Company Registration No. 06395526 (England and Wales)

VITAL HOLDINGS LIMITED

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2022

VITAL HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr G J Fielding Mr I M Whitelock Mr N Gosling Mr G Le Sueur Mrs S A Fielding Ms C Parker
Secretary	Mr S McKechnie
Company number	06395526
Registered office	Century House Roman Road Blackburn Lancashire BB1 2LD
Auditor	RSM UK Audit LLP Chartered Accountants Bluebell House Brian Johnson Way Preston Lancashire PR2 5PE

VITAL HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present the strategic report for the year ended 30 June 2022.

Principal activity
The Group operates in the energy sector, providing a comprehensive suite of energy related services, systems and solutions. The Group provides services as designers, manufacturers, suppliers, installers and operators of low carbon and renewable energy products and solutions, potentially with full or part funding, including; energy centre buildings, energy generation and storage plant and equipment, distribution networks and consumer supply services, utilising an increasingly broad range of technologies, for heat, power and other utilities, integrating these with associated national energy networks and new or existing properties by the implementation of mechanical & electrical, building controls and other systems necessary to give effect to a complete and optimised energy system.

The Group also provides a complete range of energy conservation measures including building fabric enhancements for the purpose of reducing energy use and/or loss and ensuring that maximum benefit can be gained from new energy systems installed in retrofit conditions. In relation to both new and existing energy systems, the Group provides a comprehensive suite of asset management and operational services to ensure the continued safe and efficient operation of systems, their repair and replacement for the life of the system, the collection and analysis of meter and system operation data, the management of related technical and financial matters, the procurement of utilities, the sale of energy and the recording and reporting on all areas of performance.

In relation to systems designed, supplied, installed, and operated by the Group, the Group provides assurance of performance to customers and clients in a variety of ways, including KPI's and guaranteed financial and carbon savings as well as other performance-based metrics.

The Group operates in a broad range of markets including Healthcare, Education, Industrial, Commercial, Residential, Local Authority and Waste to Energy.

The principal activity of the Company is that of a holding company.

Fair review of the business
The Group turnover increased by £19.3m to £209.0m (FY21 £189.7m as restated), an increase of 10.2% during the year. Following an assessment of the accounting for certain transactions and in line with Section 23 of FRS 102, it has been assessed the Group is the agent for these transactions rather than the principal and therefore the revenue recognised should only be the value of the commission. Gross Profit and Reserves remain unaffected by this revenue recognition adjustment. The Group achieved an operating profit of £9.5m (FY21 £8.7m), an increase of £0.8m (+9.2%) on the previous year. The timing of revenue has also resulted in a decrease in trade debtors of £4.72m at the period end.

The directors are pleased with this increased level of activity and profitability in challenging circumstances. The Group's operating profit benefitted from a furlough grant of £15k.

The Group's gross profit % increased to 13.1% (FY21 11.9% as restated) due to the additional costs and labour inefficiencies incurred in introducing safe working practices, and in managing a workforce, during the COVID outbreak.

The Group's overheads increased in line with sales growth to £18.8m (FY21 £14.2m) which was 9.0% of sales compared to 7.5% in FY21.

Growth in employee numbers, and associated staff costs, was limited with 545 employees in total compared with 480 employees in FY21. Staff costs increased from £30.0m (FY21) to £36.2m (FY22).

The directors are pleased with the level of cost control exercised in challenging market conditions.

The Group's net assets increased to £38.7m (FY21 £35.4m). During the year the Group continued to develop, through Vital Energi (Drakelow) Limited, a waste to energy facility and has incurred capital expenditure of £41.7m, the majority of which relates to the Drakelow asset. The Group finished the year with cash balances of £39.0m (FY21 £48.3m). During the year, the Group made further investments, as well as provided financing to allow further development of business opportunities in view of its strategic move into investing in Chiltern Group Companies (see note 19) and has also taken out a new project specific loan of £7.2m received from BEIS. Please see note 22 which explains the accounting treatment of the loan that has been assessed as a financing transaction. The directors are satisfied that this liquidity position is more than adequate to support the Group's future growth plans, including in the event of any further COVID lockdowns.

The Group already has a strong sales and secured order book for FY23, and the forecast for FY23 shows a continuation of the significant growth levels experienced in previous years.

We have seen a marked increase in the past year in customer demand to decarbonise heat and associated services. This demand has been driven by a number of factors: decarbonisation of the public sector which has been supported by grant funding from the Public Sector Decarbonisation Scheme (PSDS), plus also increasing demand from commercial and industrial customers who are seeking to decarbonise as part of their Net Zero ambitions, and / or their Environmental Social and Corporate Governance commitments. This has increased enquiry activity from a range of customer sectors in energy efficiency and a growing requirement to convert energy generation assets to low carbon sources.

The significant increase in wholesale energy costs, combined with customer drive towards Net Zero is also driving increasing opportunities for renewable electricity generation, particularly Solar Photo-Voltaic arrays connected via private wire directly to customer demand. We are also seeing increasing interest and opportunity in the integration of renewable electricity generation with other technologies in 'smart grid' solutions, potentially including battery storage, electric heat pumps and thermal storage. Our participation in a part funded Innovate UK project called REMEDY has aided the development of new technical solutions and business models for the application of this type of smart grid / smart local energy system (SLES) into new build and retrofit applications.

Our strategic relationships with Scotia Gas Networks and Chiltern Management Group have continued to leverage significant opportunities for design, build and asset ownership in heat and multi-utility infrastructure.

We strive to innovate and have seen the benefit of this in driving our growth over many years; to ensure that we continue to do this, we have continued to strengthen working relationships with a number of leading Universities. We are working on some exciting new technology developments and seek to bring routes to market to allow commercialisation of these technologies. Our work with industrial partners has driven the development and now application of our market leading App called 'Glass' which, amongst a range of functions, provides a smartphone customer portal that allows management and control of heating and hot water.

The district energy market has seen steady activity over the past year. The introduction of the Green Heat Network Fund to replace the Heat Network Investment Project (HNIP) has allowed continued development of a number of strategic heat networks, although the low carbon heat sector has seen a slow-down in activity with the ending of Non-Domestic Renewable Heat Incentive. We are actively involved in the Heat Networks Industry Council, which is collaborating with the Department for Business, Energy & Industrial Strategy (BEIS) in design of policy framework to support the significant growth needed in the heat network sector to meet the Committee on Climate Change's recommendation for 18-20% of UK heat to come from heat networks by 2050 as part of a least cost pathway to meeting Net-Zero (Heat and Buildings Strategy).

Environmental matters
The Group has placed significant focus on development of its Environmental Social and Governance policies. We have published our Carbon Reduction Plan on our website. We have also embarked on an ambitious journey to net zero pledging to be fully carbon neutral by 2035, and by reducing actual emissions by 50% from 2020 levels by 2030 without using offsets. We are developing science-based targets to achieve these goals, and have committed to set company-wide carbon reduction initiatives in line with the international Science Based Targets initiative (SBTi) Net-Zero Standard and Business Ambition for 1.5°C. As well as helping clients across the UK transition to a low carbon future, we're taking responsibility ourselves too. Our commitment to developing science-based carbon reduction targets demonstrates the measurable actions we are taking to reduce our environmental impact.

Key risks and uncertainties

Vital Energi is facing unprecedented times in the energy sector, influenced by several economic and political factors. These are all reported in the Government Growth Plan 2022 (https://www.gov.uk/government/publications/the-growth-plan-2022-documents). Putin's invasion of Ukraine and weaponisation of Russian energy supplies has further increased gas prices, putting upward pressure on inflation and interest rates, raising the cost of government borrowing.

Although high energy prices have increased interest in energy conservation, the high prices along with increasing volatility does introduce business case uncertainty and potential for delay in customer decision making, and this represents a risk identified by the directors. However, the government has taken action in response to these challenges. In the short term, fiscal policy will support households and businesses through the current period of high energy prices. A comprehensive package of supply-side reform and tax cuts will contribute to the government's primary economic objective to boost trend growth to 2.5%.

Risk of competition from new entrants to the market continues and the directors believe that the Group's quality of staff, products, and services, as well as its strong links with companies in northern European countries where similar products and services have matured, will help to mitigate these risks.

Impact of Brexit, the Russia/Ukraine Crisis and Political Uncertainties

Whilst the Group results show good growth and profitability, margins have been adversely impacted as a result of significant input price inflation and shortages/disruptions to the supply of certain materials and commodities, as well as the ongoing adverse impacts of the coronavirus pandemic.

The Group has undertaken a detailed review of the impact of inflation and the disruption to the supply of key construction components on expected project margins and has concluded that profitability has been eroded by circa £2.1m during the financial year ended 30th June 2022.

The Board continue to monitor the ongoing inflationary/economic uncertainties and are satisfied that existing contingencies are expected to be sufficient to cover the risk on existing projects through to completion with the risk being addressed at tender stage for new projects.

Despite the ongoing uncertainties the Group is in a robust financial position and our future workload remains strong.

Future developments

We expect continued strong focus on renewable energy generation, energy storage and decarbonisation. The Group is seeing increasing opportunities for investment in asset ownership, from a range of projects including waste to energy, energy storage, heat as well as Multi-Utility networks and ESCo services, all of which will bring a higher proportion of long-term revenue and profit to support the traditional design and build business. We are involved at an early stage in a number of projects involving hydrogen generation and use, which are reliant on development of the new financial support mechanisms by Government.

Section 172(1) Statement

Section 172 of the Companies Act 2006 requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its company as a whole.

In doing this, section 172 requires the directors to have regard to, amongst other matters:

- the likely consequences of any decisions in the long-term;
- the interest of the company's employees;
- the need to foster the company's business relationships with suppliers, customers and others;
- the impact of the company's operations on the community and environment;
- the desirability of the company maintaining a reputation for high standards of business conduct; and

In discharging their section 172 duties, the directors have regard to all the matters set out above.

