

Registered number
02027916

Longley Holdings Limited
Annual Report and Financial Statements
For the year ended 31 December 2023

Longley Holdings Limited

Reports and financial statements for the year ended 31 December 2023

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Longley Holdings Limited

Company Information

Directors

C Holland
J H Hudson
C M McLeish
D A Waters (resigned 24 March 2023)
W D Hicks (appointed 7 July 2023)
T W Wright (appointed 7 July 2023)

Company Secretary

R A Parker (appointed 27 January 2023)
N D M Giles (resigned 27 January 2023)

Auditor

Deloitte LLP
Statutory Auditor
4 Brindleyplace
Birmingham
West Midlands
United Kingdom
B1 2HZ

Registered office

Leicester Road
Ibstock
Leicestershire
United Kingdom
LE67 6HS

Registered number

02027916

Longley Holdings Limited

Strategic Report

The Directors present the strategic report of Longley Holdings Limited ('the Company') for the year ended 31 December 2023.

Principal activity

The Company is an indirect subsidiary of, and is included within the consolidated financial statements of, Ibstock Plc ('the ultimate parent' and 'the Group'). The Company's principal activities are that of an intermediate holding company and the rental of property and assets to its subsidiary.

Results

The profit for the year after taxation amounts to £172,173 (2022: £183,635).

The Company had net assets of £1,846,305 as at 31 December 2023 (£1,674,132 as at 31 December 2022).

Review of business and future developments

The company's key financial and other performance indicators used by the Directors to manage the business during the year were as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £	Change %
Turnover	312,744	336,525	(7%)
Operating profit	229,497	229,497	0%
Profit after tax	172,173	183,635	(6%)
Shareholder's funds	1,846,305	1,674,132	10%

The Company's operations involve the leasing its property, plant and equipment assets to its subsidiary.

Given the principal activity of the Company, the Directors deem it appropriate not to monitor any non-financial performance indicators.

The Directors expect the Company to continue operating its principal activity for the foreseeable future.

Principal risks and uncertainties

The Directors of the Company's ultimate parent consider the principal risks and uncertainties of the Group with assistance from its Audit Committee. The principal risks facing the Company are outlined below with full detail being included in the 2023 Annual Report and Accounts of Ibstock Plc. The principal risks include business continuity, regulatory and compliance, people and talent management, cyber and information system, health, safety and environment, economic conditions, financial risk management, maintaining customer relationships and market reputation, climate change, anticipating product demand and innovation and major project delivery.

Longley Holdings Limited

Strategic Report (continued)

Stakeholder statements

From the perspective of the Directors, as a result of the Group's governance structure, the ultimate parent Company's Board has taken the lead in carrying out the duties of the Directors in respect of the Company's other stakeholders. The Directors have also considered relevant matters, where appropriate. An explanation of how the Directors on the ultimate parent Company's Board have had regard to the need to foster the Company's business relationships with suppliers, customers and others, and the effect of that regard, including the principal decisions taken by the Company during the financial year, is set out (for the Group and for this entity) on pages 38 to 41 of the Annual Report and Accounts 2023 of Ibstock Plc, which does not form part of this report.

Section 172(1) statement

The Company is a holding company for the principal subsidiaries as set out in note 7 of the Company's Annual Report and Financial Statements and has no suppliers, customers, communities, direct investors or employees. The Company's only stakeholders are therefore the Group, its subsidiaries, and Government & Regulators.

The Group's executive directors sit on the boards of each of the Company, the ultimate parent company and the Company's subsidiaries. This forms the primary communication between stakeholders and facilitates effective open, transparent and two-way engagement, any appropriate feedback from which forms part of each board's strategic discussions. This structure supports the board in performing its duties in compliance with the matters set out in section 172(1) of Companies Act 2006 ('s172').

The Directors ensure legislative and regulatory compliance with access to subject matter expertise and training as part of the on-going Group's compliance programme.

During the year, the Board continued to ensure that the Company and Group's strategy remained appropriate to deliver the long-term success of the Company, and oversaw Management's execution of the strategy. The Board carefully evaluated the likely consequences of its decisions, challenging management where necessary to ensure that the impact of any decisions over the long-term would be of benefit to the Company.

