

Alpha Resource Management Ltd

**Annual report and financial
statements**

Registered number NI059764
For the year ended 31 December 2022



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Directors' report

The Directors present their annual report and the audited financial statements of Alpha Resource Management Ltd (the 'Company') for the year ended 31 December 2022.

Principal activities

The principal activities of the business up to November 2022 was the provision and operation of a landfill facility and the generation of green energy. From November 2022, the Company ceased operating the landfill facility and now only generates green energy.

Results

For the year ended 31 December 2022, the Company reported a profit before taxation of £140,000 (2021: loss of £96,000) on turnover of £3,353,000 (2021: £3,094,000).

Dividends

No dividend has been declared or paid in the year (2021: £nil).

Directors

The directors who held office during the year and to the date of this report were as follows:

LP McDonald
AM Mullan (resigned 4 July 2023)
RE McDonald (resigned 1 March 2022)
JE Brotherton
JW Atherton-Ham (appointed 1 March 2022)

Risk management

The Board is ultimately responsible for risk management and continues to develop policies and procedures that reflect the nature and scale of the Company's business. These are designed to identify, mitigate and manage risk, but they cannot entirely eliminate it. The Board has identified the following key areas of risk to the business:

- *Climate change*

Risks related to the physical impacts of climate change such as increased severity of extreme weather events:

- Disruption to production caused by extreme weather events.
- Loss of sites due to flooding and landslides.

Risks related to the transition to a lower-carbon economy:

- Failure to achieve expected reductions towards net zero carbon commitments could damage our reputation and reduce attractiveness to stakeholders such as customers, employees, investors and other stakeholders, resulting in failure to win key contracts and an increased cost of capital.
- Significant capital investment might be required to transition our business to net zero.
- *Digitalisation* - Customers, suppliers and government agencies are increasingly seeking to simplify how they do business through digital solutions. Failure to keep pace with advances in technology and customer digital expectations could lead to loss of custom, increases in the cost of doing business.
- *Market conditions* - Changes in the macroeconomic environment, including shifts in Government policy and the level of competition within the market, could all have an impact on demand for our products. Although the medium to long-term position remains positive, the current high levels of macroeconomic uncertainty and high inflation could pose an increased risk to demand in the near term.
- *People* - Failure to recruit, develop and retain the right people, or to maintain a positive culture and working environment, could have an adverse impact on our ability to meet our strategic objectives.

Directors' report (continued)

Risk management (continued)

- *Environmental impact* - The Company's impact on the environment, including water, waste disposal, recycling, air pollution and our impact on biodiversity could expose us to regulatory breaches, financial penalties, disruption, clean-up costs and reputational risk. The growing focus on biodiversity net gain, natural capital and deforestation brings forward the need to ensure that our land holdings deliver a positive contribution to nature.
- *Health, safety and wellbeing* - Failure to identify and manage health, safety and wellbeing risks could result in harm to our employees and other stakeholders. This may also expose us to significant disruption, financial liabilities, prosecution and reputational damage.
- *IT and cyber security* - A cyber security breach could cause operational disruption, financial penalties and reputational damage. Systems integration projects or significant IT changes may lead to business disruption.
- *Legal and regulatory* - Our employees and business partners must comply with all applicable laws and regulations, and conduct our operations in accordance with accepted principles of good corporate governance. A number of legislative changes over recent years have increased both the level of our corporate responsibility and the level of potential fines which we would incur in addition to the reputational damage and disruption resulting from any breach of laws or regulations.
- *Credit risk* - The Company is exposed to credit risk from our sales to customers. Although we have not experienced significant credit losses to date, these may be more likely to arise in coming years as a result of the challenging macroeconomic environment.

Employees

The Company recognises the importance of employee involvement in the operation and development of its business units, to enable management to be fully accountable for their own actions and gain maximum benefit from local knowledge. Employees are informed by regular consultation and internal newsletters of the progress of both their own business units and the wider Breedon Group.

The Company is committed to providing equal opportunities for individuals in all aspects of employment and considers the skills and aptitudes of disabled persons in recruitment, career development, training and promotion. If existing employees become disabled, every effort is made to retain them and retraining is arranged whenever possible.

Political contributions

The Company made no political donations nor incurred any political expenditure in either year.

Going Concern

The financial statements have been prepared on a going concern basis.