Authority for day to day management of the Company is delegated to Business Sector Boards. The directors are provided with information in a variety of formats to ensure they are able to discharge their section 172 duties and engage with the Business Sector Boards regularly in:

- setting, approving and executing business strategy, plans and policies;
- reviewing business performance;
- managing risk; and
- decisions relating to material business initiatives and other matters.
- reviewing health and safety
- reviewing the impact of COVID 19

The directors and Business Sector Boards manage the business in a responsible manner with the aim of ensuring that the Group maintains a reputation for high standards of business conduct and good governance. The Group has policies in place in relation to conduct and standards, criminal finance act, anti-bribery and corruption measures, equal opportunities and diversity, and modern slavery. The Group's statement on modern slavery can be found on its website www.vitalenergi.co.uk.

The Group's key stakeholders are its employees, clients, suppliers, the community and its investors. The directors have regard to the views of all these stakeholders in their decision making. Engagement with these stakeholders occurs through various channels, including:

- **Employees**: The Group has a strong focus on maintaining a culture of employee engagement and wellbeing. Our employees play a key role in the success of our business' strategic goals and the Board recognises the importance of a positive and supportive working environment for our staff. The senior leadership team hold regular company meetings to share feedback from customers, the product development pipeline and upcoming launches and business performance updates. Employees receive regular business sector briefings and there are regular news communications, briefing employees on new business, project progress as well as employee related news and achievements. The Group continues to enhance its pay and benefits and a Remuneration Committee has now been set up to review all pay and benefits related matters.

- **Customers**: The directors, Business Sector Boards and employees are focused on delivering outstanding services to its customers. Customer feedback is regularly obtained to ensure that we offer excellent service and value for money and to ensure that our performance is aligned to current and future customer requirements. In order to continue to deliver exceptional service, and products which meet the needs of its growing and evolving customer base, feedback at every point of the customer's experience is regularly gathered and distributed throughout the organization which is vital to ensure the business reacts and adapts to maintain customer loyalty. The Group takes all feedback seriously; from how to make its website easier to navigate, to how it processes and fulfils orders, how its products operate, services are delivered, and treat all insight as valuable learnings on how to enhance our customer proposition and grow our business.

- **Suppliers**: The Group maintains close relationships with its key suppliers and subcontractors through regular feedback and periodic meetings. This continual collaboration is critical to maintain stock availability, service quality and competitive prices; enables the Group to understand the market risks; and plan efficiently for an ever-changing environment. The Group's procurement approach requires that suppliers have core values that are consistent with those of the Group and contract terms ensure that the interests of the Group and its suppliers and subcontractors are closely aligned. The Group is currently reviewing its payment practices to suppliers and subcontractors in line with its payment practices reporting ratios. Throughout FY22, the largest trading entity within the Group, Vital Energi Utilities, has seen a marked improvement and in the last submission period, covering 1 June 2022 to 30th June 2022, has reported 91% invoices paid within 60 days.

- **Corporate Social Responsibility (CSR):** Vital Energi's CSR touches on the community, the marketplace, environment, and workplace. It covers a wide range of activities and programmes including introducing and focusing all employees on our energy consumption reduction and recycling targets. The Group continues with its programme of investment in the future of decarbonisation and recruited 17 new apprentices during the year. The Company is committed to developing the key industry skills needed to achieve net zero and create a sustainable workforce of the future, as well as helping tackle the post-Covid economic recovery across the UK. Core practical and theoretical training modules, CPD sessions and Lessons Learned sessions regularly take place at The Group's recently constructed Head Office based Training Centre in Blackburn. The Group's programme of investment in new skills training and skills translation for staff recruited from other sectors will support the wider goals set out in a range of government plans and strategies, which identifies that the transition to net zero emissions will support the government's growth objectives, create jobs and business opportunities, and reinforce the UK's position as a global leader in technologies to address climate change. The Group specialises in low/zero carbon energy generation and heat networks which will play an increasingly important role in meeting the UK's net zero objectives. The Group is also looking at how it can engage with charities and be more involved in charitable work. During the year the Group donated to the Christie Charity which provides enhanced services over and above that which the NHS funds for the care and treatment of patients and their families and will continue this relationship.

- **Investors:** The Group's shareholders are represented in the corporate governance and operational structure of the Group. The Board recognises the requirement to present fair, balanced, and understandable information to all stakeholders and particularly its shareholders and investors. The Group is committed to transparent and effective communications with all its shareholders so that there is a clear understanding of the Group's strategic objectives and performance. The directors of the Company ensure alignment with shareholders' interests through monthly Group board meetings and reporting where third party shareholder representatives are present.

- **Maintaining high standards of business conduct:** The Company is incorporated in the UK and is governed by the Companies Act 2006. The Board recognises the importance of maintaining high standards of corporate governance to ensure that the interests of the Company's stakeholders are protected. The Group operates robust financial controls that are regularly reviewed and documented and maintains policies on data protection, health and safety, and anti-bribery and corruption for example. The Board has reviewed all related party transactions as disclosed in note 36 of the financial statements and maintains a register of Directors Interests.

Effect and impact – principal Board decisions and how the Board considered stakeholders views:

1. Strategic Investments

Strategic move into investing in Chiltern Group Companies and Scotia Gas Networks Joint Venture.

During the year, the Group made further investments in Chiltern Group Companies, as well as provided financing to allow further development of business opportunities. The Board concluded that these investments and funding would promote the success of the Group over the long-term by substantially growing our business and positioning Vital as strategic partner for energy services bringing in capital as well as long term operational revenues. See Note 15 for further information.

Consideration	Outcome / Impact
Customers The Board considered the impact on our existing customers of a significant move into asset ownership and concluded that we had the necessary people and financial resources to not adversely impact on our existing business.	The board concluded there was a strong strategic fit and that the move into Chiltern Investments and the SGN JV agreement would deliver attractive returns in excess of our cost of capital over the long-term.
Shareholders Considered the strategic fit and financial merits of making these investments.	The board concluded that these investments should be structured within a separate part of the business where all investments could be managed under separate board structures.
Governance The Board considered the importance of the governance structure under which these investments would operate.	
Employees Considered the impact on our existing employees of adding a new venture to our core business and concluded that this would create opportunities for existing Group employees to work in the new business areas.	
Suppliers We considered how the move into investing in Chiltern Group companies and Scotia Gas Networks joint venture would affect our existing suppliers and concluded that there would be a positive impact.	

Carbon Reporting

Effective since 1 April 2019, the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 impose obligations for quoted and large unquoted companies, to produce an Energy and Carbon Report. The primary purpose of this report is to summarise the energy usage, associated emissions, energy efficiency actions and energy performances for Vital Holdings Limited and has been prepared for inclusion in the annual Directors' Report, under Section 145A of the Companies Act 2006.

The report will additionally provide and present data for Vital Energi's *ISO 50001:2018* certified Energy Management System (EnMS), to demonstrate commitment to continual improvement of this business aspect.

The Group operates in the energy sector, across a broad range of markets including Healthcare, Education, Industrial, Commercial, Residential Local Authorities and Waste to Energy; supplying a comprehensive range of services as a provider of energy and energy-related services, systems and solutions; involving design, manufacture, supply, installation and operation of low carbon and renewable products incorporating energy centre buildings, energy storage, distribution networks for heat, power and other utilities. The Group also provides building fabric enhancements to reduce energy loss and ensure that maximum benefit can be gained from new energy systems installed in retrofit conditions.

During the reporting period Vital Holdings have continued to work on its carbon reduction plan to minimise and eventually eliminate the carbon emissions for which we have operational control. For these elements we have committed to achieving Net Zero emissions by 2035. As well as committing to reduce actual emissions by 50% from 2020 levels by 2030 without using offsets.

Methodology For Reporting
This report relates to the Financial Year July 2021 to June 2022 and utilises the period July 2020 to June 2021 as the benchmark period to show changes.

Figures reported in the 2021 Strategic Report in respect of Gas Meter Readings are different due to M^3 being incorrectly recorded as kWh instead of converted from M^3 to kWh to get the true kWh usage of gas. This has been retrospectively changed, reflecting a large increase in kWh usage.

During the intervening period UK Government conversion factors for greenhouse gas (GHG) have changed, accordingly whilst the 2021 conversion factors were applied to the benchmark figures the updated 2022 conversion factors have been used to calculate the 2021/22 data.

The intensity ratio used to calculate and report for Vital Holdings Limited, and its subsidiaries is Tonnes Carbon Dioxide Equivalent per employee [t CO2e/employee].

The calculations utilise the UK Government conversion factors for greenhouse gas (GHG) reporting provided in the 2022 DEFRA/Department for Business, Energy & Industrial Strategy Conversion Factors for Company Reporting spreadsheet which are as follows:

2022 Conversion Factor $kgCO_2e$

Gas (per kWh)	**0.18397 $kgCO_2e$**	**Car – PHEV (per mile)**	**0.19318 $kgCO_2e$**
Electricity (per kWh)	0.19338 $kgCO_2e$	Car – Hybrid (per mile)	0.15046 $kgCO_2e$
Fuel – Gas oil (per litre)	**2.75857 $kgCO_2e$**	**Car –Electric (per mile)**	**0.08272 $kgCO_2e$**
Car – Diesel (per mile)	0.27492 $kgCO_2e$	Van – Diesel (per mile)	0.37268 $kgCO_2e$
Car – Petrol (per mile)	**0.27436 $kgCO_2e$**	**Van – Petrol (per mile)**	**0.3967 $kgCO_2e$**

These are then converted to tonnes of carbon dioxide (tCO2e) by dividing by 1000, before being divided by our closing headcount (551) to provide the tCO2e /employee.

Summary Of Findings
During the reporting period Vital Holdings Group has not been the subject of any enforcement action for environmental breaches.

The three areas of energy consumption required to be considered are:
- Gas and electricity use by Vital Holdings Limited subsidiaries office facilities
- Fuel used in company vehicles
- Construction site fuel (diesel usage)

During 2021/22 Vital Holdings Limited staff numbers increased by 4.16% to 551 (closing headcount).

During the reporting period 2021-22 gas consumption has fallen by 21.19% to 557,403 kWh (2020/21: 707,333.00) -102.35 tCO_2 e (2020/21: 129.77 tCO_2), equivalent to 0.186 tCO_2e/employee (2020/21: 0.245 tCO_2e/employee). Saving –149,930kWh or 27.42 tCO_2e.

