Company registration number SC444462 (Scotland)

NPL GROUP (UK) LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

NPL GROUP (UK) LTD

COMPANY INFORMATION

Directors	M McFarlane R McFarlane J Lewsley
Company number	SC444462
Registered office	183 St Vincent Street First Floor Glasgow UK G2 5QD
Auditor	Azets Audit Services Titanium 1 King's Inch Place Renfrew PA4 8WF

NPL GROUP (UK) LTD

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NPL GROUP (UK) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2023

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

Review of the business

NPL Group has booked a loss of £11.7M in the year to 31 March 2023 (2022: £1.8M loss). Much of this loss relates to one off costs including £1.6M on the divestment of a Waste Business, a £7.7m impact from reassessing our aftercare obligations and adjusting the aftercare provision to reflect the expected level of costs to be incurred in the aftercare period and £1.5M of depreciation booked to reflect inflation in restoration and aftercare costs.

Principal risks and uncertainties

Backlogs in planning processes and delay in securing grid connectivity have pushed a number of projects back but the business has a strong pipeline for 2023/24 and beyond.

There is no bank debt within the Development Division, so the directors consider that the business remains resilient and is well positioned for the future.

The principal asset of the Waste Division, Avondale Group benefits from a long-established banking relationship and net debts on a downward trajectory.

Development and performance

We continue to invest in our energy businesses and have secured planning permission for the largest approved but not yet built gas storage facility in the UK. The directors expect energy deals to contribute to profitability in the medium term.

We have recently secured a new gas contract within the waste division of the group which secures power revenues through to 2027. As a result of recently negotiated offtake prices, revenue from Gas Sales are forecast to increase from £3.1M in 2022/23 to £6.1M in 2024/25.

Our portfolio of sites within the Landcare Division is continually expanding and we have a program over the next few years of taking on and maintaining more sites. The management are in negotiations with several house developers to add to this program and increase our holdings over the next few years.

There are several promising land deals in discussion and the directors continue to strive for the best results for the group when marketing the portfolio held within the development division.

Key performance indicators

The group balance sheet remains strong with £47.8m (2021: £59.5m) of net assets with the fall being attributed to the one off, and substantial noncash costs, as detailed above.

Other information and explanations

We have recently implemented planning permission for a 16 Acre residential site in central Manchester and are in advanced legals in relation to this development.

Our principal group waste asset, Avondale Group has recently signed a new banking agreement with HSBC which significantly reduces capital repayment while continuing the deleveraging of this business.

S172 statement

Promoting the success of the group
The directors of the group believe that they have acted in the way they consider to be both in good faith and would be most likely to promote the success of the group for the benefit of its members as a whole. The duties of the directors are detailed in section 172 of the UK Companies Act 2006 which is summarised as follows:

A director of a company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its shareholders as a whole and, in doing so have regard (amongst other matters) to:

- The likely consequences of any decisions in the long-term;
- The interests 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
- The need to act fairly as between shareholders of the company.

Business conduct and relationships
We understand the importance of engaging with all of our stakeholders and the directors regularly discuss issues concerning employees, clients, suppliers, community and environment, health and safety and shareholders which inform our decision making processes. The directors are aware that their strategic decisions can have long term implications for the business and its stakeholders, and these implications are carefully assessed.

We aim to build positive working relationships and partnerships with customers and suppliers. We work hard to develop and maintain these relationships as they are central to our sustainable business ethos. Our aim is to build strong stable long term working relationships with them and to be fair and transparent in all our dealings.

Employees
We believe the core strength of the company is its people and we are committed to being a responsible business and employer. The company aims to recruit, develop, motivate and retain the best talent. For the business to succeed we need to engage and enable our people to perform at their best, develop their skills and capabilities, while ensuring we operate as efficiently and productively as possible.

On behalf of the board

....
J Lewsley
Director

Date: 22 December 2023

NPL GROUP (UK) LTD

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2023

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

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

Principal activities
The principal activity of the company and group continued to be that of a full cycle land remediation and development business, incorporating landcare and waste management divisions. We acquire sites, remediate them and bring them back into economic use.

Our waste management division operates a landfill site, including exploitation of the landfill gas produced by the deposited waste to generate renewable electricity for export to the National Grid.

Results and dividends
The results for the year are set out on page 9.

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:

M McFarlane
R McFarlane
J Lewsley

Future developments
The development business continues to generate opportunities to monetise existing sites and acquire new sites.

Changes in presentation of the financial statements
The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of Important events after the year end.

Auditor
The auditor, Azets Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy consumption		kWh
Aggregate of energy consumption in the year		6,962,329

Emissions of CO2 equivalent	Metric tonnes	Metric tonnes
Scope 1 - direct emissions		
- Gas combustion	-	
- Fuel consumed for owned transport	935.84	
		935.84
Scope 2 - indirect emissions		
- Electricity purchased		576.06
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the company		45.13
Total gross emissions		1,557.03
Intensity ratio		
Tonnes CO2e per £m Turnover		.03

Quantification and reporting methodology
The group has followed the 2019 HM Government Environmental Reporting Guidelines. The group has also used the GHG Reporting Protocol – Corporate Standard and have used the 2022 UK Government's Conversion Factors for Company Reporting

Intensity measurement
The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per £m turnover, as set out in annex F of the 2019 HM Government Environmental Reporting Guidelines.

Measures taken to improve energy efficiency
The landfill site run through our waste division continues to manage and maximise the methane gas collection from the deposited waste streams to both ensure potentially harmful methane does not escape into the atmosphere whilst generating useful electricity from this renewable source. In the year to 31 March 2023 gas output produced by the group and passed to the National Grid was 28,084,883 kWh, which is well in excess of the groups consumption in the year.

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

On behalf of the board

....
J Lewsley
Director

Date: 22 December 2023

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF NPL GROUP (UK) LTD

Opinion

We have audited the financial statements of NPL Group (UK) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the group statement of comprehensive income, the group statement of financial position, the company statement of financial position, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the group and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and 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.