The Board remains committed to ensuring the business operates with the highest standards of integrity, and continually reviews and tests the compliance arrangements in place. A significant part of the Board's leadership responsibility is to ensure that the Company's purpose, strategy and culture remain aligned, and it recognises that a robust and transparent culture is a solid foundation for maintaining the Company and the Group's reputation for high standards of business conduct. Over the course of the year, the Board has overseen and supported the initiatives undertaken on culture.

It is acknowledged that it is not possible for all of the Board's decisions to result in a positive outcome for every stakeholder group. When making decisions, the Board considers the Company's purpose, vision and values, together with its strategic priorities and takes account of its role as a responsible business. By doing this, the aim is to ensure that decisions are robust and sustainable and drive long-term success for the Company.

To the extent necessary for an understanding of the development, performance and position of the entity, an explanation of how the ultimate parent company's board has considered the matters set out in s172 (for the Group and for the entity) is set out on page 42 and 43 of the Annual Report and Accounts 2023 of Ibstock Plc, which does not form part of this report.

The report was approved by the Board on 4 July 2024 and signed on its behalf by:



C Holland
Director

04 July 2024

Directors' Report

The Directors present their report and audited financial statements for the year ended 31 December 2023.

The Company has chosen, in accordance with Section 414 C(11) of the Companies Act 2006, to include certain matters in its Strategic report that would otherwise be required to be disclosed in this Directors' report. Details of the Company's financial risk management policies and objectives and future developments can be found in the Strategic report on pages 2-3 and form part of this report by cross reference.

Directors

The following persons served as Directors during the year and up to the date of approval of these financial statements:

C Holland
J H Hudson
C M McLeish
D A Waters (resigned 24 March 2023)
W D Hicks (appointed 7 July 2023)
T W Wright (appointed 7 July 2023)

Auditor

Deloitte LLP have expressed their willingness to continue in office as auditors and appropriate arrangements are being made for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Disclosure of information to auditor

Each person who was a Director at the time this report was approved confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- he has taken all the steps that he ought to have taken as a Director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company until at least 12 months from the date of approval of this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources available within the Group are sufficient to accommodate the principal risks and uncertainties faced by the Company.

The Group has financing arrangements, comprising £100 million of private placement notes with maturities of between 7 and 12 years and a £125 million Revolving Credit Facility (RCF) for an initial four-year tenor, with an enacted one year extension option, both of which were arranged in 2021. At 31 December 2023 the Group had drawn £25 million under the RCF.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

The key uncertainty faced by the Group is the industry demand for its products in light of macroeconomic factors. Accordingly, the Group has modelled financial scenarios which see reduction in the industry demands for its products thereby stress testing the Group's resilience. Further detail on the Group's scenario modelling is included within the 2023 Annual Report and Account of Ibstock Plc.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information is prepared on a going concern basis.

Directors' Report (continued)

Dividends

No dividend was paid in the current or preceding period. The Directors do not recommend the payment of dividend after the balance sheet date.

Subsequent events and future outlook

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

The report was approved by the Board on 4 July 2024 and signed on its behalf by:



C Holland

Director

4 July 2024

Longley Holdings Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the annual report and 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Longley Holdings Limited

Income Statement

	Notes	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Turnover	2	312,744	336,525
Gross profit		<u>312,744</u>	<u>336,525</u>
Administrative expenses		(83,247)	(107,028)
Operating profit	3	<u>229,497</u>	<u>229,497</u>
Profit before taxation		<u>229,497</u>	<u>229,497</u>
Tax on profit	5	(57,324)	(45,862)
Profit for the financial year		<u><u>172,173</u></u>	<u><u>183,635</u></u>

All amounts were from continuing operations.

The notes on pages 10 to 16 form an integral part of the financial statements.

There are no other items of comprehensive income or loss in the current or prior year other than those included in the Income Statement and accordingly no separate Statement of Other Comprehensive Income has been presented.

