-
Inuvi Diagnostics Ltd	2	Laboratory testing	Ordinary	-	50.60
AllenWest Limited	14	Holding Company	Ordinary	-	86.00
AllenWest Group Limited	14	Holding Company	Ordinary	-	86.00
AllenWest Pioneer Limited	10	Designer and Manufacturer of transformers	Ordinary	-	86.00
AllenWest Kuzbass Limited	15	Designer and manufacturer of transformers	Ordinary	-	86.00

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

17 Subsidiaries

(Continued)

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Seafox Dycem 1 Limited	3	Holding company	Ordinary	85.40	-
Seafox Dycem 2 Limited	3	Holding company	Ordinary	-	85.40
Dycem Limited	3	Manufacture and supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem Asia Inc	6	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem Corporation	5	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Dycem GmbH	4	Supply of contamination control and nonslip flooring	Ordinary	-	85.40
Seafox Merlin Limited	1	Holding company	Ordinary	91.57	8.43
Seafox Bidco Limited	1	Holding company	Ordinary	-	100.00
Incodia International Limited	8	Manufacture, printing and design	Ordinary	-	100.00
Pioneer Safety Group Limited	1	Holding company	Ordinary	90.00	10.00
Pyropress Prop Co Limited	9	Property holding company	Ordinary	-	100.00
Pyropress Limited	9	Designer and manufacture of switches and transmitters	Ordinary	-	100.00
Pyroban Group Limited	10	Holding company	Ordinary	-	86.85
Pyroban Limited	1	Development and sale of flame protection systems for operating equipment	Ordinary	-	86.85
Pyroban France SARL	11	Development and sale of flame protection systems for operating equipment	Ordinary	-	86.85
IDESO Group Limited	1	Holding Company	Ordinary	-	85.90
Baldwin & Francis Limited	13	Design, manufacture, support and electrical engineering into critically safe environments	Ordinary	-	89.00
Longacre Group International Limited	1	Holding company	Ordinary	100.00	-
Longacre Aerospace Limited	1	Holding company	Ordinary	100.00	-
Longacre Willow Limited	1	Holding company	Ordinary	-	100.00
Longacre Avon Limited	17	Holding company	Ordinary	75.00	-
Longacre Landmark Limited	17	Holding company	Ordinary	-	75.00
Prowrap Limited	17	Holding company	Ordinary	-	75.00
Wrapex Limited	17	Manufacturing of clingfilm and tin foil	Ordinary	-	75.00
Procare UK Limited	17	Manufacturing of foil for use in hairdressers	Ordinary	-	75.00
Euro Access Limited	12	Bespoke access platform solutions to military	Ordinary	-	86.85
Dycem France SAS	7	Supply of contamination control and nonslip flooring	Ordinary	-	88.00
Seafox Warwick 1 Limited	1	Holding Company	Ordinary	100.00	-
Seafox Warwick 2 Limited	1	Holding Company	Ordinary	-	100.00

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

17 Subsidiaries

(Continued)

Name of undertaking	Address	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Inspec Solutions Limited	16	Technology Information Services	Ordinary	-	76.26
Inspec Software Limited	16	Technology Information Services	Ordinary	-	76.26

Registered office addresses (all UK unless otherwise indicated):