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF NPL GROUP (UK) LTD

Extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the group and parent company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Azets Audit Services

Bernadette Higgins
Senior Statutory Auditor
For and on behalf of Azets Audit Services

22\12\23

Chartered Accountants
Statutory Auditor

Titanium 1
King's Inch Place
Renfrew
PA4 8WF

NPL GROUP (UK) LTD

GROUP STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023

	Notes	2023 £	2022 as restated £
Turnover	3	41,942,573	44,800,142
Cost of sales		(33,508,583)	(35,733,204)
Gross profit		8,433,990	9,066,938
Administrative expenses		(22,969,865)	(9,405,112)
Other operating income		1,421,840	2,828,425
Royalty settlement	4	-	(976,065)
Operating (loss)/profit	5	(13,114,035)	1,514,186
Interest receivable and similar income	9	4,706	(270)
Interest payable and similar expenses	10	(2,006,388)	(1,595,629)
Loss before taxation		(15,115,717)	(81,713)
Tax on loss	11	3,428,025	(1,676,932)
Loss for the financial year		(11,687,692)	(1,758,645)
Loss for the financial year is attributable to:			
- Owners of the parent company		(11,685,134)	(1,758,311)
- Non-controlling interests		(2,558)	(334)
		(11,687,692)	(1,758,645)
Total comprehensive income for the year is attributable to:			
- Owners of the parent company		(11,685,134)	(1,758,311)
- Non-controlling interests		(2,558)	(334)
		(11,687,692)	(1,758,645)

NPL GROUP (UK) LTD

GROUP STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

	Notes	2023 £	2023 £	2022 as restated £	2022 as restated £
Fixed assets					
Goodwill	13		1,792,932		2,017,049
Other intangible assets	13		10,885,932		12,188,033
Total intangible assets			12,678,864		14,205,082
Tangible assets	15		19,361,198		24,698,242
Investment properties	14		1,875,000		5,985,000
Investments	16		50		50
			33,915,112		44,888,374
Current assets					
Stocks	19	80,104,428		81,322,278	
Debtors	20	12,806,048		16,906,925	
Cash at bank and in hand		887,800		2,613,631	
		93,798,276		100,842,834	
Creditors: amounts falling due within one year	21	(51,597,912)		(36,646,619)	
Net current assets			42,200,364		64,196,215
Total assets less current liabilities			76,115,476		109,084,589
Creditors: amounts falling due after more than one year	22		(10,713,302)		(41,510,751)
Provisions for liabilities					
Provisions	25	15,741,032		4,707,524	
Deferred tax liability	26	1,891,305		3,408,785	
			(17,632,337)		(8,116,309)
Net assets			47,769,837		59,457,529
Capital and reserves					
Called up share capital	28		25,102,169		25,102,169
Share premium account			3,897,931		3,897,931
Profit and loss reserves			18,778,651		30,463,785
Equity attributable to owners of the parent company			47,778,751		59,463,885
Non-controlling interests			(8,914)		(6,356)
			47,769,837		59,457,529

NPL GROUP (UK) LTD

GROUP STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2023

The financial statements were approved by the board of directors and authorised for issue on 22|12|23 and are signed on its behalf by:

....

J Lewsley

Director

NPL GROUP (UK) LTD

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Investments	16		54,583,011		54,583,011
Current assets					
Debtors	20	5,112,443		4,486,054	
Cash at bank and in hand		4,266		5,134	
		5,116,709		4,491,188	
Creditors: amounts falling due within one year	21	(939,487)		(184,774)	
Net current assets			4,177,222		4,306,414
Net assets			58,760,233		58,889,425
Capital and reserves					
Called up share capital	28		25,102,169		25,102,169
Share premium account			3,897,931		3,897,931
Profit and loss reserves			29,760,133		29,889,325
Total equity			58,760,233		58,889,425

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's loss for the year was £129,192 (2022 - £13,147 loss).

The financial statements were approved by the board of directors and authorised for issue on 22|12|23 and are signed on its behalf by:

....

J Lewsley
Director

Company Registration No. SC444462

NPL GROUP (UK) LTD

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
	£	£	£	£	£	£	£
Balance at 1 April 2021	25,102,169	3,897,931	567,000	31,345,108	60,912,208	(6,022)	60,906,186
Prior period adjustment	-	-	-	309,988	309,988	-	309,988
As restated	25,102,169	3,897,931	567,000	31,655,096	61,222,196	(6,022)	61,216,174
Year ended 31 March 2022:							
Loss and total comprehensive income for the year	-	-	-	(1,758,311)	(1,758,311)	(334)	(1,758,645)
Transfers	-	-	(567,000)	567,000	-	-	-
Balance at 31 March 2022 as restated	25,102,169	3,897,931	-	30,463,785	59,463,885	(6,356)	59,457,529
Year ended 31 March 2023:							
Loss and total comprehensive income for the year	-	-	-	(11,685,134)	(11,685,134)	(2,558)	(11,687,692)
Balance at 31 March 2023	25,102,169	3,897,931	-	18,778,651	47,778,751	(8,914)	47,769,837

NPL GROUP (UK) LTD

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 April 2021	25,102,169	3,897,931	29,902,472	58,902,572
Year ended 31 March 2022:				
Loss and total comprehensive income for the year	-	-	(13,147)	(13,147)
Balance at 31 March 2022	25,102,169	3,897,931	29,889,325	58,889,425
Year ended 31 March 2023:				
Loss and total comprehensive income for the year	-	-	(129,192)	(129,192)
Balance at 31 March 2023	25,102,169	3,897,931	29,760,133	58,760,233

NPL GROUP (UK) LTD

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2023

		2023		2022	
	Notes	£	£	£	£
Cash flows from operating activities					
Cash generated from operations	35		3,980,699		5,368,679
Interest paid			(1,072,783)		(901,475)
Income taxes paid			-		(155,485)
Net cash inflow from operating activities			2,907,916		4,311,719
Investing activities					
Proceeds of disposal of business		655,736		-	
Purchase of tangible fixed assets		(3,315,851)		(1,973,506)	
Proceeds on disposal of tangible fixed assets		1,982,930		14,999	
Proceeds on disposal of investment property		3,140,001		604,800	
Interest received		4,706		(270)	
Net cash generated from/(used in) investing activities			2,467,522		(1,353,977)
Financing activities					
Repayment of borrowings		(1,529,582)		(505,561)	
Repayment of bank loans		(6,142,800)		(1,571,398)	
Payment of finance leases obligations		(105,807)		(102,633)	
Net cash used in financing activities			(7,778,189)		(2,179,592)
Net (decrease)/increase in cash and cash equivalents			(2,402,751)		778,150
Cash and cash equivalents at beginning of year			1,662,126		883,976
Cash and cash equivalents at end of year			(740,625)		1,662,126
Relating to:					
Cash at bank and in hand			887,800		2,613,631
Bank overdrafts included in creditors payable within one year			(1,628,425)		(951,505)

1 Accounting policies

Company information

NPL Group (UK) Ltd ("the company") is a private limited company domiciled and incorporated in Scotland. The registered office is 183 St Vincent Street, First Floor, Glasgow, UK, G2 5QD.