Statement of Financial Position

as at 31 December 2023

	Notes	2023 £	2022 £
Fixed assets			
Tangible assets	6	2,598,042	2,665,283
Investments	7	10,000	10,000
		<u>2,608,042</u>	<u>2,675,283</u>
Creditors: amounts falling due within one year	8	(762,939)	(997,488)
Net current liabilities		(762,939)	(997,488)
Total assets less current liabilities		<u>1,845,103</u>	<u>1,677,795</u>
Deferred taxation		1,202	(3,663)
Net assets		<u><u>1,846,305</u></u>	<u><u>1,674,132</u></u>
Called up share capital	9	5,000	5,000
Share premium account	9	9,975	9,975
Capital redemption reserve	9	5,525	5,525
Profit and loss account	9	1,825,805	1,653,632
Total shareholders' funds		<u><u>1,846,305</u></u>	<u><u>1,674,132</u></u>

The notes on pages 10 to 16 form an integral part of the financial statements.

The financial statements were approved by the Board and authorised for issue on 4 July 2024 and signed on its behalf by:


C Holland
Director
4 July 2024

Longley Holdings Limited

Statement of Changes in Equity

For the year ended 31 December 2023

	Called up share capital £	Share premium account £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 January 2022	5,000	9,975	5,525	1,469,997	1,490,497
Profit for the financial period	-	-	-	183,635	183,635
Total comprehensive income	-	-	-	183,635	183,635
At 31 December 2022	5,000	9,975	5,525	1,653,632	1,674,132
At 1 January 2023	5,000	9,975	5,525	1,653,632	1,674,132
Profit for the financial year	-	-	-	172,173	172,173
Total comprehensive income	-	-	-	172,173	172,173
At 31 December 2023	5,000	9,975	5,525	1,825,805	1,846,305

The notes on pages 10 to 16 form an integral part of the financial statements.

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Summary of significant accounting policies

Statement of compliance

Longley Holdings Limited is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The Registered Office is Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS.

The Company's financial statements have been prepared in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council as it applies to the financial statements of the Company for the year ended 31 December 2023.

The principal activity of the Company and the nature of the operations are set out on the strategic report on page 2.

Basis of preparation

The financial statements of Longley Holdings Limited were approved for issue by the Board on 4 July 2024.

The financial statements have been prepared under the historic cost convention and in accordance with applicable accounting standards. The financial statements are prepared in Sterling which is the functional currency of the Company.

Under s400 (2) of the Companies Act 2006, the Company has not presented consolidated financial statements as these are included in the consolidated financial statements of the ultimate parent undertaking. Accordingly, the financial statements present information regarding the Company as an individual undertaking and not as a Group

Reduced disclosure exemptions

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it. Exemptions have been taken in relation to presentation of a cash flow statement and remuneration of key management personnel.

Going concern

The Directors have concluded that it is reasonable to adopt a going concern basis in preparing the financial statements. This is based on an expectation that the Company and its ultimate parent group ('the Group') have adequate resources to continue in operational existence for at least twelve months from the date of signing these financial statements.

From the Company's perspective, the Group has confirmed to the Directors that it will support the Company until at least 12 months from the date of approval of this report in meeting its liabilities as they fall due, to the extent that money is not otherwise available to meet such liabilities.

In arriving at their conclusion on going concern, the Directors have given due consideration to whether the funding and liquidity resources available within the Group are sufficient to accommodate the principal risks and uncertainties faced by the Company.

The Group has financing arrangements, comprising £100 million of private placement notes with maturities of between 7 and 12 years and a £125 million Revolving Credit Facility (RCF) for an initial four-year tenor, with an enacted one year extension option, both of which were arranged in 2021. At 31 December 2023 the Group had drawn £25 million under the RCF.

The Group's financial planning and forecasting process consists of a budget for the next year followed by a medium term projection. The Directors have reviewed and robustly challenged the assumptions about future trading performance, operational and capital expenditure and debt requirements within these forecasts including the Group's liquidity and covenant forecasts, and stress testing within their going concern assessment.