During the reporting period 2021-22 electricity consumption increased by 20.23% to 831,467.06 kWh (2020/21: 691,553.00 kWh), however having switched to a green electricity tariff at the Blackburn Head Office, we achieved a carbon saving of 120.95 tCO_2e, the tonnes carbon equivalent ratio falling to 47.68 tCO_2e (2020/21: 168.63tCO_2e) over the year. This resulted in the intensity ratio decreasing by 72.72% to 0.087 tCO_2e/ employee (2020/21: 0.319 tCO_2e/ employee). Increasing +139,914.06kWh, but saving 120.95 tCO_2e, due to switch to green tariff.

Our fleet of commercial vehicles, company cars and grey fleet vehicles fell to 250 (2020/21: 267) – 62 of which are all electric (2020/21- 37) and 42 of which are hybrid or plug-in hybrid (2020/21- 49).

Resultant fleet energy usage fell in 2021/22 to 2,360,959.01kWh (2020/21: 2,532,603kWh) or 539.93tCO_2e (2020/ 21 : 620.5tCO_2e), a decrease of 12.98% in total emissions and 16.45% in the intensity ratio to 0.98tCO_2e/ employee (2020/21: 1.173tCO_2e/ employee). Saving – 171,643.99kWh or 80.57 tCO_2e.

During the reporting year site fuel usage was 1,857,179.63 kWh (2020/21: 1,824,380.61 kWh) or 474.84 tCO_2e (2020/21: 466.57tCO_2e), equivalent to 0.862tCO_2e/employee (2020/21: 0.882 tCO_2e/employee). This was however off-set due to Vital Energi's staff numbers. As a result, despite increasing +32,799.02kWh or 8.38 tCO_2e, the intensity ratio for fuel usage fell by 2.15% year on year, equivalent to 0.02 tCO_2e/employee saving due to increase in headcount.

Totals
During the reporting year 2021/22 the total energy usage was 5,607,008.70kWh (2020/21: 5,755,869.61 kWh) or 1,164.8tCO_2e (2020/21: 1,385.36tCO_2e), equivalent to 2.12 tCO_2e/employee (2020/21: 2.62 tCO_2e/employee) a decrease of 19.08% in the overall company intensity ratio. Overall Saving –148,860.91kWh, or 220.56 tCO_2e, equivalent to 0.050 tCO_2e/employee.

Reasons For Change In Carbon Emissions
Assessment of energy use in Vital Holdings, shows that during the financial year 2021/22 total energy usage has decreased by 148,860.91kWh, or 220.56 tCO_2e, equivalent to 0.050 tCO_2e/employee. This was achieved despite changes (tightening) to the conversion factors provided in the 2022 DEFRA/Department for Business, Energy & Industrial Strategy Conversion Factors for Company Reporting, a 20.23% increase in electricity use [139,914.06kWh] and a 1.8% [32,799.02kWh] increase in site fuel usage caused by the geographical location of worksites in Vital Energi Utilities Limited and Vital Energi Solutions Limited.

The predominant reason behind this reduction in energy consumption is a combination of

- a saving of 120.95 tCO_2e, due to switching to green electricity tariff at Blackburn office.
- a 6.4% decrease in overall vehicles in Fleet, linked with a 67.56% increase in electrical vehicle use (37 to 62) in the company car and commercial fleet, which has resulted in a 171,643.99kWh or 80.57 tCO_2e saving.
- a fall in gas consumption of 149,930kWh or 27.42 tCO_2e at the Blackburn Office, achieved by revisions made to the building management system and the boiler fuel burner.

VITAL HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2022

Source	Financial Year	Tonnes Carbon Equivalent (tCO_2e)	% tCO_2e Saving In 2021/22	Headcount	Difference In Intensity Ratio (tCO_2e/Headcount)	% Saving Against Intensity Ratio In 2020/21
[redacted]	2020/21	129.77		529	0.245	
	2021/22	102.35		551	0.186	
Difference		-27.42		**+22**	**-0.059**	
[redacted]	2020/21	168.63		529	0.319	
	2021/22	**47.68**		551	**0.087**	
Difference		-120.95		**+22**	**-0.232**	
[redacted]	2020/21	620.50		529	1.173	
	2021/22	539.93		551	**0.98**	
Difference		-80.57		**+22**	**-0.193**	
[redacted]	2020/21	466.46		529	0.882	
	2021/22	474.84		551	**0.862**	
Difference		**+8.38**		**+22**	**-0.02**	
[redacted]	2020/21	1385.36		529	2.62	
	2021/22	**1164.80**		551	**2.12**	
Difference		-220.56		+22	**-0.50**	
Total Carbon Tonnes Savings in 2021/22		220.56	15.92%		0.50	19.08%

Energy Efficiency Actions
In this reporting year we have achieved the following:

- Ongoing Energy Management, inclusive of an Energy Monitoring and Energy Review procedure established
- The environment and Energy Audit programme are established and implemented annually
- The development of the Environmental & Energy Communications programme such as Lunch and Learn Seminars and Live Workshops
- Environmental & Energy Toolbox Talks (TBTs) and other resources for site teams.
- Introduction of 12 Electric vans in London
- Green Energy tariff utilised at Vital Energi's Head office Century House
- Implementation of a green transport hierarchy – e.g., increasing by 13% suitably robust and cost-effective electric vehicles to the fleet as they are available, and "chooser-users" become eligible to change their vehicles

In the future we plan to implement further measures such as:

- Development of a Sustainability Strategy following an ESG framework, ensuring targets are verified by the Science Based Targets Initiative
- Greater focus on Environmental and Energy campaigns and employee engagement to increase awareness of individual choices and actions/behaviours (Commitments included in the Carbon Reduction Plan targets)
- The business case is to be developed for cleaner site fuels, such as biofuels and/ or renewable energy sources such as solar or wind power and eco-cabin set ups to reduce this emissions impact
- The business case to be developed to Increase in Solar PV array at Vital Energi's Head office Century House
- Develop and Deliver Supply chain works shops – improving carbon reporting focusing on Scope 3 emissions.
- Continuation of Vital Energi's Annual Get Green week initiative
- Continued exchange of fossil fuel (Petrol /Diesel) and MHEV/PHEV vehicles for BEV vehicles
- AHSP and PV Installations at Headquarter Offices

On behalf of the board

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Mr G J Fielding
Director

Date: 17/02/23

VITAL HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2022

The directors present their annual report and financial statements for the year ended 30 June 2022.

Principal activities

The principal activity of the Company and Group is disclosed in the Group's strategic report.

Results and dividends

The results for the year are set out on page 17.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

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

Mr G J Fielding	
Mr I M Whitelock	
Mr S J Beckett	(Resigned 4 March 2022)
Mr N Gosling	
Mr G Le Sueur	
Mrs S A Fielding	
Ms C Parker	(Appointed 4 March 2022)

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Research and development

The Company is a leading innovator in efficient energy provision and a catalyst for the development of new and sustainable ways of supplying the heat and power the UK needs while at the same time contributing towards the government's published emission reduction targets and net zero strategy.

As such the Company is engaged in continuous research and development activities across numerous projects including the design and development of a technologically advanced energy from waste power plant.

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.

Employee involvement

The Group's policy is to consult and discuss with employees at meetings matters likely to affect employees' interests.

Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

Auditor

The auditor, RSM UK Audit LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Matters of strategic importance
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. This applies to S172 statement, carbon reporting 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 Company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

Financial risk management objectives and policies
The Group finances its operations through a mixture of retained profits and where necessary to fund expansion or capital expenditure programmes through bank borrowings or leasing arrangements.

The management objectives are to:

- Retain sufficient liquid funds to enable it to meet its day to day obligations as they fall due whilst maximising returns on surplus funds;

- Minimise the Group's and the Company's exposure to fluctuating interest rates when seeking borrowing; and

- Match the repayment schedule of any external borrowings or overdrafts with the expected future cash flows expected to arise from the Group's trading activities.

Where appropriate, funds are invested in sterling bank deposit accounts and borrowings are all obtained from standard bank loan accounts. As such, there is little price risk exposure.

Where appropriate, funds are held primarily in short-term variable rate deposit accounts. The directors believe that this gives them flexibility to release cash resources at short notice and also allows them to take advantage of changing conditions in the finance markets as they arise. All deposits are with reputable UK banks and the directors believe their choice of bank minimises any credit risk associated with not placing funds on deposit with a UK clearing bank.

On behalf of the board

....
Mr G J Fielding
Director

Date: 17/02/23

VITAL HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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.*

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VITAL HOLDINGS LIMITED

Opinion

We have audited the financial statements of Vital Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 June 2022 which comprise the consolidated statement of comprehensive income, the consolidated balance sheet, the company balance sheet, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 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 or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

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 set out on page 13, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk 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 and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory frameworks;
- *inquired of management, and those charged with governance, about their own identification and* assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to health and safety. We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these law and regulations and performed procedures including a review of board minutes and performed a search for notices published by the Health and Safety Executive.

The audit engagement team identified the risk of management override of controls and judgments and estimates made in the valuation of amounts recoverable on contracts, work in progress and amounts recognised in revenue as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to:

- testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business; and
- challenging judgments and estimates applied in the valuation of amounts recoverable on contracts and amounts recognised in revenue by reviewing contract meeting minutes; reviewing post year end performance; and comparing outturn of projects with estimates made in preparing the previous year's financial statements.

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

Use of our report

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

Michael Oates

Michael Oates CA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Bluebell House
Brian Johnson Way
Preston
Lancashire, PR2 5PE

....

20/02/23

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2021 as restated £
Turnover	4	209,037,791	189,711,936
Cost of sales		(181,577,475)	(167,200,626)
Gross profit		27,460,316	22,511,310
Analysis of administrative expenses:			
Administrative expenses - non-exceptional		(18,592,496)	(14,243,184)
Administrative expenses - exceptional items		(169,414)	-
Total administrative expenses		(18,761,910)	(14,243,184)
Other operating income		756,934	433,405
Operating profit	8	9,455,340	8,701,531
Interest receivable and similar income	10	291,569	179,628
Interest payable and similar expenses	11	(5,226,428)	(1,853,945)
Profit before taxation		4,520,481	7,027,214
Tax on profit	12	(1,433,005)	(1,485,475)
Profit for the financial year		3,087,476	5,541,739
Profit for the financial year is attributable to:			
- Owners of the parent company		4,857,772	6,261,727
- Non-controlling interests		(1,770,296)	(719,988)
		3,087,476	5,541,739
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		4,857,772	6,261,727
- Non-controlling interests		(1,770,296)	(719,988)
		3,087,476	5,541,739

The prior year comparatives for the year ended 30 June 2021 have been restated. See note 3 for further details.