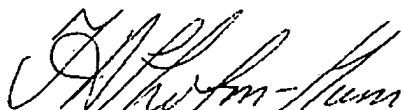
Disclosure of information to auditor

The Directors who held office at the date of approval of this Directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant information and to establish that the Company's auditor is aware of that information.

Directors' report *(continued)*

Auditor

In accordance with Section 487 of the Companies Act 2006, the auditor will be deemed to be re-appointed and Clayton & Brevill will therefore continue in office.



By order of the board

JW Atherton-Ham
Director

5 Blackwater Road
Newtownabbey
Northern Ireland
BT36 4TZ

27 September 2023

Statement of directors' responsibilities in respect of the Directors' report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 estimates that are reasonable and prudent;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect 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 UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.



JW Atherton-Ham
Director

5 Blackwater Road
Newtownabbey
Northern Ireland
BT36 4TZ

27 September 2023

**Report of the Independent Auditors to the Members of Alpha Resource
Management Limited**

Opinion

We have audited the financial statements of Alpha Resource Management Limited for the period ended 31 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of 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 company affairs as at 31 December 2022 and of the company's loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

2 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 Auditors' 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 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.

3 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.

4 Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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.

5 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

6 Matters on which we are required to report by exception

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 material misstatements in the Report of the Directors.

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

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

7 Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

8 Auditors' 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 a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- 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 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 bias;

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

9 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 a Report of the Auditors 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.

Mr Neil South FCA (Senior Statutory Auditor) for and on behalf of Clayton & Brewill Statutory Auditors and Chartered Accountants Cawley House 149 – 155 Canal Street Nottingham Nottinghamshire NG1 7HR

Neil South FCA

Date: 28 September 2023

Statement of profit and loss and other comprehensive income
for the year ended 31 December 2022

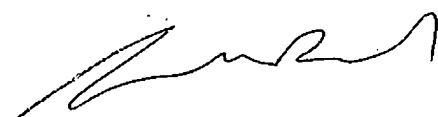
	<i>Note</i>	2022 £000	2021 £000
Turnover	<i>1</i>	3,353	3,094
Cost of sales		(2,617)	(2,774)
		<hr/>	<hr/>
Gross profit		736	320
Administrative expenses		(581)	(374)
		<hr/>	<hr/>
Operating profit/(loss)	<i>2</i>	155	(54)
Interest payable and similar expenses	<i>5</i>	(15)	(42)
		<hr/>	<hr/>
Profit/(loss) before taxation		140	(96)
Taxation	<i>6</i>	(9)	(112)
		<hr/>	<hr/>
Profit/(loss) and total comprehensive income for the financial year		131	(208)
		<hr/>	<hr/>

All operating results were derived from continuing activities.
There were no other recognised gains or losses arising in the year.

Balance sheet
at 31 December 2022

	<i>Note</i>	2022 £000	2021 £000
Fixed assets			
Tangible assets	7	3,474	4,177
Current assets			
Debtors	8	1,543	2,220
Cash at bank and in hand		949	2,654
Total current assets		2,492	4,874
Creditors: amounts falling due within one year	9	(1,912)	(5,121)
Net current liabilities		580	(247)
Total assets less current liabilities		4,054	3,930
Creditors: amounts falling due after more than one year	10	(2,685)	(2,700)
Provisions for liabilities and charges			
Deferred tax liability	11	(722)	(657)
Other provisions	12	(430)	(487)
Total provisions for liabilities and charges		(1,152)	(1,144)
Net assets		217	86
Capital and reserves			
Share capital	13	100	100
Share premium		322	322
Profit and loss account		(205)	(336)
Equity shareholder's funds		217	86

These financial statements were approved by the Board of Directors on 27 September 2023 and were signed on its behalf by:



L McDonald
Director

Company number: NI059764

Statement of changes in equity
for the year ended 31 December 2022

	Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 31 December 2020	100	322	(128)	294
Loss and total comprehensive income for the financial year	-	-	(208)	(208)
Balance at 31 December 2021	100	322	(336)	86
Profit and total comprehensive expense for the financial year	-	-	131	131
Balance at 31 December 2022	100	322	(205)	217

Notes

(forming part of the financial statements)

1 Accounting policies

Alpha Resource Management Ltd (the “Company”) is a private company limited by shares incorporated and domiciled in Northern Ireland in the UK.

These financial statements were prepared in accordance with *Financial Reporting Standard 101 Reduced Disclosure Framework* (“FRS 101”).