Having taken account of the various scenarios modelled, and in light of the mitigations available to the Group, the Directors are satisfied that the Company has sufficient resources and support of its parent to continue in operation for a period of not less than 12 months from the date of approval of this report. Accordingly, the financial information is prepared on a going concern basis.

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Summary of significant accounting policies (continued)

Revenue Recognition

Revenue represents the value of intercompany lease income, excluding value added tax. Revenue is recognised in line with the lease agreement with Longley Concrete Limited.

Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of the assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

- Freehold land	Nil
- Freehold buildings	50 years
- Plant and machinery	4-10 years

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

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

Valuation of investments

Investments are stated at the lower of cost or recoverable amount. At each financial reporting date the carrying value of investments are reviewed comparing the net carrying value of investments within the financial statements, to the level of shareholder funds held within the subsidiary undertaking. This review resulted in there being no impairment required for the year ended 31 December 2023. The Directors do not anticipate a significant risk of material impairment during the year ended 31 December 2023.

Debtors

Short term debtors are measured at transaction price (which is usually the invoice price), less any impairment losses for bad and doubtful debts.

Loans and other financial assets are initially recognised at transaction price including any transaction costs and subsequently measured at amortised cost determined using the effective interest method, less any impairment losses for bad and doubtful debts.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

1 Summary of significant accounting policies (continued)

Creditors

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

Taxation – current

Current tax represents the expected tax payable (or recoverable) on the taxable profit or loss for the year using tax rates enacted for the year.

Deferred taxation

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, or a right to pay less or to receive more tax.

Deferred tax assets are recognised only to the extent that the Directors consider that it is 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 years in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial instruments

Financial liabilities

Financial liabilities, including trade and other payables and loans from fellow group companies, are initially recognised at fair value and subsequently measured at amortised cost using effective interest method. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Critical accounting judgements and key sources of estimation uncertainty

No critical judgements or estimates were made in applying the Company's accounting policies for the current year.

2 Turnover

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Rental income	312,744	336,525

All turnover arose within the Untied Kingdom.

3 Operating profit

This is stated after charging:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Depreciation of tangible fixed assets	78,247	102,028
Auditor's remuneration for audit of financial statements	5,000	5,000

4 Employees and Directors

The Company has no employees. The Directors are employed by other fellow subsidiary. The Directors' services to the Company do not occupy a significant amount of their time. As such, the Directors do not consider that they have received any remuneration for their inconsequential services to the Company for the year ended 31 December 2023 and the financial year ended 31 December 2022.

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

5 Tax on profit

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Analysis of tax charge		
UK corporation tax on profits of the period	64,042	50,628
Adjustments in respect of previous periods	(1,853)	-
	<u>62,189</u>	<u>50,628</u>
Deferred tax:		
Origination and reversal of timing differences	(6,767)	(5,467)
Effect of change in tax rate	(72)	701
Adjustments in respect of previous periods	1,974	-
	<u>(4,865)</u>	<u>(4,766)</u>
Tax charge on profit	<u>57,324</u>	<u>45,862</u>

Factors affecting tax charge for year

The differences between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	Year ended 31 December 2023 £	Year ended 31 December 2022 £
Profit before tax	<u>229,497</u>	<u>229,497</u>
Standard rate of corporation tax in the UK	23.50%	19.00%
	£	£
Profit multiplied by the standard rate of corporation tax	53,932	43,604
Effects of:		
Expenses not deductible for tax purposes	3,392	2,742
Capital allowances super-deduction	(49)	(1,185)
Effect of change in tax rate	(72)	701
Adjustments in respect of previous periods	121	-
Total tax charge for year	<u>57,324</u>	<u>45,862</u>

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

5 Tax on profit (continued)

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

Deferred taxation

Deferred taxation provided for in the financial statements is set out below:

	31 December 2023 £	31 December 2022 £
Decelerated / (Accelerated) capital allowances	1,202	(3,663)
Deferred tax liability as at 1 January 2023	(3,663)	
Credited to profit and loss account	4,865	
Deferred tax asset as at 31 December 2023	1,202	