Company Registration No. 06395526

VITAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Fixed assets					
Goodwill	13		305,945		323,375
Other intangible assets	13		5,266,400		5,121,282
Total intangible assets			5,572,345		5,444,657
Tangible assets	14		77,593,692		37,158,132
Investments	15		4,548,899		4,094,564
			87,714,936		46,697,353
Current assets					
Stocks	18	5,763,938		5,461,284	
Debtors	19	62,728,108		63,390,886	
Cash at bank and in hand		38,973,680		48,286,338	
		107,465,726		117,138,508	
Creditors: amounts falling due within one year	20	(85,462,634)		(79,623,089)	
Net current assets			22,003,092		37,515,419
Total assets less current liabilities			109,718,028		84,212,772
Creditors: amounts falling due after more than one year	21		(71,013,292)		(48,805,299)
Net assets			38,704,736		35,407,473
Capital and reserves					
Called up share capital	27		233,002		233,002
Other reserve	29		97,536		(233,001)
Own shares	29		(1,055,575)		(934,825)
Profit and loss reserves	29		40,787,994		35,930,222
Equity attributable to owners of the parent company			40,062,957		34,995,398
Non-controlling interests			(1,358,221)		412,075
			38,704,736		35,407,473

VITAL HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET (CONTINUED)

AS AT 30 JUNE 2022

The financial statements were approved by the board of directors and authorised for issue on 17/02/23 .... and are signed on its behalf by:

....

Mr G J Fielding

Director

Company Registration No. 06395526

VITAL HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 30 JUNE 2022

		2022		2021	
	Notes	£	£	£	£
Fixed assets					
Investments	15		10,810,741		11,755,952
Current assets					
Debtors	19	31,068,861		23,423,717	
Cash at bank and in hand		100,000		39,510	
		31,168,861		23,463,227	
Creditors: amounts falling due within one year	20	(29,878,311)		(25,658,922)	
Net current assets/(liabilities)			1,290,550		(2,195,695)
Total assets less current liabilities			12,101,291		9,560,257
Creditors: amounts falling due after more than one year	21		(2,497,035)		-
Net assets			9,604,256		9,560,257
Capital and reserves					
Called up share capital	27		233,002		233,002
Other reserve	29		10,577,535		10,246,998
Own shares	29		(1,051,200)		(930,450)
Profit and loss reserves	29		(155,081)		10,707
Total equity			9,604,256		9,560,257

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's loss for the year was £165,788 (2021: £2,104,219 profit).

The financial statements were approved by the board of directors and authorised for issue on 17/02/23 and are signed on its behalf by:

....

Mr G J Fielding
Director

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share capital	Other reserve	Own shares	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£	£
Balance at 1 July 2020		233,002	(233,001)	(609,305)	29,668,495	29,059,191	(56,952)	29,002,239
Year ended 30 June 2021:								
Profit and total comprehensive income for the year		-	-	-	6,261,727	6,261,727	(719,988)	5,541,739
Own shares acquired		-	-	(325,520)	-	(325,520)	-	(325,520)
Acquisition of subsidiary		-	-	-	-	-	1,189,015	1,189,015
Balance at 30 June 2021		233,002	(233,001)	(934,825)	35,930,222	34,995,398	412,075	35,407.473
Year ended 30 June 2022:								
Profit and total comprehensive income for the year		-	-	-	4,857,772	4,857,772	(1,770,296)	3,087 476
Own shares acquired		-	-	(125,000)	-	(125,000)	-	(125 000)
Share-based payment reserve	**29**	-	330,537	-	-	330,537	-	330.537
Other movements		-	-	4,250	-	4,250	-	4,250
Balance at 30 June 2022		233,002	97,536	(1,055,575)	40,787,994	40,062,957	(1,358,221)	38,704,736

VITAL HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	Share capital £	Other reserve £	Own shares £	Profit and loss reserves £	Total £
Balance at 1 July 2020		233,002	10,246,998	(604,930)	(2,093,512)	7,781,558
Year ended 30 June 2021:						
Profit and total comprehensive income for the year		-	-	-	2,104,219	2,104,219
Own shares acquired		-	-	(325,520)	-	(325,520)
Balance at 30 June 2021		233,002	10,246,998	(930,450)	10,707	9,560,257
Year ended 30 June 2022:						
Loss and total comprehensive income for the year		-	-	-	(165,788)	(165,788)
Own shares acquired		-	-	(125,000)	-	(125,000)
Share-based payment reserve	**29**	-	330,537	-	-	330,537
Other movements		-	-	4,250	-	4,250
Balance at 30 June 2022		233,002	10,577,535	(1,051,200)	(155,081)	9,604,256

VITAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2022

	Notes	2022 £	2022 £	2021 £	2021 £
Cash flows from operating activities					
Cash generated from operations	30		20,344,148		5,580,412
Interest paid			(1,255,950)		(1,853,945)
Income taxes paid			(992,876)		(2,373,724)
Net cash inflow from operating activities			18,095,322		1,352,743
Investing activities					
Purchase of intangible assets		(261,995)		(196,848)	
Purchase of tangible fixed assets		(39,514,779)		(26,102,985)	
Proceeds on disposal of tangible fixed assets		-		15,022	
Purchase of subsidiaries		-		(408,368)	
Issue of loans		(1,725,000)		(1,250,000)	
Purchase of fixed asset investments		(454,335)		(1,692,514)	
Interest received		11,275		179,628	
Net cash used in investing activities			(41,944,834)		(29,456,065)
Financing activities					
Purchase of own shares		(120,750)		(325,520)	
Net proceeds from debentures		7,598,873		45,157,766	
Repayment of bank loans		(186,604)		(472,976)	
Proceeds of new loans		7,155,000		-	
Net cash generated from financing activities			14,446,519		44,359,270
Net (decrease)/increase in cash and cash equivalents			(9,402,993)		16,255,948
Cash and cash equivalents at beginning of year			48,286,338		32,030,390
Cash and cash equivalents at end of year			38,883,345		48,286,338
Relating to:					
Cash at bank and in hand			38,973,680		48,286,338
Bank overdrafts included in creditors payable within one year			(90,335)		-

1 Accounting policies

Company information

Vital Holdings Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

The group consists of Vital Holdings Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

In accordance with FRS 102, the Company has taken advantage of the exemptions from the following disclosure requirements in respect of its individual financial statements. These disclosures are given on a consolidated basis;

- Section 7 'Statement of Cash Flows'- Presentation of a Statement of Cash Flow and related notes and disclosures
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/ losses for each category of financial instrument; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income
- Section 33 'Related Party Disclosures' - Compensation for key management personnel

Basis of consolidation

The consolidated financial statements incorporate those of Vital Holdings Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 30 June 2022. 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.

Total comprehensive income and other movements on reserves are split between owners of the parent company and non-controlling interests according to the interest held. Non-controlling interests are recorded separately from equity attributable to owners of the parent company on the consolidated balance sheet.

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.

1 Accounting policies (Continued)

Going concern

In assessing that the entity is a going concern, the directors have taken into account financial forecasts for the year ending June 2023 and forecasts for the period ending June 2024. The forecasts indicate a positive view of sales, profitability and cash and are underpinned by a detailed order book summary and prospect list which have allowed the directors to predict the outturn for the year ending 2023 with some accuracy, as the majority of that sales forecast consists of secured orders. A prospect list has been used by business unit directors to predict the sales then to the period ending June 2027.

Although the global economic activity is experiencing a broad-based and sharper-than-expected slowdown, with inflation higher than seen in several decades, creating uncertainties and some delays in new project award decisions, the current financial year is benefitting from a high level of orders and prospects as a result of the introduction of the Public Sector Decarbonisation Scheme, and a general focus on decarbonisation.

Taking into account potential sensitivities, the directors have satisfied themselves that there is sufficient forecast liquidity to meet foreseeable issues in the forecast period to June 2024. The review has also been underpinned by the analysis of the company's borrowing facilities and the directors are satisfied that appropriate and committed financing arrangements are in place.

The company itself made a loss during the year of £165,788, however Vital Energi Utilities Limited, a subsidiary undertaking, has agreed to provide continued financial support and a letter of support was in place at the year end.

The directors have satisfied themselves that Vital Energi Utilities Limited is in a position to provide this support and further details of the assessment of going concern for Vital Energi Utilities Limited can be seen in the financial statements of Vital Energi Utilities Limited, which are available from Century House, Roman Road, Blackburn, Lancashire, BB1 2LD.

On this basis the directors consider it appropriate to prepare the Group and Company financial statements on a going concern basis as the review conducted suggests the business will meet its obligations as they fall due for a period of at least 12 months from the approval of these financial statements.

1 Accounting policies (Continued)

Turnover
The turnover shown in the profit and loss account represents the value of all goods and services provided during the year, at selling price exclusive of Value Added Tax. Turnover is recognised to the extent that the company obtains the right to consideration in exchange for its performance.

Turnover from ongoing maintenance and project management services is recognised as the service is provided.

In the case of other revenue, turnover is recognised at the point at which the company has fulfilled its contractual obligations and the risks and rewards attaching to the product, such as obsolescence, have been transferred to the customer, which is usually on dispatch of the goods.

For construction contracts, turnover represents the value of work done in the year and is determined by reference to the stage of completion of each contract.

Construction contracts
Profit on construction contracts is taken as the work is carried out, if the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis to reflect the proportion of the work carried out by the year end by recording turnover and related costs as contract activity progresses.

Turnover is calculated as that proportion of total contract revenue which costs incurred to date bear to total expected costs for that contract. Revenue derived from the variations on contracts is only recognised when they have been accepted by the customers.