The group consists of NPL Group (UK) Ltd and all of its subsidiaries.

1.1 Accounting convention

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

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

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

1.2 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company, NPL Group (UK) Ltd, together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 March 2023. 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.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates.

Investments in joint ventures and associates are carried in the group statement of financial position at cost plus post-acquisition changes in the group's share of the net assets of the entity, less any impairment in value. The carrying values of investments in joint ventures and associates include acquired goodwill.

If the group's share of losses in a joint venture or associate equals or exceeds its investment in the joint venture or associate, the group does not recognise further losses unless it has incurred obligations to do so or has made payments on behalf of the joint venture or associate.

Unrealised gains arising from transactions with joint ventures and associates are eliminated to the extent of the group's interest in the entity.

1 Accounting policies **(Continued)**

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors are required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business. In satisfaction of this responsibility the directors have considered the group's ability to meet its liabilities as they fall due.

Management information tools, including budgets and cashflows, are used to monitor and manage current and future liquidity, at a company level and at a group wide level. The directors have undertaken a recent and thorough review of the company and group forecast's and the associated risks for a period beyond twelve months from the date of the approval of these financial statements. These forecasts have been duly sensitised to illustrate the impact of variations in key assumptions and on this basis, the directors are satisfied that the forecasts demonstrate that the company and group will continue to operate within its existing working capital facilities. All group companies will continue to support its fellow subsidiaries as necessary for a period of at least 12 months from the date of approval of these financial statements.

The net current asset position at the year end includes a loan repayable balance of £23,864,465 which reflects the legal repayment position of the bank debt as at 31 March 2023. Subsequent to the year end, the Group has renewed both of its loan facilities. Full details in respect of this are included at note 31 to the financial statements.

1.4 Turnover

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Waste division turnover represents the invoiced value of waste steams processed, the value of electricity generated and other goods and services provided including landfill tax but excluding VAT and other sales taxes. Turnover from the sale of electricity generated is recognised at the point the electricity is supplied to the National Grid. Turnover from the processing of waste streams is recognised when the waste material has been deposited into the landfill.

Turnover from the landcare division comes primarily from supplying facility management services, supplying rental space, utilities, repairs and general supply of facility services.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which for these entities is 10 years.

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

1 Accounting policies **(Continued)**

1.6 Intangible fixed assets other than goodwill

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

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

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

Gas reserves	5% straight line

1.7 Tangible fixed assets

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

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

Freehold land and buildings	Land - nil Buildings - 2%
Improvements to property	20% straight line
Plant and equipment	2.5%-33% straight line
Fixtures and fittings	20% straight line - 25% reducing balance
Computers	33% straight line
Motor vehicles	25% straight line
Landfill site	5% straight line
Waste recycling facility	2.5%-10% straight line

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

1.8 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

1.9 Fixed asset investments

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

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

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

1 Accounting policies **(Continued)**

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. 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. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

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

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

1.10 Impairment of fixed assets

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

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

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

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

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

1 Accounting policies **(Continued)**

1.11 Stocks

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

The group holds Stock which is land held for development and held at deemed cost or fair value.

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

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

Financial instruments are recognised in the group's statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

1 Accounting policies **(Continued)**

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

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

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

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

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

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

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

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

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

1 Accounting policies **(Continued)**

1.16 Provisions

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

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

Aftercare and restoration provision

Provision for the cost of restoring the landfill site is made as the obligation to restore the site arises. Costs are charged to the profit and loss account over the operational life on the basis of the usage of void space in the landfill site. The restoration obligation is typically fulfilled within 2 years of the landfill site being closed to waste.

Provision is made for the net present value of post closure costs based on the quantity of waste deposited in the year. Similar costs incurred during the operating life of the sites are written off directly to the profit and loss account and not charged to the provision.

The long term provision for restoration is calculated based on future costs, using an inflation rate of 2% and discounting at 5-6%. The effects of inflation and unwinding of the discount element of the provision are reflected within the financial statements as a finance charge.

The aftercare provision is recognised in the financial statements at the net present value of the estimated future expenditure required to settle the group'sobligations. A discount rate of 6% has been applied to recognise the time value of money and is unwound over the life of the provision. This is included in the profit and loss account as a financial item within finance costs.

The group assumes an aftercare period of 60 years from site closure in calculating provision values. This is considered reasonable by management, is comparable to peers in the waste business and is consistent with Environment Agency financial provision requirements.

1.17 Employee benefits

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

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

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

1.18 Retirement benefits

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

1 Accounting policies **(Continued)**

1.19 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 statement of financial position 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.,

1.20 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

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

Fair Value of Investment Property
The valuation of the group's investment property is inherently subjective due to, among other factors, the nature of the property, its location and the expected future revenues from that particular property. As a result, the valuations the group places on its investment property are subject to a degree of uncertainty and are made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the property market.

The fair value of investment property is appraised each year either by independent external valuers or on the basis of internal valuations. The best evidence of fair value is current prices in an active market for similar investment property. In the absence of such information the directors determine the amount within a range of reasonable fair value estimate, taking into account such assumptions as the tenure and tenancy details, ground conditions, the structural condition, prevailing market yields and comparable market transactions.

Discounting of bank loan
Included within creditors due within one year is a bank loan of £16,828,665. Part of this balance is non-interest bearing and, in line with accounting standards, the directors have applied an effective interest rate to the original loan facility and amortised this over the term of the facility. The directors have considered the market rate of interest for a similar debt instrument when determining an appropriate interest rate to apply.