- 1 1 Mercer Street, Covent Garden, London, WC2H 9QJ
- 2 Unit 10 Millars Brook Business Park, Molly Millars Lane, Wokingham, RG41 2AD
- 3 2 - 4 Ashley Trading Estate, Ashley Parade, Bristol, BS2 9BB
- 4 Vogesenstraße 6, 76437 Rastatt, Germany
- 5 33 Appain Way, Smithfield RI, 02917-1777, USA
- 6 Unit 1205 Coherco Financial Tower, Trade St Cor Investment Drive, Madrigal Business Park, Btgy. Ayala, Alabang, Muninlupa City, Philippines
- 7 29 Rue du Pont 92200 Neuilly Sur Seine, France
- 8 Graphic House Telford Way, Severalls Park, Colchester, Essex, CO4 9QF
- 9 20 Monument Crescent, Prestwick, South Ayrshire, KA9 2RQ
- 10 Bell Close Newnham Industrial Estate, Plympton, Plymouth, PL7 4JH
- 11 Allee B, 33 Rue de la Republique, 69002 Lyon
- 12 8 Harcourt Street, Dublin 2, D02 DK18, T23 X9R7, Ireland
- 13 Unit 7 Presidents Way, Presidents Park, Sheffield, S4 7UR
- 14 23 Dolphin Road, Shoreham-by-Sea, West Sussex, BN43 6PB
- 15 21B Zaparozhye Street, Novokuznetsk, Kemerovo 654080, Russian Federation
- 16 The Ironworks, Unit 7 Norfolk Bridge Business Park, Foley Street, Sheffield, S4 7YW
- 17 Unit 6, Lodge Causeway Trading Estate, Fishponds, Bristol, BS16 3JB

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

18 Acquisition of a business

On 27 June 2022, Pioneer Safety Group Limited, a subsidiary of Longacre Group Limited, acquired 88.78 percent of the issued capital of Ideso Group Limited and its subsidiaries. Subsequently, the group disposed of 12.52 percent to a minority interest.

Net assets acquired	Book Value £000	Adjustments £000	Fair Value £000
Property, plant and equipment	10	-	10
Inventories	263	-	263
Trade and other receivables	590	-	590
Cash and cash equivalents	360	-	360
Trade and other payables	(312)	-	(312)
Tax liabilities	(172)	-	(172)
Total identifiable net assets	<u>739</u>	<u>-</u>	<u>739</u>
Non-controlling interests			(83)
Goodwill			<u>1,577</u>
Total consideration			<u>2,233</u>
The consideration was satisfied by			£000
Cash			1,933
Deferred consideration			<u>300</u>
			<u>2,233</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£000
Turnover			1,757
Loss after tax			<u>(382)</u>

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 year ended 31 December 2022

19 Stocks

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Raw materials and consumables	4,691	3,776	-	-
Work in progress	3,061	1,290	-	-
Finished goods and goods for resale	6,676	4,366	-	-
	<u>14,428</u>	<u>9,432</u>	<u>-</u>	<u>-</u>

20 Debtors

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Amounts falling due within one year:				
Trade debtors	19,377	17,835	11	-
Corporation tax recoverable	115	-	-	-
Amounts owed by group undertakings	-	-	10,775	10,678
Other debtors, prepayments and accrued income	6,700	5,863	112	192
	<u>26,192</u>	<u>23,698</u>	<u>10,898</u>	<u>10,870</u>
Deferred tax asset (note 26)	560	-	-	-
	<u>26,752</u>	<u>23,698</u>	<u>10,898</u>	<u>10,870</u>

Amounts falling due after more than one year:

Amount owed by related parties	2,131	-	2,131	-
Other debtors	700	700	-	-
	<u>2,831</u>	<u>700</u>	<u>2,131</u>	<u>-</u>
Total debtors	<u>29,583</u>	<u>24,398</u>	<u>13,029</u>	<u>10,870</u>

Included in amounts owed by related parties falling due after more than one year, is a loan of £2,131,000 to Longacre Group Holdings Limited, a company related by virtue of common control. Interest charged was charged on this loan in the year was £112,000, of which at the balance sheet date, £112,000 has been accrued at a rate of 8% per annum. The loan is secured by a fixed and floating charge over all the property and undertakings of Longacre Group Holdings Limited and its subsidiaries with a negative pledge.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

21 Creditors: amounts falling due within one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£000	£000	£000	£000
Bank loans and overdrafts	23	6,646	2,267	-	-
Obligations under finance leases	24	631	533	-	-
Trade creditors		8,749	7,068	-	31
Amounts owed to group undertakings		-	-	97	1,151
Corporation tax payable		-	269	-	-
Other taxation and social security		2,203	1,796	-	-
Other creditors, accruals and deferred income		11,214	11,641	298	53
		<u>29,443</u>	<u>23,574</u>	<u>395</u>	<u>1,235</u>