Full provision is made for losses on all contracts in the year in which they are foreseen.

Amounts recoverable on contracts are amounts not yet invoiced for which work has been completed but not yet certified. Payments received on account are payments received in advance of the work being undertaken.

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.

Intangible fixed assets - goodwill
Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition (being the cash paid and the fair value of other consideration given) over the fair value of the separable assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life which is the period that it is expected to provide economic benefit to the group, in this case of 20 years.

Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit, and is reviewed on an annual basis.

In addition, an impairment review is also performed where there are indicators that goodwill has been impaired, such as income or profits deriving from the acquired business which gave rise to goodwill being below original expectations.

1 Accounting policies (Continued)

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.

Other intangibles consist of accreditation costs which are stated at cost less amortisation. Cost represents purchase price together with any incidental costs of acquisition.

Internally generated intangibles are stated at cost less amortisation. Cost represents the cost incurred by the group to develop the asset.

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

Software	20% straight line
Development costs	5% - 33% straight line
Other intangibles	40% straight line
Lease premium	30 years straight line once in operation

No amortisation has been charged in the year on the lease premium as the associated asset remains under construction as set out in the financial statements of the Company's subsidiary, Vital Energi (Drakelow) Limited.

During the year the amortisation rate of software was updated from 33% to 20%. If the rate had not been updated, the amortisation charged on this class of assets would have been £15,951, which is £4,467 higher than the charge at the new rate.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Cost represent purchase price together with any incidental costs of acquisition. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

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

Plant and machinery	5% - 25% straight line
Fixtures, fittings and equipment	10% - 33% straight line

Assets under the course of construction are depreciated when completed and ready for use.

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 credited or charged to profit or loss.

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries and associates are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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.

1 Accounting policies (Continued)

Undertakings in which the group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method based on the associate's financial statements to 31 December.

Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill.

All unrealised profit or losses on transactions with the associate are eliminated to the extent of the group's interest, except where unrealised losses provide evidence of an impairment. Where necessary, adjustments are made to bring the accounting policies of the associate into line with those used by the group.

Dividends received from the associate reduce the carrying amount of the investment.

Losses in an associate that reduce the carrying amount of the investment in the associate to below zero are not recognised, but a provision is recognised to the extent that the group has an obligation or has made payments on behalf of the associate.

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.

Stocks

Work in progress is stated at the lower of cost and realisable value less costs to complete. Cost comprises direct materials and, where applicable, those overheads that have been incurred in bringing the work in progress to its present condition.

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.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies (Continued)

Financial instruments

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

Financial instruments are recognised 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 trade and other debtors, gross amounts owed by contract customers, amounts due from group undertakings 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.

Unlisted investments over which the Company has no significant influence, joint control or control are initially measured at transaction price. Transaction price includes transaction costs, except where investments are measured at fair value through profit or loss when transaction costs are expensed to profit or loss as incurred.

Unlisted investments are measured at fair value through profit or loss, or cost less impairment if fair value cannot be measured reliably.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

Basic financial liabilities, including trade and other creditors, bank loans, debenture loans and amounts owed to group undertakings, 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.

Derecognition of financial liabilities

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

1 Accounting policies (Continued)

Equity instruments

Equity instruments issued by the group are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more tax, or a right to pay less tax, or a right to receive repayments of tax.

Deferred tax assets are recognised only to the extent that the directors consider it more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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

Retirement benefits

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year. The assets of the scheme are held separately from those of the group in an independently administered fund.

Share-based payments

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black–Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

The expense in relation to options over the parent company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

1 Accounting policies (Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

The company participates in a share-based payment arrangement granted to its employees and employees of its subsidiaries. The company has elected to recognise and measure its share-based payment expense on the basis of a reasonable allocation of the expense for the group recognised in its consolidated accounts. The directors consider the number of unvested options granted to the company's employees compared to the total unvested options granted under the group plan to be a reasonable basis for allocating the expense.

The expense in relation to options over the company's shares granted to employees of a subsidiary is recognised by the company as a capital contribution, and presented as an increase in the company's investment in that subsidiary.

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.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants are recognised on the accruals basis.

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

The government grant income received during the current and prior year, related to the government's Coronavirus Job Retention Scheme and the government's Heat Networks Investment Project (HNIP). This is included in other income in the financial statements.

The grant specifies performance conditions and is recognised in income when the performance conditions are met, which is the month in which the employees are paid or in respect of HNIP, the grant income is recognised in the income statement as costs are incurred. A grant received before the recognition criteria are satisfied is recognised as a liability and is held within accruals and deferred income.

1 Accounting policies (Continued)

Employee benefit trusts
The group has established trusts for the benefit of employees and certain of their dependants. Monies held in these trusts are held by independent trustees and managed at their discretion.

Where the group retains future economic benefit from, and has de facto control of the assets and liabilities of the trust, they are accounted for as assets and liabilities of the group until the earlier of the date that an allocation of trust funds to employees in respect of past services is declared and the date that assets of the trust vest in identified individuals.

Where monies held in a trust are determined by the group on the basis of employees' past services to the business and the group can obtain no future economic benefit from those monies, such monies, whether in the trust or accrued for by the group are charged to the profit and loss account in the period to which they relate.

Captive insurance scheme
The company self-insures potential insurance claims through a captive insurance scheme. It has invested in 100,000 redeemable preference shares of £1 each in its own cell of a protected cell company and has de facto control of the assets and liabilities of the cell. The company accounts for the cell as an intermediate payment arrangement, recording the assets and liabilities, expenses and any investment income of its cell as its own, and payments made into the scheme are eliminated. Cash held by the scheme is separately identified in the balance sheet.

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.

The following judgements, estimates and assumptions have had the most significant effect on amounts recognised in the financial statements.

Share options
The Black Scholes option pricing model is used to determine the fair value of options granted. A number of estimates and assumptions are used in the model including a risk free interest rate, a dividend yield and volatility in order to determine the weighted average value of the options included. Details of the share options are given in note 7.

Investments and other loans receivable
The directors have considered the carrying value of investments at the period end for indicators of impairment in line with the requirement of FRS102 and have concluded that an impairment test is not required as at 30 June 2022. The overall strategy of the Vital Energi group of companies is to progressively move from a mostly 'Design and Build' approach to one where there is a significant proportion of the business operating as an 'Energy Asset Owner', with the underlying principle to secure long-term energy supply contracts – typically 25-40 years. Whilst, initially, capital intensive, this will enhance the predictability of the company's profitability, mitigate the market variability of the current Project based work and, therefore, lead to an enhanced value for the group. The investments currently being undertaken by Vital, whether in terms of equity or loans, are in place to support this strategy; with the ultimate goal of being the long-term energy supplier for each of the projects. There may be non-energy-related benefits from holding equity stakes in some of the projects, but these are seen as secondary to the main strategy. Whilst none of the projects are close to fruition, it is believed that current progress is sufficient to support their inclusion in the balance sheet. The directors review all its investments and loans on a monthly basis and is an active and leading partner in all but one of the projects. With regard to this particular project, close regular contact is kept with senior individuals of the holding company and the loan is reviewed following those updates (and any other updates of which the business becomes aware). Based on these on-going assessments, is not believed that, at present, the investments and loans should not be subject to any impairment provision.

Construction contracts
In producing the financial statements, the directors have taken judgements over the profit to be taken on Construction contracts. Profit is taken as the work is carried out where the final outcome can be assessed with reasonable certainty. The profit is calculated on a prudent basis based on the stage of completion by the year end which can sometimes differ to the assessments of external Quantity Surveyors. Full provision is made for losses on all contracts in the year in which they are foreseen.

Revenue recognition
The group reviews the nature of its contracts to assess whether they are acting as a Principal or an Agent in the transaction. Where the group concludes that they do not bear any price, inventory or credit risk in the transaction, the agreed fixed fees are recognised as Revenue (rather than the gross amounts transacted).

Fixed asset impairment
In producing the financial statements the directors have estimated the value in use of a material item of plant and machinery and have satisfied themselves that no impairment of the asset exists.

2 Judgements and key sources of estimation uncertainty (Continued)

Other borrowings

A loan of £7.155m was received during the period ended 30 June 2022. The loan attracts an interest rate of 0.01%. Having considered Section 11 of FRS 102, the Directors have assessed this as a financing transaction and as such have measured the liability at the present value of the future payments discounted at a market rate of interest which was determined to be 5%, taking into account the rates on the funding currently utilised by the company and the rates available on Government bonds.

3 Prior period adjustment

Revenue recognition

Certain prior year amounts in respect of the sale of fuel procurement and management have been restated for consistency with the current year accounting treatment of this revenue segment. Following an assessment of the accounting for these transactions and in line with Section 23 of FRS 102, it has been assessed the company is the agent for these transactions rather than the principal and therefore the revenue recognised should only be the value of the commissions earned. Gross Profit and Reserves remain unaffected by this revenue recognition adjustment. The impact of the restatement of revenue and cost of sales is set out in the reconciliation below. This has impacted the prior year revenue figure by reducing it by £7,900,027 with cost of sales decreasing by £7,900,027. There has been no impact on the profit for the financial period or the net assets or opening equity as at 1 July 2020. There has been no impact on the company only profit and loss account, there has been no impact on the group profit for the financial.

Changes to the profit and loss account - group

	As previously reported	Adjustment	As restated
Period ended 30 June 2021	**£**	**£**	**£**
Turnover	197,611,963	(7,900,027)	189,711,936
Cost of sales	(175,100,653)	7,900,027	(167,200,626)
Profit after taxation	5,541,739	-	5,541,739

4 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2022	2021 as restated
	£	£
Turnover analysed by class of business		
Energy generation and distribution schemes	209,037,791	189,711,936

	2022	2021
	£	£
Other operating income and interest income		
Interest income	291,569	179,628
Grants received	164,976	433,405
RDEC	591,958	-

4 Turnover and other revenue (Continued)

	2022 £	2021 £
Turnover analysed by geographical market		
United Kingdom	209,037,791	189,711,936

5 Exceptional item

	2022 £	2021 £
Expenditure		
Exceptional costs	169,414	-
	169,414	-

Included within exceptional costs in the current year is £88,414 in respect of the retiring Chief Financial Officer who exited office during the year, £55,000 in respect of fees for recruiting the new Chief Financial Officer and £26,000 in respect of professional fees for the company's Joint Share Ownership Plan. The directors consider these costs to be non-recurring due to the fact that there was a period of time where two Chief Financial Officers were in office. As such, the costs of the overlap period have been classified as exceptional.