2 Judgements and key sources of estimation uncertainty (Continued)

Key sources of estimation uncertainty

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

Release of deferred income

Deferred income received by the landcare division relates to income received when a completed site transfers to it, this income is intended to cover future costs of maintaining the site. On this basis the directors have elected to release the income to the income statement over a period of 10-15 years depending on the profile of expected future costs.

The landcare division continues to receive ongoing annual income in relation to these sites which goes towards any future costs out with this 10-15 year release period.

Directors Valuation of Land

The directors assess the fair value of freehold land on an annual basis, taking into consideration the latest formal valuation, knowledge of the industry and changes in the market, to determine if the carrying value remains appropriate.

Environmental and Landfill restoration provisions

Environmental control and aftercare costs are incurred during the operational life of each landfill site and for a considerable period thereafter. The period of aftercare post-closure and the level of costs expected are uncertain and can vary significantly from site to site. Key factors are the type of waste, the speed at which it decomposes, the volume of leachate requiring treatment and regulatory requirements specific to the site. The amounts expected to be incurred are based on landfill site operating lives, taking account of the anticipated decline in landfill activity.

The provision is based on latest assumptions reflecting recent historic data and future cost estimates. The provision is recognised in the financial statements at the net present value of the estimated future expenditure required to settle the group's obligations. A discount rate of 6% has been applied to recognise the time value of money and is unwound over the life of the provision.

The group assumes an aftercare period of 60 years from site closure in calculating provision values. This is considered reasonable by management, is comparable to peers in the waste business and is consistent with Environment Agency financial provision requirements.

Each year the directors assess the costs incurred by the group on the related land and will reassess the value of the provision to ensure it remains in line with costs expected to be incurred going forward.

Gas reserves and power generation

The group has used simulation models to predict the future gas generation within the landfill. Estimates used in the gas simulation model include future waste tonnages and composition, together with decomposition rates. Future power generation is based on these models whilst also considering current power generation levels.

3 Turnover and other revenue

	2023	Restated 2022
	£	£
Turnover analysed by class of business		
Waste Streams Processed	30,355,990	32,757,540
Renewable Electricity generation	3,114,937	3,297,298
Restoration Soils & Mineral extraction	604,434	2,173,182
Facilities Management Income	2,854,689	3,147,716
Landcare and Maintenance	493,512	418,030
Leases, Licences & Royalties	23,638	101,331
Machinery hire & Sundries	123,506	121,712
Land sales	4,371,867	2,783,333
	41,942,573	44,800,142

	2023	2022
	£	£
Other revenue		
Interest income	4,706	(270)
Royalty income	-	14
Rent receivable	435,456	566,455
Management fees receivable	213,945	2,153,899
Sundry income	772,435	107,976

4 Royalty settlement

	2023	2022
	£	£
Expenditure		
Royalty settlement	-	976,065

Royalty settlement expenditure in the year to 31 March 2022 relates to a non-recurring settlement of contractual royalties, including associated legal fees, arising on misinterpretation of the contract.

Total costs in the year ended 31 March 2022 were £1,063,306 which is made up of the balance above plus interest on this balance of £87,241 which is included within interest costs in the profit and loss account. There were no such costs in the year ended 31 March 2023.

5 Operating (loss)/profit

	2023	2022
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	-	106
Depreciation of owned tangible fixed assets	3,179,585	1,320,173
Depreciation of tangible fixed assets held under finance leases	46,660	131,579
Impairment of owned tangible fixed assets	-	360,000
Profit on disposal of tangible fixed assets	(49,311)	(14,999)
Loss on disposal of investment property	969,999	95,200
Amortisation of intangible assets	1,056,175	1,076,717
Impairment of intangible assets	-	389,278
Operating lease charges	47,976	52,075

6 Employees

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

	Group 2023	2022	Company 2023	2022
	Number	Number	Number	Number
Administration / Management	27	28	-	-
Direct staff	36	36	-	-
Total	63	64	-	-

Their aggregate remuneration comprised:

	Group 2023	2022	Company 2023	2022
	£	£	£	£
Wages and salaries	2,661,082	3,030,929	-	-
Social security costs	351,513	351,408	-	-
Pension costs	84,242	43,346	-	-
	3,096,837	3,425,683	-	-

7 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	505,147	508,589
Company pension contributions to defined contribution schemes	-	440
	505,147	509,029

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

	2023	*2022*
	£	£
Remuneration for qualifying services	302,000	240,000

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to nil(2022: 1).

8 Auditor's remuneration

	2023	2022
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	24,250	22,000
Audit of the financial statements of the company's subsidiaries	193,250	176,000
	217,500	198,000
For other services		
Taxation compliance services	45,000	42,000
Fees payable to other auditors for the audit of the company's subsidiaries	-	15,000

9 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	4,706	(270)

	2023	2022
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	4,706	(270)

10 Interest payable and similar expenses

	2023	2022
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	1,044,304	700,014
Other interest on financial liabilities	582,181	434,757
	1,626,485	1,134,771
Other finance costs:		
Interest on finance leases and hire purchase contracts	9,532	20,609
Unwinding of discount on provisions	370,371	352,734
Other interest	-	87,515
Total finance costs	2,006,388	1,595,629

11 Taxation

	2023	2022
	£	£
Current tax		
UK corporation tax on profits for the current period	1,465	1,260,405
Adjustments in respect of prior periods	(406,514)	(12,373)
Total current tax	(405,049)	1,248,032
Deferred tax		
Origination and reversal of timing differences	(3,033,521)	(475,634)
Changes in tax rates	-	933,945
Adjustment in respect of prior periods	10,545	(29,411)
Total deferred tax	(3,022,976)	428,900
Total tax (credit)/charge	(3,428,025)	1,676,932

11 Taxation (Continued)

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

	2023 £	2022 £
Loss before taxation	(15,115,717)	(81,713)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	(2,871,986)	(15,525)
Tax effect of expenses that are not deductible in determining taxable profit	829,500	402,556
Tax effect of income not taxable in determining taxable profit	(586,278)	(113,826)
Adjustments in respect of prior years	(406,514)	(12,373)
Deferred tax adjustments in respect of prior years	10,545	(29,411)
Fixed Asset differences	571,493	27,828
Movement in deferred tax not recognised	465,106	8,618,917
Other movements	(528,198)	-
Capital gains/(losses)	(217,512)	(90,415)
Remeasurement of deferred tax of changes in tax rates	(936,681)	(8,503,338)
Deferred tax (charged)/credited directly to equity	242,500	1,392,519
Taxation (credit)/charge	(3,428,025)	1,676,932

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2023 £	2022 £
In respect of:			
Goodwill	13	-	389,278
Property, plant and equipment	15	-	360,000
Recognised in:			
Administrative expenses		-	749,278

The impairment losses in respect of financial assets are recognised in other gains and losses in the income statement.