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (“Adopted IFRSs”), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

For the year ended 31 December 2022, the Company’s ultimate parent undertaking was Breedon Group plc, a company registered in Jersey with registration number 98465. The consolidated financial statements of Breedon Group plc for the year ended 31 December 2022 included the Company and were prepared in accordance with International Financial Reporting Standards as adopted by the UK and may be obtained from the Company Secretary, Breedon Group plc, Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, DE73 8AP.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Breedon Group plc include the equivalent disclosures, the Company has also taken the exemptions available under FRS 101 in respect of the following disclosures:

- IFRS 2 *Share Based Payments* in respect of group settled share based payments

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

There are no judgements made by the Directors in the application of these accounting policies that have significant effect on the financial statements, nor estimates with a significant risk of material adjustment in the next year.

Accounting estimates and judgements

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

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 and in any future periods affected.

The directors note that there are deemed to be no significant accounting judgements or significant accounting estimates made in preparing these financial statements.

Notes (continued)

1 Accounting policies (continued)

1.1 Going concern

The Company meets day-to-day working capital and other funding requirements through banking facilities, arranged by the Group, which include an overdraft facility. Longer term debt financing is accessed through the Group's USPP loan note programme. The facilities comprise a £350,000,000 multi-currency RCF, which runs to at least June 2025 and £250,000,000 of USPP loan notes with maturities between 2028 and 2036. Further details of these facilities are provided in the consolidated financial statements of Breedon Group plc.

The Group comfortably met all covenants in 2022 and other terms of its borrowing agreements in the period, and maintained a track record of profitability and cash generation, with an overall profit before taxation of £135,816,000 and net cash from operating activities of £168,023,000.

Based on the above the Directors believe that it remains appropriate to prepare the financial statements on a going concern basis due to the support received from the Group.

1.2 Fixed assets and depreciation

Freehold land and assets under construction are not depreciated. All other tangible fixed assets, including right-of-use assets, are depreciated on a straight line basis so as to write off the cost or valuation of the assets, less their estimated residual values, over their estimated useful lives as follows:

Landfill site	tonnage utilised basis
Plant & machinery	2 – 15 years

1.3 Financial instruments

Financial instruments are recognised when the Group becomes a party to the contractual provisions of the instrument. The principal financial assets and liabilities of the Group are as follows:

- *Trade receivables and payables* - Trade receivable and trade payables are initially recognised at fair value and are then stated as amortised cost.
- *Cash and cash equivalents* – Cash and cash equivalents comprise cash at bank and in hand, including bank deposits with original maturities of three months or less.

1.4 Pensions

The Company participates in a group defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The amount charged against profit represents the contributions payable to the scheme during the year.

1.5 Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes.

Deferred tax is provided in full using the Statement of Financial Position liability method and represents the tax expected to be payable or recoverable on the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Notes (continued)

1 Accounting policies (continued)

1.5 Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the asset to be recovered. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

1.6 Turnover

Company revenue primarily arises from the provision of waste disposal services. IFRS 15 requires revenue from contracts with customers to be recognised in line with a principles-based five-step model. This requires the Company to identify performance obligations within its contracts with customers, determine the transaction price applicable to each of these performance obligations and then to select an appropriate method for the timing of revenue recognition reflecting the substance of the performance obligation, being either recognition at a point in time or over time.

The transaction price for this revenue is the amount which can be invoiced to the customer once the performance obligations are fulfilled, reduced to reflect provisions recognised for returns, trade discounts and rebates. The Company does not routinely offer discounts or volume rebates, but where it does the variable element of revenue is based on the most likely amount of consideration that the Company believes it will receive. This value also excludes items collected on behalf of third parties, such as sales and value added taxes, including landfill tax. For all sales of goods, revenue is recognised at a point in time, being the point that the customer transfers waste to the company.

1.7 Provisions (including restoration costs)

A provision is recognised when the Company has a present legal or constructive obligation, and it is probable that an outflow of economic benefits will be required to settle the obligation. The Company provides for the costs of restoring a site and of decommissioning associated property, plant and equipment. The initial cost of creating provisions on the commencement of operations is included in property, plant and equipment and depreciated over the life of the site. Changes in the measurement of a previously capitalised provision that result from changes in the estimated timing or amount of cash outflows are added to, or deducted from, the cost of the related asset. All provisions are discounted to their present value at a rate that reflects current market assessments of the time value of money and the risks specific to the liability.