6 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2022 Number	2021 Number	Company 2022 Number	2021 Number
Number of direct staff	430	391	-	-
Number of indirect staff	115	89	1	1
Total	545	480	1	1

Their aggregate remuneration comprised:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Wages and salaries	31,335,435	25,948,139	36,000	36,000
Social security costs	3,625,432	2,981,629	3,823	2,792
Pension costs	1,237,105	1,057,173	-	-
	36,197,972	29,986,941	39,823	38,792

Wages and salaries include £330,537 (2021: £nil) relating to equity-settled share-based payments.

7 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	937,917	895,909
Company pension contributions to defined contribution schemes	65,457	66,628
	1,003,374	962,537

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2021 - 4).

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

	2022 £	2021 £
Remuneration for qualifying services	265,650	258,767
Company pension contributions to defined contribution schemes	-	7,833

8 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	(93,809)	(73,903)
Research and development costs	330,171	215,778
Government grants	(164,976)	(433,405)
Depreciation of owned tangible fixed assets	1,267,708	1,297,672
Profit on disposal of tangible fixed assets	-	(4,380)
Amortisation of intangible assets	134,307	204,272
Operating lease charges	2,504,797	2,105,299
RDEC	(591,958)	-

9 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	9,500	7,868
Audit of the financial statements of the company's subsidiaries	49,000	33,436
	58,500	41,304
For other services		
Taxation compliance services	15,600	12,300
All other non-audit services	22,610	16,000
	38,210	28,300

10 Interest receivable and similar income

	2022	2021
	£	£
Interest income		
Interest on bank deposits	3,831	1,192
Other interest income	287,738	178,436
Total income	291,569	179,628

11 Interest payable and similar expenses

	2022	2021
	£	£
Interest on bank overdrafts and loans	2,943	26,764
Other interest	5,223,485	1,827,181
Total finance costs	5,226,428	1,853,945

Included within other interest is interest of £5,223,485 (2021: £1,825,545) charged in respect of a debenture, the terms of which are disclosed in note 22.

12 Taxation

	2022	2021
	£	£
Current tax		
UK corporation tax on profits for the current period	2,651,216	2,349,933
Adjustments in respect of prior periods	52,855	(234,683)
Total current tax	2,704,071	2,115,250
Deferred tax		
Origination and reversal of timing differences	(1,350,915)	(637,180)
Changes in tax rates	-	7,253
Adjustment in respect of prior periods	79,849	152
Total deferred tax	(1,271,066)	(629,775)
Total tax charge	1,433,005	1,485,475

12 Taxation (Continued)

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2022	2021
	£	£
Profit before taxation	4,520,481	7,027,214
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	858,891	1,335,171
Tax effect of expenses that are not deductible in determining taxable profit	882,274	527,234
Adjustments in respect of prior years	52,855	(234,683)
Permanent capital allowances in excess of depreciation	(86)	-
Other permanent differences	(116,557)	3,272
Deferred tax adjustments in respect of prior years	79,849	152
Adjust deferred tax to average rate	(324,221)	(145,671)
Taxation charge	1,433,005	1,485,475

In the budget on 3 March 2021, the UK Government announced an increase in the main UK corporation tax rate from 19% to 25% with effect from 1 April 2023. The change in rate was substantively enacted on 24 May 2021. Deferred tax has been calculated at 25% which was the tax rate substantively enacted at 30 June 2022.

13 Intangible fixed assets

Group	Goodwill	Software	Development costs	Other intangibles	Lease premium	Total
	£	£	£	£	£	£
Cost						
At 1 July 2021	527,717	57,423	933,459	1,125,366	3,727,716	6,371,681
Additions - internally developed	-	-	226,985	-	-	226,985
Additions - separately acquired	6,070	14,760	-	14,180	-	35,010
At 30 June 2022	533,787	72,183	1,160,444	1,139,546	3,727,716	6,633,676
Amortisation and impairment						
At 1 July 2021	204,342	41,472	466,313	214,897	-	927,024
Amortisation charged for the year	23,500	(5,104)	69,805	46,106	-	134,307
At 30 June 2022	227,842	36,368	536,118	261,003	-	1,061,331
Carrying amount						
At 30 June 2022	305,945	35,815	624,326	878,543	3,727,716	5,572,345
At 30 June 2021	323,375	15,951	467,146	910,469	3,727,716	5,444,657

13 Intangible fixed assets (Continued)

The company had no intangible fixed assets at 30 June 2022 or 30 June 2021.

Included within additions - separately acquired is £6,070 in relation to stamp duty on the transfer of shares to group companies.

14 Tangible fixed assets

Group	Assets under construction	Plant and machinery	Fixtures, fittings and equipment	Total
	£	£	£	£
Cost				
At 1 July 2021	34,669,486	7,404,121	3,764,156	45,837,763
Additions	40,506,140	409,393	787,735	41,703,268
Disposals	-	-	(1,081,801)	(1,081,801)
At 30 June 2022	75,175,626	7,813,514	3,470,090	86,459,230
Depreciation and impairment				
At 1 July 2021	-	5,864,921	2,814,710	8,679,631
Depreciation charged in the year	-	525,249	742,459	1,267,708
Eliminated in respect of disposals	-	-	(1,081,801)	(1,081,801)
At 30 June 2022	-	6,390,170	2,475,368	8,865,538
Carrying amount				
At 30 June 2022	75,175,626	1,423,344	994,722	77,593,692
At 30 June 2021	34,669,486	1,539,200	949,446	37,158,132

The company had no tangible fixed assets at 30 June 2022 or 30 June 2021.

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Plant and machinery	2,204,978	-	-	-

15 Fixed asset investments

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Investments in subsidiaries	16	-	-	10,810,741	10,480,104
Unlisted investments		4,548,899	4,094,564	-	1,275,848
		4,548,899	4,094,564	10,810,741	11,755,952

Movements in fixed asset investments
Group

	Unlisted investments £
Cost	
At 1 July 2021	4,094,564
Additions	454,335
At 30 June 2022	4,548,899
Carrying amount	
At 30 June 2022	4,548,899
At 30 June 2021	4,094,564

The additions within unlisted investments include an additional 5% interest acquired in NLA Europe Limited. Of this, 2.5% was purchased on 25 October 2021 for consideration of £225,000 and 2.5% was purchased on 25 January 2022 for consideration for £225,000. The investment in NLA Europe Limited now stands at 10% directly and 17.5% indirectly through the 15% ownership of the Chiltern Management Group Limited. It is still being treated as an unlisted investment as the Group do not have significant influence over this company.

The additions within unlisted investments also include £4,335 in respect of stamp duty incurred on the transfer of shares between group companies.

The group has a 21.83% share in Hull Eco Park Limited. This has been treated as an investment on consolidation as, despite the shareholding exceeding 20%, the directors do not consider the group to have significant influence.

15 Fixed asset investments (Continued)

Movements in fixed asset investments

Company	**Shares in group undertakings**	**Unlisted investments**	**Total**
	£	**£**	**£**
Cost or valuation			
At 1 July 2021	10,480,104	1,275,848	11,755,952
Additions	100	-	100
Capital contribution	330,537	-	330,537
Disposals	-	(1,275,848)	(1,275,848)
At 30 June 2022	10,810,741	-	10,810,741
Carrying amount			
At 30 June 2022	10,810,741	-	10,810,741
At 30 June 2021	10,480,104	1,275,848	11,755,952

The additions within shares in group undertakings relate to the company subscribing to the entire ordinary share capital of Vital Holdings Investments Limited on its incorporation on 6 December 2021.

During the year there was also a capital contribution of £330,537 which represents the value of share options granted in Vital Holdings Limited to employees employed by the subsidiary Vital Energi Limited.

The disposals within unlisted investments relate to the disposal of the company's shareholding in two unlisted companies, Chiltern Management Group Limited and New Technology Developments Limited, of 15% each on 31 March 2022. Total consideration received in respect of these disposals was £1,275,848. These investments were disposed of to another company within the group as part of a group reconstruction.

16 Subsidiaries

These financial statements are separate company financial statements for Vital Holdings Limited.

Details of the company's subsidiaries at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
CEF and NHM ESCo Limited**	Note 1	Non-trading	Ordinary	-	100.00
H2010 ESCo Limited*	Note 1	Provision of an ESCo heating network	Ordinary	-	100.00
St Mark's Square ESCo Limited*	Note 1	Provision of an ESCo heating network	Ordinary	-	100.00
The Movement ESCo Limited*	Note 1	Provision of an ESCo heating network	Ordinary	-	100.00
The Paintworks ESCo Limited*	Note 1	Provision of an ESCo heating network	Ordinary	-	100.00
Vital Energi Generation Limited	Note 1	Non-trading	Ordinary	75.00	-
Vital Energi Solutions Limited	Note 1	Design, build and operation/maintenance of NHS Hospital Energy Centre and performance contracts	Ordinary	100.00	-
Vital Energi Trustee Limited	Note 1	Non-trading	Ordinary	100.00	-
Vital Energi Utilities Limited	Note 1	Supply and installation of decentralised energy generation and distribution schemes	Ordinary	100.00	-
Vital Community Energi Limited (Formerly known as Vital Holdings Holdings (Residential ESCo) Limited)	Note 1	Dormant holding company	Ordinary	100.00	-
Vital Energi (Drakelow) Limited***	Note 1	Design, build and operation of energy plant	Ordinary	-	75.00
Biomass Power Kochi Limited******	Note 1	Developer of a waste to energy plant	Ordinary	-	100.00
Vital Efficienci Limited	Note 1	Non-trading	Ordinary	100.00	-
Eco Park Developments Limited****	Note 2	Investor in the Yorkshire Energy Park	Ordinary	-	50.50
Vital Holdings Investments Limited	Note 1	Non-trading	Ordinary	100.00	-
Vital SGN Investments Limited*****	Note 1	Non-trading	Ordinary	-	100.00
Vital Chiltern Investments Limited*****	Note 1	Non-trading	ordinary	-	100.00
Vital Energi (Bilsthorpe) Limited**	Note 1	Non-trading	Ordinary	-	100.00

16 Subsidiaries (Continued)

Note 1: Century House, Roman Road, Blackburn, Lancashire, BB1 2LD
Note 2: Owen House, Priory Park, Hessle, East Yorkshire, HU13 9PD

*held as an investment in Vital Community Energi Limited (Formerly known as Vital Holdings Holdings (Residential ESCo) Limited)
**held as an investment in Vital Energi Solutions Limited
***held as an investment in Vital Energi Generation Limited
****held as an investment in Vital Chiltern Investments Limited
*****held as an investment in Vital Holdings Investments Limited
******held as an investment in Vital Energi Utilities Limited

On 6 December 2021, the group subscribed to the entire ordinary share capital of Vital Holdings Investments Limited on its incorporation.