13 Intangible fixed assets

Group	Goodwill	Gas reserves	Total
	£	£	£
Cost			
At 1 April 2022	2,630,444	14,001,620	16,632,064
Disposals	-	(580,001)	(580,001)
At 31 March 2023	2,630,444	13,421,619	16,052,063
Amortisation and impairment			
At 1 April 2022	613,395	1,813,587	2,426,982
Amortisation charged for the year	224,117	832,058	1,056,175
Disposals	-	(109,958)	(109,958)
At 31 March 2023	837,512	2,535,687	3,373,199
Carrying amount			
At 31 March 2023	1,792,932	10,885,932	12,678,864
At 31 March 2022	2,017,049	12,188,033	14,205,082

The company had no intangible fixed assets at 31 March 2023 or 31 March 2022.

Gas reserves disposed of in the year was part of the sale of Whitehead Restoration Limited, details of which can be found at note 29 to the accounts.

14 Investment property

	Group 2023	Company 2023
	£	£
Fair value		
At 1 April 2022 and 31 March 2023	5,985,000	-
Disposals	(4,110,000)	-
At 31 March 2023	1,875,000	-

The group holds several investment properties, information relating to these properties as follows.

Investment property to the value of £1,875,000 was valued by Colliers International, who are not connected with the group, as at 31 March 2021. If investment property had not been revalued it would have been included at a cost of £1. The directors consider the values assigned by Colliers to remain appropriate as at 31 March 2023.

During the year ended 31 March 2023 the group sold two of its investment properties at a combined carrying value of £4,110,000. One of these was sold at its carrying value of £3,140,000. The other was sold at a value of £1, resulting in a loss on disposal of £969,999.

15 Tangible fixed assets

Group	Freehold land and buildings	Improvements to property	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Landfill site	Waste recycling facility	Total
	£	£	£	£	£	£	£	£	£
Cost									
At 1 April 2022 as restated	15,568,207	101,767	9,864,033	28,942	6,215	151,464	1,553,831	10,077,252	37,351,711
Additions	149,767	-	322,699	5,145	-	80,995	2,779,970	-	3,338,576
Disposals	(4,404,450)	(101,767)	(1,254,693)	(1,221)	-	(194,459)	-	(9,324,052)	(15,280,642)
At 31 March 2023	11,313,524	-	8,932,039	32,866	6,215	38,000	4,333,801	753,200	25,409,645
Depreciation and impairment									
At 1 April 2022 as restated	285,759	101,767	1,578,601	14,205	3,755	87,081	1,027,286	9,555,015	12,653,469
Depreciation charged in the year	114,093	-	1,018,099	5,610	1,408	27,595	2,020,943	38,497	3,226,245
Eliminated in respect of disposals	-	(101,767)	(239,529)	(625)	-	(165,290)	-	(9,324,056)	(9,831,267)
At 31 March 2023	399,852	-	2,357,171	19,190	5,163	(50,614)	3,048,229	269,456	6,048,447
Carrying amount									
At 31 March 2023	10,913,672	-	6,574,868	13,676	1,052	88,614	1,285,572	483,744	19,361,198
At 31 March 2022 as restated	15,282,448	-	8,285,432	14,737	2,460	64,383	526,545	522,237	24,698,242

The company had no tangible fixed assets at 31 March 2023 or 31 March 2022.

15 Tangible fixed assets **(Continued)**

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2023 £	2022 £	Company 2023 £	2022 £
Plant and equipment	12,282	34,589	-	-
Motor vehicles	18,362	51,855	-	-
	30,644	86,444	-	-

During the year ended 31 March 2023 the group sold its waste recycling facility along with the associated assets and land it is situated on. These assets were split across tangible fixed assets and investment properties. Tangible fixed assets with a net book value of £1,860,000 were sold as part of this transaction at their carrying value. Investment property with a net book value of £3,140,000 was also sold at its carrying value as detailed at note 14 to the accounts.

During the year ended 31 March 2023 the group also disposed of one of its subsidiaries, Whitehead Restoration Limited. Tangible fixed assets with a net book value of £3,515,760 were disposed of as part of this transaction. Further details on this can be found at note 29 to the accounts.

Other assets disposed of in the year had a combined net book value of £73,619 and were disposed of at a value of £118,430, resulting in a gain on disposal of £49,311.

16 Fixed asset investments

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Investments in subsidiaries	17	-	-	54,583,011	54,583,011
Investments in associates	18	50	50	-	-
		50	50	54,583,011	54,583,011

Movements in fixed asset investments

Group	Shares in associates £
Cost or valuation	
At 1 April 2022 and 31 March 2023	50
Carrying amount	
At 31 March 2023	50
At 31 March 2022	50

16 Fixed asset investments **(Continued)**

Movements in fixed asset investments
Company

	Shares in subsidiaries
	£
Cost or valuation	
At 1 April 2022 and 31 March 2023	54,583,011
Carrying amount	
At 31 March 2023	54,583,011
At 31 March 2022	54,583,011

17 Subsidiaries

Details of the company's subsidiaries at 31 March 2023 are as follows:

	Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct	% Held Indirect

Registered office addresses (all UK unless otherwise indicated):