22 Creditors: amounts falling due after more than one year

		Group		Company	
	Notes	2022	2021	2022	2021
		£000	£000	£000	£000
Bank loans and overdrafts	23	14,684	19,465	-	-
Obligations under finance leases	24	1,834	1,875	-	-
Other borrowings	23	5,451	3,464	1,500	-
Deferred consideration		-	1,000	-	-
		<u>21,969</u>	<u>25,804</u>	<u>1,500</u>	<u>-</u>

Deferred consideration related to the amounts due on the purchase of subsidiaries in accordance with the share purchase agreement. The amount has been paid during the year and the creditor released.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

23 Loans and overdrafts

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Bank loans	19,116	21,732	-	-
Bank overdrafts	2,214	-	-	-
Loans from related parties	1,500	-	1,500	-
Other loans	3,951	3,464	-	-
	<u>26,781</u>	<u>25,196</u>	<u>1,500</u>	<u>-</u>
Payable within one year	6,646	2,267	-	-
Payable after one year	<u>20,135</u>	<u>22,929</u>	<u>1,500</u>	<u>-</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 is intended to be secured by a floating charge over the Group's assets (current and future). The loan is not repayable until at least 30 June 2026 and accumulates interest at 8% per annum. This is part of the loan facility available to the Group of up to £20m entered into during the year.

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

24 Finance lease obligations

	Group 2022 £000	2021 £000	Company 2022 £000	2021 £000
Future minimum lease payments due under finance leases:				
Within one year	631	533	-	-
In two to five years	<u>1,834</u>	<u>1,875</u>	<u>-</u>	<u>-</u>
	<u>2,465</u>	<u>2,408</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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

25 Provisions for liabilities

	Group		Company	
	2022	2021	2022	2021
	£000	£000	£000	£000
Warranty provision	120	97	-	-
Dilapidations provision	238	194	-	-
	<u>358</u>	<u>291</u>	<u>-</u>	<u>-</u>

Movements on provisions:

Group	Warranty provision £000	Dilapidations provision £000	Total £000
At 1 January 2022	97	194	291
Additional provisions in the year	120	44	164
Utilisation of provision	(97)	-	(97)
At 31 December 2022	<u>120</u>	<u>238</u>	<u>358</u>

Warranty provisions

Warranty provisions are made for future warranty costs expected to arise on sales made during the financial year which are expected to be utilised within one year.

Dilapidation provision

The dilapidation provision expected to be utilised over a period of 1 to 13 years. The group has a number of property leases due to expire in 2027 which require that the property is made good on exit.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

26 Deferred taxation

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

	Liabilities 2022 £000	Liabilities 2021 £000	Assets 2022 £000	Assets 2021 £000
Group				
Accelerated capital allowances	358	24	-	-
Arising on business combinations	-	-	99	-
Short term temporary differences	-	-	85	-
Tax losses	-	71	376	-
	<u>358</u>	<u>95</u>	<u>560</u>	<u>-</u>

The company has no deferred tax assets or liabilities.

	Group 2022 £000	Company 2022 £000
Movements in the year:		
Liability at 1 January 2022	95	-
Credit to profit or loss	(272)	-
Foreign exchange movement	(25)	-
Asset at 31 December 2022	<u>(202)</u>	<u>-</u>

The deferred tax assets and liabilities set out above are expected to reverse in future periods against future profits and capital allowances which will mature.

27 Retirement benefit schemes

	2022 £000	2021 £000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>897</u>	<u>1,232</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.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

28 Share capital

Group and company	2022	2021	2022	2021
Ordinary of 0.1p each	10,000	10,000	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	2022	2021	2022	2021
Preference share capital	Number	Number	£000	£000
Issued and fully paid				
Preference shares of £1 each	10,465,544	10,465,544	10,465,544	10,465,544
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company issued 10,000 ordinary shares of £0.001 each on incorporation, with an aggregate value of £10.