On 7 December 2021, the group subscribed to the entire ordinary share capital of Vital SGN Investments Limited on its incorporation.

On 7 December 2021, the group subscribed to the entire ordinary share capital of Vital Chiltern Investments Limited on its incorporation.

On 14 December 2021, the group subscribed to the entire ordinary share capital of Vital Energi (Bilsthorpe) Limited on its incorporation.

The company's voting rights in respect of each subsidiary are held in the same proportion as the company's share of the ordinary share capital of each subsidiary. All of the above companies are incorporated in England & Wales. Biomass Power Kochi Limited, St Mark's Square ESCo Limited, Vital Holdings Investments Limited, Vital Chiltern Investments Limited, Vital SGN Investments Limited and Vital Energi (Bilsthorpe) Limited, subsidiary undertakings, have applied the exemption from audit under section 479A of the Companies Act 2006. Further details in relation to this can be found in note 31.

17 Associates

Details of associates at 30 June 2022 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	% Held Indirect
G.J. Eco Power Private Limited*	Note 1	Waste Management	Ordinary	-	26.00

Note 1: 3rd Floor, Sarayu Complex, Seaport Airport Road, Kakkanad, Kochi, Kerala 682030, India.

*held as an investment in Vital Energi Utilities Limited

The results of the associates have not been included within the consolidated figures as the impact is not considered material.

18 Stocks

	Group 2022 £	Group 2021 £	Company 2022 £	Company 2021 £
Work in progress	5,763,938	5,461,284	-	-

18 Stocks (Continued)

During the year, an impairment loss was recognised in a group company in regards to the write off of stock of £149,108 (2021: £nil) within cost of sales. No earlier stock write downs have been reversed during the current, or preceding year.

19 Debtors

	Group 2022	2021	Company 2022	2021
Amounts falling due within one year:	£	£	£	£
Trade debtors	25,813,995	30,533,856	-	-
Gross amounts owed by contract customers	26,383,579	26,811,076	-	-
Corporation tax recoverable	-	536,377	-	-
Amounts owed by group undertakings	-	-	29,777,242	23,246,449
Other debtors	2,458,060	1,986,651	11,000	177,268
Prepayments and accrued income	1,760,717	1,665,966	-	-
	56,416,351	61,533,926	29,788,242	23,423,717

Amounts falling due after more than one year:				
Amounts owed by group undertakings	-	-	1,280,619	-
Other debtors	4,433,731	1,250,000	-	-
	4,433,731	1,250,000	1,280,619	-
Deferred tax asset (note 24)	1,878,026	606,960	-	-
	6,311,757	1,856,960	1,280,619	-
Total debtors	62,728,108	63,390,886	31,068,861	23,423,717

19 Debtors (Continued)

Group

Included in gross amounts owed by contract customers are retentions of £12.8m (2021: £13.0m) which are due from customers over a period of 1 to 4 years. The amounts falling due in more than 1 year are £7.34m (2021: £5.43m).

Included within other debtors due after one year is an amount of £1.3m (2021: £1m included within other debtors within one year) with interest being charged at 12% per annum, charged monthly. The loan is due for repayment by 31 May 2025.

Included within other debtors due after one year is an amount of £1.4m (2021: £nil) with interest being charged at 10% per annum, charged quarterly. The loan is due for repayment by 21 November 2023.

Included within other debtors due after one year is an amount of £0.4m (2021: £nil) with interest being charged at 4% from the first anniversary of the agreement, being 30 September 2022. The loan is due for repayment by 31 October 2025.

Included within other debtors due after one year is an amount of £1.1m (2021: £1m) with interest being charged at 6% per annum, charged monthly. The loan is due for repayment by 15 September 2025.

Included within other debtors due after one year is an amount of £0.2m (2021: £0.3m) with interest being charged at 4% per annum, charged monthly. The loan is due for repayment by 31 August 2025.

Company

Amounts owed by group undertakings includes £29.7m (2021: £22m) with interest charged at 12% per annum, charged monthly. Whilst there is no formal agreement in place, and the amounts are legally repayable on demand, the directors do not expect these amounts to be fully repaid within 12 months.

Amounts owed by group undertakings falling due after more than one year includes £1.3m (2021: £nil) with interest charged at 3.25% per annum. The loan is repayable on 31 December 2026 or such date as may be determined by a resolution of the directors.

20 Creditors: amounts falling due within one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Debenture loans	22	-	2,124,556	-	-
Bank loans and overdrafts	22	90,335	186,604	90,335	-
Obligations under finance leases	23	265,579	-	-	-
Trade creditors		19,466,592	17,869,952	56,400	-
Amounts owed to group undertakings		-	-	29,690,372	25,640,844
Corporation tax payable		1,174,818	-	-	-
Other taxation and social security		3,759,436	9,400,225	-	-
Other creditors		6,923,019	4,052,618	-	-
Accruals and deferred income		53,782,855	45,989,134	41,204	18,078
		85,462,634	79,623,089	29,878,311	25,658,922

20 Creditors: amounts falling due within one year (Continued)

Group

Included within accruals and deferred income is £780,000 (2021: £nil) in respect of government grant income for the government's Heat Networks Investment Project. £150,000 of grant income was recognised in the year in respect of this project.

Included in other creditors is an amount of £161,490 (2021: £nil) in respect of the deferred benefit of a loan received at what is considered to be a below market rate of interest (see note 22). The balance is being released over a period of 30 years, being the life of the loan, which the directors do not consider to be materially different to the life of the asset operated by the business, to which the loan relates.

Company

Amounts owed to group undertakings includes £29.7m (2021: £22m) with interest charged at 12% per annum, charged monthly. Whilst there is no formal agreement in place, and the amounts are legally repayable on demand, the directors do not expect these amounts to be fully repaid within 12 months.

21 Creditors: amounts falling due after more than one year

		Group		Company	
		2022	2021	2022	2021
	Notes	£	£	£	£
Debenture loans	22	61,596,872	47,902,965	-	-
Obligations under finance leases	23	1,922,910	-	-	-
Other borrowings	22	3,204,458	-	-	-
Amounts owed to group undertakings		-	-	2,497,035	-
Other creditors		4,289,052	902,334	-	-
		71,013,292	48,805,299	2,497,035	-

Group

Included in other creditors is an amount of £3,789,052 (2021: £nil) in respect of the deferred benefit of a loan received at what is considered to be a below market rate of interest (see note 22). The balance is being released over a period of 30 years, being the life of the loan, which the directors do not consider to be materially different to the life of the asset operated by the business, to which the loan relates.

Company

Amounts owed to group undertakings includes £2,497,035 (2021: £nil) with interest charged at 3.25% per annum, charged monthly. The loan is repayable on 31 December 2026 or such date as may be determined by a resolution of the directors

Amounts included above which fall due after five years are as follows:

Payable by instalments	31,382,936	-	-	-

22 Borrowings

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Debenture loans	61,596,872	50,027,521	-	-
Bank loans	-	186,604	-	-
Bank overdrafts	90,335	-	90,335	-
Other loans	3,204,458	-	-	-
	64,891,665	50,214,125	90,335	-
Payable within one year	90,335	2,311,160	90,335	-
Payable after one year	64,801,330	47,902,965	-	-

Included within bank loans is £nil (2021: £186,604) relating to a loan guaranteed by a third party and secured on an asset of the company by means of fixed and floating charges including negative pledges. The loan was repaid in monthly instalments of £37,874 which included interest. Interest was charged at 6% per annum. The final payment was made in November 2021.

Included in other loans is a balance of £3,204,458 which relates to a loan, received from BEIS. The loan is repayable in 51 six monthly instalments commencing June 2027 and carries interest of 0.01%. As noted in the accounting policies, the Directors have assessed the balance as representing a financing transaction and have discounted the liability to present value. As at 30 June 2022, the gross liability has been discounted by £3,950,542. The final repayment will be made in June 2052. No security is held in respect of this loan.

The bank overdrafts are secured by a third party on the assets of the Group by means of fixed and floating charges including negative pledges.

The debenture of £61,596,872 (2021: £50,027,521) has a total term of 33 years, of which 32 years are remaining. Interest is charged at an effective rate of 9.44% per annum. The debenture is secured by fixed and floating charges over all property and undertakings of Vital Energi Drakelow Limited, a subsidiary undertaking, including a negative pledge.

23 Finance lease obligations

	Group 2022	2021	Company 2022	2021
	£	£	£	£
Future minimum lease payments due under finance leases:				
Less than one year	265,579	-	-	-
Between one and five years	1,213,530	-	-	-
After five years	709,380	-	-	-
	2,188,489	-	-	-

23 Finance lease obligations (Continued)

Finance lease payments represent rentals payable by the 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 7 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The Group has a charge dated 29 June 2022, in favour of Paragon Commercial Finance Limited, in respect of the finance leases. The charge contains a fixed charge over the leased assets of Vital Energi Utilities Limited, a subsidiary undertaking, including a negative pledge.