1	Amos Land One LLP	1	Land Development	LLP	100	
2	Amos Land Two LLP	1	Land Development	LLP	100	
3	Amos Three LLP	1	Dormant	LLP	100	
4	Anglesey LNG Limited	3	Professional, scientific & technical activities	Ordinary shares	100	
5	Ardeer Regeneration Limited	1	Land Development	Ordinary shares	100	
6	Avondale Holdings Limited	3	Remediation & waste management	Ordinary shares	100	
7	Avondale Advanced Waste Treatment Limited	3	Remediation activities & waste management services	Ordinary shares	100	
8	Avondale Developments Ltd	3	Dormant	Ordinary shares	100	
9	Avondale Environmental Ltd	3	Remediation & waste management	Ordinary shares	100	
10	BPW Bio Soils Ltd	2	Remediation & waste management	Ordinary Shares	100	
11	Brownfield Land Holdings Limited	2	Land Development	Ordinary shares	100	
12	Cheshire Energy Limited	2	Professional, scientific & technical activities	Ordinary Sahare	100	
13	Cookes Lane Land Limited	2	Buying and selling of own real estate	Ordinary Shares	100	
14	Dragon Power Developments Limited	3	Professional, scientific & technical activities	Ordinary Shares	100	
15	Fureys Limited	2	Land Development	Ordinary shares	100	
16	Fylde Water Company Limited	2	Land Development	Ordinary Shares	100	
17	Griffiths Park Land Limited	2	Land Development	Ordinary shares	100	
18	Halite Energy Group Limited	3	Professional, scientific & technical activities	Ordinary Shares	100	
19	Hillhouse Remediation Limited	2	Land Development	Ordinary Shares	100	
20	Irvine Harbour Company	1	Management of real estate	Ordinary & Preference Shares	100	
21	King Street Cheshire (Properties) Ltd	2	Land Development	Ordinary shares	100	
22	King Street Energy (Cheshire) Ltd	2	Land Development	Ordinary shares	100	
23	Landcare (East Manchester) Ltd	2	Land Development	Ordinary shares	100	
24	Landcare (Puriton) Ltd	1	Land Development	Ordinary shares	100	
25	Landcare Redhill Ltd	3	Land Development	Ordinary shares	100	
26	Landcare (Rochdale) Ltd	1	Land Development	Ordinary shares	100	
27	Landcare (Rotherham) Ltd	1	Land Development	Ordinary shares	100	
28	Landcare (Solutions) Ltd	3	Dormant	Ordinary shares	100	
29	Landcare (Manchester) Ltd	1	Land Development	Ordinary shares	100	
30	Landco Two Limited	1	Land Development	Ordinary shares	100	
31	Le-Fylde Estates Ltd	3	Land Development	Ordinary shares	100	
32	NPL PH Clearing Company Ltd	1	Dormant	Ordinary shares	100	
33	NPL Analytical Limited	2	Dormant	Ordinary shares	100	
34	NPL Developments Ltd	2	Holding Company	Ordinary shares	100	
35	NPL Energy Holdings Ltd	2	Holding Company	Ordinary shares	100	
36	NPL Estates Ltd	2	Land Development	Ordinary shares	100	

17 Subsidiaries (Continued)

37	NPL Geotechnics Limited	2	Dormant	Ordinary shares	100
38	NPL Landcare Holdings Ltd	1	Holding Company	Ordinary shares	100
39	NPL Landcare Ltd	2	Management of real estate	Ordinary shares	100
40	NPL Waste Management Holdings Ltd	2	Holding Company	Ordinary shares	100
41	NPL Waste Management Limited	2	Remediation & waste management	Ordinary shares	86
42	Oissell Remediation LLP	1	Remediation & waste management	LLP	100
43	P O S Landcare Ltd	1	Management of real estate on a fee or contract basis	Ordinary shares	100
44	Preesall Energy Services Ltd	3	Professional, scientific & technical activities	Ordinary shares	100
45	Preesall Investments Limited	3	Professional, scientific & technical activities	Ordinary shares	100
46	Thornton Facilities Management Limited	2	Management of real estate	Ordinary shares	100
47	UCC Strategic Land Ltd	1	Land Development	Ordinary shares	100
48	Ulverston Canal Co Ltd	1	Land Development	Ordinary shares	100
49	Wheatley Hall Road Land Ltd	2	Dormant	Ordinary shares	100
50	Whitehaven Developments Ltd	1	Land Development	Ordinary shares	100
51	Wilton Remediation LLP	1	Land Development	LLP	100
52	Winnington Properties Limited	2	Dormant	Ordinary shares	100
53	Wyre Gas Transportation Limited	3	Dormant	Ordinary shares	100
54	Wyre Power Limited	3	Professional, scientific & technical activities	Ordinary shares	100

Key	Registered Address
1	1st Floor 183 St Vincent Street, Glasgow G2 5QD
2	1 St Peters Square, Manchester, M2 3DE
3	Po Box 4 Business Centre, Hillhouse International Business Centre, Thornton-Cleveleys FY5 4QD

18 Associates

Details of associates at 31 March 2023 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Dickie & Moore Developments Limited	Hillhouse Business Park, Thornton-Cleveleys, FY5 4QD	Land Development	Ordinary Shares	50
PurgoNPL Group Limited	28 Upper Fitzwilliam Street, Dublin 2	Remediation & monetisation of waste resiudes	Ordinary Shares	50

19 Stocks

	Group 2023 £	Restated 2022 £	Company 2023 £	2022 £
Raw materials and consumables	81,273	87,632	-	-
Land held for development	80,023,155	81,234,646	-	-
	80,104,428	81,322,278	-	-

Stock with a carrying amount of £80,023,155 (2022: £81,234,646) relates to development land held by the group.

Part of this landholding was valued at 31 March 2021 by Colliers International, independent valuers not connected with the group, on the basis of market value at £55,641,009 (2022: £56,852,500). The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties. The directors consider this valuation to remain appropriate as at 31 March 2023.

The remainder of the landholding is held at deemed cost of £24,382,146 (2022: £24,382,146).