6 Tangible assets

	Land and Buildings £	Plant & Machinery £	Total £
Cost			
At 1 January 2023	2,535,551	1,526,062	4,061,613
Additions	-	11,006	11,006
At 31 December 2023	2,535,551	1,537,068	4,072,619
Depreciation			
At 1 January 2023	(62,003)	(1,334,327)	(1,396,330)
Charge for the year	(15,503)	(62,744)	(78,247)
At 31 December 2023	(77,506)	(1,397,071)	(1,474,577)
Carrying amount			
At 31 December 2023	2,458,045	139,997	2,598,042
At 31 December 2022	2,473,548	191,735	2,665,283

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

7 Investments

Subsidiary undertakings

The Company had the following subsidiaries as at 31 December 2023:

Name	Shares held class	Proportion of shareholding (%)	Country of incorporation	Nature of business
Longley Concrete Ltd	Ordinary	100	UK	Manufacturer of concrete products
G-Tech Coper Limited	Ordinary	100	UK	Dormant

Both subsidiaries are owned directly by Longley Holdings Limited. The country of incorporation is the same as the place of business for all the above entities. All entities have the same registered office as the ultimate Parent Company, Leicester Road, Ibstock, Leicestershire LE67 6HS.

8 Creditors: amounts falling due within one year

	31 December 2023	31 December 2022
	£	£
Amounts due to subsidiary undertakings	690,897	938,860
Corporation tax	64,042	50,628
Accruals and deferred income	8,000	8,000
	<u>762,939</u>	<u>997,488</u>

Amounts due to subsidiary undertakings are unsecured, do not carry any interest and are repayable on demand.

9 Called up share capital

	Nominal value	Number	31 December 2023	31 December 2022
			£	£
Allotted, called up and fully paid:				
Ordinary shares	£1 each	5,000	<u>5,000</u>	<u>5,000</u>

The ordinary shares gives full voting, dividend and capital distribution rights. There has been no change in ordinary shares allotted, called up and fully paid during the year.

The share premium reserve represents the difference between the par value of shares and the amount received in respect of the shares.

The capital redemption reserve represents the nominal value of share capital previously issued and subsequently redeemed.

The profit and loss reserve represents cumulative profit and losses less dividends paid.

Longley Holdings Limited

Notes to the Financial Statements

For the year ended 31 December 2023

10 Related party transactions

The Company is a wholly owned subsidiary of Ibstock Plc as at 31 December 2023, the consolidated financial statements of which are publicly available at Ibstock Plc, Leicester Road, Ibstock, Leicestershire, LE67 6HS. Accordingly, the Company has taken advantage of the exemption in FRS 102.33.1A, from disclosing transactions with members of Ibstock Plc Group. Related party balances are disclosed in Note 8.

11 Controlling party

The Company's immediate parent undertaking is Ibstock Group Limited. The ultimate parent company, the ultimate controlling party and the only Group company into which this Company is consolidated is Ibstock plc. Both Ibstock Group Limited and Ibstock Plc have the same registered office address as the Company.

The parent of the smallest and largest group in which these financial statements are consolidated is Ibstock Plc, incorporated in England.

The address of Ibstock Plc is: Leicester Road, Ibstock, Leicestershire, United Kingdom, LE67 6HS.

These financial statements are available from the Ibstock Plc website at www.ibstock.co.uk.

12 Subsequent events

No subsequent events requiring disclosure or adjustments to these financial statements have been identified since the balance sheet date.

Independent auditor's report to the members of Longley Holdings Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Longley Holdings Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31st December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- Income Statement
- Statement of Financial Position
- Statement of changes in Equity
- the related notes 1 to 12

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).

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (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 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.

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 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 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit, and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the company's business sector.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included the UK Companies Act and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included employment law, occupational health and safety regulations, the Environment Act, the Water Framework Directive, the Waste Directive, the Environmental Protection Act and the Energy Efficiency Directive.

We discussed among the audit engagement team including relevant internal specialists such as tax, and IT specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

We have nothing to report in respect of these matters.

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.

A handwritten signature in black ink, appearing to read 'L Highton', with a long horizontal stroke extending to the right.

Lee Highton (FCA)
(Senior statutory auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
Birmingham, United Kingdom
4th July 2024