24 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Assets/ (liabilities) 2022 £	Assets/ (liabilities) 2021 £
Short term timing differences	2,150,343	689,792
Fixed asset timing differences	(272,317)	(97,990)
Retirement benefit obligations	-	15,158
	1,878,026	606,960

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2022 £	Company 2022 £
Asset at 1 July 2021	(606,960)	-
Credit to profit or loss	(1,271,066)	-
Asset at 30 June 2022	(1,878,026)	-

The deferred tax asset set out above is expected to reverse in more than 12 months and principally relates to pre-trading expenditure.

25 Share-based payment transactions

During the year ended 30 June 2022, the following share based payment remuneration plans were in place.

25 Share-based payment transactions (Continued)

Group	Number of share options		Weighted average exercise price	
	2022	2021	2022	2021
	Number	*Number*	£	£
Outstanding at 1 July 2021	4,250	4,250	-	1.00
Granted	5,410,614	-	0.07	-
Exercised	(4,250)	-	1.00	-
Outstanding at 30 June 2022	5,410,614	4,250	-	-
Exercisable at 30 June 2022	-	4,250	-	1.00

The Vital Energi Utilities Enterprise Management Incentive Plan between The Vital Energi Utilities Employee Benefit Trust and certain officials of the company:
The options were exercised during the year and had an exercise price of £1.00. No charge has previously been recognised for these options as the amount involved was not considered to be material.

The Company Share Option Plan between Vital Holdings Limited and certain officials of the group:
The share based payment expense relates to employees in one of the company's trading subsidiaries.

The options outstanding at 30 June 2022 had an exercise price of £0.07, and a remaining contractual life of 5 years.

The weighted average fair value of options granted in the year was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.

26 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	1,237,105	1,057,173

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.

At 30 June 2022 the group had outstanding pension contributions of £208,773 (2021: £181,430).

27 Share capital

	Group and Company			
	2022	2021	2022	2021
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
A Ordinary shares of £1 each	-	100,000	-	100,000
B Ordinary shares of £1 each	-	83,002	-	83,002
D Ordinary shares of £1 each	-	50,000	-	50,000
Ordinary shares of 0.099p each	100,000,000	-	99,000	-
Ordinary shares of 0.1p each	83,002,000	-	83,002	-
Ordinary shares of 0.10928962p each	45,750,000	-	50,000	-
Preferred shares of 1p each	100,000	-	1,000	-
	228,852,000	233,002	233,002	233,002

On 9th September 2021, the company redesignated 100,000 A Ordinary Shares of £1.00 each to 100,000,000 Ordinary shares of £0.0099 each and 100,000 Preferred Shares of £0.01 each. On the same date, the company redesignated 83,002 B Ordinary shares of £1.00 each to 83,002,000 Ordinary shares of £0.001 each and 50,000 D Ordinary shares of £1.00 each to 45,750,000 Ordinary shares of £0.001 each.

The holders of Preferred shares have the right to a preferential payment of £45 per share upon a capital distribution or in the case of winding up the company. The shares do not confer any rights of redemption, any rights to a dividend, nor any rights to vote at a general meeting of the company.

The holders of the Ordinary shares have the right to vote and receive income. All Ordinary shares rank below Preferred shares in the case of winding up the company.

28 Employee Benefit Trust

The group has established an Employee Benefit Trust with the object of promoting employee loyalty and goodwill.

In accordance with Section 10 of FRS 102 the trust net deficit of £22,884 (2021: £22,884) has been incorporated into the company's balance sheet.

29 Reserves

Other reserve
Included within the other reserve within the group is £233,001 (2021: £233,001) and within the company is £10,246,998 (2021: £10,246,998) relating to a merger reserve which arose on a previous group reorganisation.

The above reserve was categorised as a capital redemption reserve in the prior year. This has been corrected in this set of financial statements.

Also included in other reserves is £330,537 (2021: Nil) relating to a share based payment reserve within the group and company arising from the company's participation in a group share based payment plan.

Own shares
The other reserve comprises the investment in own shares of 5,261,250 (2021: 10,000) Ordinary shares of £0.001 (2021: £1) each in Vital Holdings Limited that are held by The Vital Energi Utilities Employee Benefit Trust. In accordance with section 9 of FRS 102 the investment has been shown as a deduction in shareholders' funds.

29 Reserves (Continued)

Profit and loss reserves
Cumulative profit and loss net of distributions to owners.

30 Cash generated from group operations

	2022 £	2021 £
Profit for the year after tax	3,087,476	5,541,739
Adjustments for:		
Taxation charged	1,433,005	1,485,475
Finance costs	5,226,428	1,853,945
Investment income	(291,569)	(179,628)
Gain on disposal of tangible fixed assets	-	(4,380)
Amortisation and impairment of intangible assets	134,307	204,273
Depreciation and impairment of tangible fixed assets	1,267,708	1,297,673
Equity settled share based payment expense	330,537	-
Movements in working capital:		
Increase in stocks	(302,654)	(3,192,526)
Decrease/(increase) in debtors	3,402,761	(22,024,481)
Increase in creditors	6,056,149	20,598,322
Cash generated from operations	20,344,148	5,580,412

31 Analysis of changes in net debt - group

	1 July 2021 £	Cash flows £	New leases £	Non-cash £	30 June 2022 £
Cash at bank and in hand	48,286,338	(9,312,658)	-	-	38,973,680
Bank overdrafts	-	(90,335)	-	-	(90,335)
	48,286,338	(9,402,993)	-	-	38,883,345
Borrowings excluding overdrafts	(50,214,125)	(10,616,726)	-	(3,970,479)	(64,801,330)
Obligations under finance leases	-	-	(2,188,489)	-	(2,188,489)
	(1,927,787)	(20,019,719)	(2,188,489)	(3,970,479)	(28,106,474)

Included within cash at bank and in hand is £264,447 in relation to the group's captive insurance scheme. Of this amount, £100,000 relates to the group's investment in 100,000 redeemable preference shares of £1 each in its own cell of a protected cell company. The remainder relates to cash held within the protected cell company.

32 Financial commitments, guarantees and contingent liabilities

A group company provided a guarantee relating to loans and overdrafts granted to fellow group companies by the Royal Bank of Scotland. This guarantee was satisfied on 30 March 2022.

A group company had three charges, dated 4 April 2014, 7 May 2020 and 23 July 2020, in favour of The Royal Bank of Scotland plc containing fixed and floating charges and negative pledges. These charges were satisfied in full on 30 March 2022.

A group company has numerous charges in favour of Aviva Investors Energy Centres No. 1 Limited Partnership. The charges contain fixed charges, floating charges and negative pledges over the property or undertaking of the company.

A group company has a charge dated 4 April 2014, in favour of The Royal Bank of Scotland plc. The charge contains a fixed and floating charge and a negative pledge. The floating charge is over all the property or undertaking of the company. The charge was satisfied in full on 10 December 2021.

A group company has three charges dated 3 December 2015, 6 December 2018 and 15 December 2021, in favour of De Lage Landen Leasing Limited. The charges contain a fixed charge, a floating charge and a negative pledge over property or undertaking of the company.

A group company has a charge dated 29 June 2022, in favour of Paragon Commercial Finance Limited, in respect of the finance leases. The charge contains a fixed charge over the leased assets of Vital Energi Utilities Limited, a subsidiary undertaking, including a negative pledge.

Biomass Power Kochi Limited, St Mark's Square ESCo Limited, Vital Holdings Investments Limited, Vital Chiltern Investments Limited, Vital SGN Investments Limited and Vital Energi (Bilsthorpe) Limited, subsidiary undertakings, have applied the exemption from audit under section 479A of the Companies Act 2006. As such Vital Holdings Limited, the parent undertaking, guarantees all outstanding liabilities to which the companies are subject at the end of the financial year, until they are satisfied in full, and the guarantee is enforceable against the parent undertaking by any person to whom the subsidiary companies are liable in respect of those liabilities.

33 Operating lease commitments

Lessee

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*
	£	£	£	£
Within one year	2,389,533	2,005,100	-	-
Between one and five years	5,620,837	3,324,692	-	-
In over five years	3,177,085	-	-	-
	11,187,455	5,329,792	-	-

34 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2022 £	2021 £	Company 2022 £	2021 £
Acquisition of tangible fixed assets	427,813	8,028,049	-	-

35 Events after the reporting date

On 20 September 2022, Vital Holdings Limited repurchased 2,287,520 Ordinary shares of 0.1p (rounded) each for consideration of £1,150,000.

On 11 July 2022, Vital Holdings Limited paid the final remaining consideration of £450,000 in relation to the 1,143,750 0.1p (rounded) shares repurchased on this date, for which an interim payment was made during the year.

36 Related party transactions

Remuneration of key management personnel
The remuneration of key management personnel of the group is as follows:

	2022 £	2021 £
Aggregate compensation	3,387,011	3,732,492

Other information
At 30 June 2022, the group owed £30,000 (2021: £80,773) to companies with common directors, shareholders and close family members and was owed £14,971 (2021: £66,969) by these companies. During the year the group made sales of £217,938 (2021: £876,034) to these companies and made purchases of £921,469 (2021: £926,280) from these companies. The remaining movement relates to payments and receipts.

Included in other creditors is amounts due to a director of £4,496,205 (2021: £1,313,477). An amount of £3,173,054 (2021: £1,656,380) was repaid and an amount of £6,355,782 (2021: £2,966,258) was advanced during the year. The maximum overdrawn amount during the year was £nil (2021: £738,400).

Included within other debtors due after one year is an amount of £1,388,521 (2021: £nil) due from a company in which Vital Chiltern Investments Limited, a subsidiary, has a participating interest. Interest is charged at 10% per annum, charged quarterly. The loan is due for repayment by 21 November 2023.

Included within other debtors due after one year is an amount of £400,000 (2021: £nil) due from a company in which Vital Chiltern Investments Limited, a subsidiary, has a participating interest. Interest is charged at 4% from the first anniversary of the agreement, being 30 September 2022. The loan is due for repayment by 31 October 2025.

Included within other debtors due after one year is an amount of £258,110 (2021: £0.3m) due from a company in which Vital Chiltern Investments Limited, a subsidiary, has a participating interest. Interest is charged at 4% per annum, charged monthly. The loan is due for repayment by 31 August 2025.

37 Controlling party

The company is ultimately controlled by Mr G J Fielding and close family who controlled the majority of the issued share capital of the company during the year.