20 Debtors

Amounts falling due within one year:	Group 2023 £	2022 £	Company 2023 £	2022 £
Trade debtors	4,784,058	6,609,935	-	-
Amounts owed by group undertakings	-	-	4,750,527	4,486,007
Amounts owed by undertakings in which the company has a participating interest	-	59,992	-	-
Other debtors	5,334,693	8,293,776	2,700	-
Prepayments and accrued income	1,181,801	1,943,222	359,216	47
	11,300,552	16,906,925	5,112,443	4,486,054
Deferred tax asset (note 26)	1,505,496	-	-	-
	12,806,048	16,906,925	5,112,443	4,486,054

21 Creditors: amounts falling due within one year

	Notes	Group 2023 £	Restated 2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	23	25,492,890	3,094,305	-	-
Obligations under finance leases	24	33,470	170,410	-	-
Trade creditors		2,298,314	2,635,622	333,019	48,013
Amounts owed to group undertakings		-	-	185,078	125,559
Corporation tax payable		845,379	1,260,405	-	-
Other taxation and social security		10,168,405	14,398,503	3,004	6,562
Other creditors		5,888,412	7,458,483	20,304	4,640
Accruals and deferred income		6,871,042	7,628,891	398,082	-
		51,597,912	36,646,619	939,487	184,774

Included within other creditors is £nil (2022: £1,053,848) due to Shanks Waste Management Limited. Amounts due to Shanks Waste Management Limited were secured by a debenture in Avondale Holdings Limited.

22 Creditors: amounts falling due after more than one year

	Notes	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans and overdrafts	23	-	26,930,856	-	-
Obligations under finance leases	24	70,514	16,656	-	-
Other borrowings	23	10,642,788	14,020,570	-	-
Other creditors		-	542,669	-	-
		10,713,302	41,510,751	-	-

23 Loans and overdrafts

	Group 2023 £	2022 £	Company 2023 £	2022 £
Bank loans	23,864,465	29,073,656	-	-
Bank overdrafts	1,628,425	951,505	-	-
Other loans	12,490,988	14,020,570	-	-
	37,983,878	44,045,731	-	-
Payable within one year	27,341,090	3,094,305	-	-
Payable after one year	10,642,788	40,951,426	-	-

23 Loans and overdrafts **(Continued)**

Security
Included within bank loans are loans to the value of £7,035,800 (2022: £13,178,600) which are secured by a bond and a floating charge over the assets of the Avondale companies and loans to the value of £16,067,820 (2022: £15,175,877) and £760,845 (2022: £719,179) which are secured over the assets of Halite Energy Group & Anglesey LNG respectively.

There are a number of charges registered with Companies House, in the main these relate to environmental obligations on the subsequent disposal of land.

24 Finance lease obligations

	Group 2023 £	2022 £	Company 2023 £	2022 £
Future minimum lease payments due under finance leases:				
Within one year	33,470	170,410	-	-
In two to five years	70,514	16,656	-	-
	103,984	187,066	-	-

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

25 Provisions for liabilities

	Group 2023 £	Restated 2022 £	Company 2023 £	2022 £
Aftercare and restoration provision	15,741,032	4,707,524	-	-

Movements on provisions:

Group	Aftercare and restoration provision £
At 1 April 2022 as restated	4,707,524
Additional provisions in the year	14,446,024
Utilisation of provision	(1,602,102)
Other movements	(1,810,414)
At 31 March 2023	15,741,032

25 Provisions for liabilities **(Continued)**

Aftercare and restoration provision
The total post closure costs, including items such as monitoring, gas and leachate management, have been estimated by the directors and management based on current practice and technology available. These may be impacted by a number of factors including changes in legislation and improvements in technology. The dates of payment of these aftercare costs are uncertain but are anticipated to be over a period of approximately 60 years from the closure of the landfill site.

In the year ended 31 March 2023 management have reassessed their obligations with regards to the ongoing aftercare costs for the related land. As such the value of the provision has been adjusted to cover the level of costs now expected to be incurred in the aftercare period.

The site restoration provision relates to the cost of final capping and covering of the landfill site at Avondale. These costs may be impacted by a number of factors including changes in legislation and changes in technology. The dates of payment is expected to be over the next five years.

26 *Deferred taxation*

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

Group	Liabilities 2023 £	Liabilities 2022 £	Assets 2023 £	Assets 2022 £
Accelerated capital allowances	1,276,000	1,379,000	-	-
Revaluations	615,305	2,029,785	-	-
Timing differences	-	-	283,735	-
Losses and other deductions	-	-	1,221,761	-
	1,891,305	3,408,785	1,505,496	-

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2023 £	Company 2023 £
Liability at 1 April 2022	3,408,785	-
Credit to profit or loss	(3,022,976)	-
Liability at 31 March 2023	385,809	-

A deferred tax asset has been recognised in the current year as management believe it is probable that taxable profits will be available within the group against which deductible temporary differences can be utilised.

27 Retirement benefit schemes

Defined contribution schemes	**2023 £**	**2022 £**
Charge to profit or loss in respect of defined contribution schemes	84,242	43,346

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.

28 Share capital

Ordinary share capital	**2023 Number**	**2022 Number**	**2023 £**	**2022 £**
Issued and fully paid				
Ordinary shares of £1 each	25,102,169	25,102,169	25,102,169	25,102,169

Ordinary share rights
The Company's ordinary shares each carry the right to one vote and the right to participate in any distributions as respects dividends and as respects capital and are not redeemable.

29 Disposals

On 15 July 2022 the group disposed of its 100% holding in Whitehead Restoration Ltd. Included in these financial statements are profits of £314,171 arising from the company's interests in Whitehead Restoration Ltd up to the date of its disposal.

Net assets disposed of	**£**
Intangible assets	(470,043)
Property, plant and equipment	(3,515,760)
Trade and other receivables	(201,368)
Trade and other payables	234,411
Tax liabilities	(9,900)
Provisions	1,810,414
Retirement benefit pension scheme	671
Deferred tax	833,191
	(1,318,384)
Loss on disposal	662,647
Total consideration	(655,737)

The consideration was satisfied by:	**£**
Cash	(655,737)

30 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 2023	2022	Company 2023	2022
	£	£	£	£
Within one year	-	49,500	-	-
Between two and five years	-	49,500	-	-
	-	99,000	-	-

31 Events after the reporting date

The Group has bank loan facilities with two lenders, both of these facilities were due to end within 12 months of the year end, one in October 2023 and the other in March 2024.

Between the financial year end and the date of approval of these financial statements the relevant subsidiaries have renewed their loan facilities.

Due to the timing of the renewals the loan balance was considered to be repayable on demand at the year end and for this reason the full amount has been disclosed as falling due within one year as at 31 March 2023 in note 21 to the accounts.