The company issued 17,517,997 preference shares of £1 each on 4 October 2019, with full rights to dividends and distributions.

The company issued 526 non-voting ordinary B shares of £0.001 each on 23 June 2020, with no voting rights and the same rights to dividends and distributions as the ordinary shares

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

On 8 September 2021, the company repurchased 526 non-voting ordinary B shares of £0.001 each at a cost of £0.53, which were subsequently cancelled, and these have been transferred to the capital redemption reserve.

29 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	
	2022	2021	2022	2021
	£000	£000	£000	£000
Within one year	1,680	1,648	-	-
Between two and five years	4,620	3,821	-	-
In over five years	2,346	1,274	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	8,646	6,743	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

30 Events after the reporting date

On the 17 February 2023, Incodia International Limited, a subsidiary of Longacre group Limited as at the balance sheet date, was acquired by Woodberry Packaging Limited.

On the 6 February 2023, Inuvi Health Limited, a subsidiary of Longacre group Limited, acquired the trade and assets of Livesmart UK Limited.

On the 15 May 2023, Pioneer Safety Group, a subsidiary of Longacre group Limited, acquired 86% of the share capital of Ex-Tech Solution SAS and Ex-Tech Signaling SAS.

31 Controlling party

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

32 Related party transactions

Guarantees

Longacre Group Limited has provided a parent company guarantee to subsidiaries Seafox Warwick 1 Limited and Seafox Warwick 2 Limited, in order to enable them to claim the exemption from audit under section 479A of the Companies Act 2006.

Group

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

Refer to notes 20 to 23 for details on loans to and from related parties.

At the balance sheet date, included in other debtors due within one year is £21,000 (2021: £nil) due from Longacre Group Holdings Limited, a company related by virtue of common control.

During the year, the group made purchases of £569,000 (2021: £nil) from Polyblend Limited, a company related by virtue of common control. At the balance sheet date, included in trade creditors is £112,000 (2021: £nil) owed to Polyblend Limited.

At the balance sheet date, an amount of £24,000 (2021: £nil) is due to Ampcontrol France. The company is related by virtue of common control.

Company

Refer to notes 20 to 23 for details on loans to and from related parties.

At the balance sheet date, included in debtors is an amount of £10,775,000 (2021: £10,678,000) due from the subsidiary entities, which includes interest accrued of £833,000 (2021: £191,000).

At the balance sheet date, included in creditors is an amount of £97,000 (2021: £1,054,000) due to the subsidiary entities, which is an interest free amount and repayable on demand.

Longacre Group Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2022

33 Cash generated from group operations

	2022 £000	2021 £000
Profit for the year after tax	3,540	12,839
Adjustments for:		
Taxation charged	136	2,432
Finance costs	1,736	4,431
Investment income	(112)	-
Loss on disposal of tangible fixed assets	64	-
Gain on disposal of business	-	(11,178)
Amortisation and impairment of intangible assets	3,093	5,524
Depreciation and impairment of tangible fixed assets	1,970	2,623
Increase/(decrease) in provisions	67	(81)
Foreign exchange	(62)	
Movements in working capital:		
(Increase)/decrease in stocks	(4,733)	355
(Increase)/decrease in debtors	(1,677)	2,080
(Decrease) in creditors	(150)	(280)
Non-cash movements as part of business combination	-	2,415
Cash generated from operations	3,872	21,160

34 Analysis of changes in net debt - group

	1 January 2022 £000	Cash flows £000	31 December 2022 £000
Cash at bank and in hand	11,910	(3,019)	8,891
Bank overdrafts	-	(2,214)	(2,214)
	11,910	(5,233)	6,677
Borrowings excluding overdrafts	(25,196)	629	(24,567)
Obligations under finance leases	(2,408)	(57)	(2,465)
	(15,694)	(4,661)	(20,355)