This disclosure reflects the legal repayment position of the balance at the year end as per the agreement in place at the time. If the post year end agreement with the loan provider had been in place at the year end and reflected in the financial statements a balance of £23,012,409 would be disclosed in note 22 as a non-current creditor falling due after more than one year and £852,056 would be disclosed in note 21 as falling due within one year.

In the period between the 31 March 2023 and the date of signing these accounts the group has made various land sales. Total proceeds for these sales have been £8,842,000. At the year end the land sold was included in stock at a cost of £3,228,235, resulting in an overall gain on sale of £5,613,765.

32 Directors' transactions

Included within other creditors is a directors loan account with a balance of £12,490,988 (2022: £14,020,570). This is disclosed as £1,848,200 (2022: £nil) due within one year in note 20 and £10,642,788 (2022: £14,020,570) due after one year in note 21. No interest is accrued on this loan balance.

33 Related party transactions

The group has taken advantage of the exemption granted by section 33.1A of FRS102 not to disclose transactions with other group companies.

Included within other debtors is a balance of £2,514,137 (2022:£2,106,559) due from a former director. No interest is accrued on this loan balance.

During the year the group entered into the several transactions with related parties: various companies outwith the group but which are all under common control.

Included within other debtors is a balance of £1,608,106 (2022: £4,973,374) due from related parties and within other creditors £306,529 (2022: £3,656,671) due to related parties.

Loans paid to related parties in the year totalled £1,193,833 and loans received from related parties in the year totalled £1,016,882). Related party loans written off in the year totalled £192,078.

All balances with related parties at the year end are unsecured.

34 Controlling party

The ultimate controlling party is Robert McFarlane

35 Cash generated from group operations

	2023	2022
	£	£
Loss for the year after tax	(11,687,692)	(1,758,645)
Adjustments for:		
Taxation (credited)/charged	(3,438,013)	1,676,932
Finance costs	2,006,388	1,595,629
Investment income	(4,706)	270
Gain on disposal of tangible fixed assets	(49,311)	(14,999)
Loss on disposal of investment property	969,999	95,200
Loss on disposal of business	770,389	-
Amortisation of intangible assets	1,056,175	1,076,717
Depreciation and impairment of tangible fixed assets	3,226,245	1,811,752
Increase in provisions	12,843,922	141,729
Movements in working capital:		
Decrease in stocks	1,217,850	2,341,800
Decrease/(increase) in debtors	5,404,602	(3,375,213)
(Decrease)/increase in creditors	(8,335,149)	1,777,507
Cash generated from operations	3,980,699	5,368,679

36 Analysis of changes in net debt - group

	1 April 2022	Cash flows	31 March 2023
	£	£	£
Cash at bank and in hand	2,613,631	(1,725,831)	887,800
Bank overdrafts	(951,505)	(676,920)	(1,628,425)
	1,662,126	(2,402,751)	(740,625)
Borrowings excluding overdrafts	(43,094,226)	8,586,973	(34,507,253)
Obligations under finance leases	(187,066)	83,082	(103,984)
	(41,619,166)	6,267,304	(35,351,862)

37 Prior period adjustment

Adjustments to equity

		1 April 2021	31 March 2022
Transfer of fixed assets to stock	1	309,988	330,300
Aftercare provision	2	-	-
Total adjustments		309,988	330,300
Equity as previously reported		60,906,186	59,127,229
Equity as adjusted		61,216,174	59,457,529

Analysis of the effect upon equity		
Profit and loss reserves	309,988	330,300

Adjustments to loss for the previous financial period

	Notes	2022
		£
Adjustments to prior year		
Transfer of fixed assets to stock	1	20,312
Aftercare provision	2	-
Total adjustments		20,312
Loss as previously reported		(1,778,957)
Loss as adjusted		(1,758,645)

37 Prior period adjustment **(Continued)**

Notes to reconciliation

Transfer of fixed assets to stock

Land and buildings owned by the Company which were previously held as tangible fixed assets have been reclassified as stock. This is to reflect the companies intention to sell the assets and the gas project to which they are linked. The land and buildings have been reclassified as stock at their original cost of £21,526,286.

Some of the buildings included in the items moved to stock have previously been depreciated. Upon reclassification the cumulative depreciation charged on these was credited to reserves. This has resulted in an increase in retained earnings of £309,988 as at 1 April 2021 and an increase of £330,300 as at 31 March 2022. The loss for the prior year has reduced by £20,312 which reflects the depreciation charged on these buildings in the year to 31 March 2022.

Aftercare provision

A prior period adjustment has been processed to reclassify deferred income held in other creditors as a provision for liabilities. It has been identified that while the provision has existed for several years it has been historically misclassified as deferred income on the balance sheet.

Part of this adjustment has also been to bring in accrued income for dowry receipts still to be received at the year end. The Group receives dowry income to help cover the future aftercare costs of the land, previously this income was recognised and deferred as it was received annually and no provision was made for the balance of the income still receivable. A prior period adjustment has been processed to recognise this income within other debtors as accrued income, the other side has gone through the provisions for liabilities on the balance sheet.

The balance reclassified from deferred income to provisions for liabilities as at 1 April 2021 was £1,452,574 and the balance brought in as accrued income as at 1 April 2021 was £610,200. The total adjustment to provision for liabilities at at 1 April 2021 was therefore £2,062,774.

The balance reclassified from deferred income to provisions for liabilities as at 31 March 2022 was £1,350,055 and the balance brought in as accrued income as at 31 March 2022 was £112,000. The total adjustment to provision for liabilities at at 31 March 2022 was therefore £1,462,055.

The reclassification of the deferred income and the recognition of the accrued income has had no impact on the Group's net assets as at 1 April 2021 or as at 31 March 2022 and has had no impact on the Group's profit for the year ended 31 March 2022.

As part of this adjustment the release of deferred income in the year to 31 March 2022 has also been reclassified from turnover to administrative expenses as the utilisation of the provision in the year. This reclassification was for a balance of £600,719 and has had no impact on the Group's profit for the year ended 31 March 2022.

The prior period adjustments listed above relate to NPL Group (UK) Ltd as a group. The Company was not impacted by these adjustments.