10 Operating (loss)/profit

	2022 £000	2021 £000
<i>Operating profit/(loss) is stated after charging</i>		
Audit of these financial statements	4	5
Depreciation – owned assets	751	1,151
Profit on sale of fixed assets	(45)	(37)
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11 Directors' remuneration

The directors of the Company are also directors of other companies within the Group and their remuneration is paid by and disclosed within the publicly available statutory accounts of those other companies. These directors do not consider that their duties in respect of the Company take up a significant amount of their time and therefore the value disclosed for the proportion of their remuneration received in respect of services to the Company is £nil (2021: £nil).

Notes (continued)

12 Staff numbers and costs

	Number of employees	
	2022	2021
Production, distribution and administration	5	5

The aggregate payroll costs of these persons were as follows:

	2022 £000	2021 £000
Wages and salaries	197	236
Social security costs	16	20
Pension	14	28
	<u>227</u>	<u>284</u>

13 Interest payable

	2022 £000	2021 £000
<i>Interest payable and similar expenses</i>		
Unwinding of discounting of provisions	15	42
	<u>15</u>	<u>42</u>

14 Taxation

Recognised in the profit and loss account:

	2022 £000	2021 £000
<i>UK corporation tax</i>		
Current year	(54)	(299)
Total current tax credit	<u>(54)</u>	<u>(299)</u>
<i>Deferred tax</i>		
Current year	65	254
Effect of change in UK deferred tax rate	-	157
Total deferred tax charge	<u>65</u>	<u>411</u>
Tax on profit/(loss)	<u>9</u>	<u>112</u>

Legislation was passed on 24 May 2021 which substantially enacted an increase in the UK corporation tax rate from 19 per cent to 25 per cent from April 2023. This will result in higher tax charges in future years and a deferred tax charge of £157,000 was recognised in the prior year to remeasure the Company's deferred tax liabilities at 31 December 2021 at this higher rate.

Notes (continued)

6 Taxation (continued)

Factors affecting the tax charge for the current year

The tax charge for the current year is lower (2021: higher) than the standard rate of UK corporation tax of 19% (2021: 19%). The differences are explained below:

	2022 £000	2021 £000
<i>Tax reconciliation</i>		
Profit/(loss) before tax	140	(96)
Current tax at 19% (2021: 19%)	27	(18)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	9	-
Transfer pricing	(27)	(27)
Effect of change in UK deferred tax rate	-	157
Total tax charge	9	112

The company has no unrecognised deferred tax assets.

15 Tangible assets

	Land & buildings £000	Plant, machinery & equipment £000	Total £000
<i>Cost</i>			
At beginning of year	15,605	885	16,490
Additions	48	-	48
Disposals	-	(244)	(244)
At end of year	15,653	641	16,294
<i>Depreciation</i>			
At beginning of year	11,457	856	12,313
Charge for year	722	29	751
Disposals	-	(244)	(244)
At end of year	12,179	641	12,820
<i>Net book value</i>			
31 December 2022	3,474	-	3,474
31 December 2021	4,148	29	4,177

Notes (continued)

16 Debtors

	2022 £000	2021 £000
Trade debtors	540	1,373
Other debtors & prepayments	649	366
Corporation tax	354	481
	<u>1,543</u>	<u>2,220</u>

17 Creditors: amounts falling due within one year

	2022 £000	2021 £000
Trade creditors	82	461
Accruals and other creditors	436	321
Amounts owed to group undertakings	401	1,127
Other tax and social security (including landfill tax)	993	3,212
	<u>1,912</u>	<u>5,121</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

18 Creditors: amounts falling due after more than one year

	2022 £000	2021 £000
Amounts owed to group undertakings	<u>2,685</u>	<u>2,700</u>

Amounts owed to group undertakings are unsecured, interest free and repayable in more than one year.

Notes (continued)

19 Deferred tax assets and liabilities

2022	1 January 2022 £000	Recognised in income £000	31 December 2022 £000
Property, plant and equipment	(997)	191	(806)
Working capital and provisions	340	(256)	84
	<hr/>	<hr/>	<hr/>
Total asset/(liability)	(657)	(65)	(722)
	<hr/>	<hr/>	<hr/>
2021	1 January 2021 £000	Recognised in income £000	31 December 2021 £000
Property, plant and equipment	15	(1,012)	(997)
Working capital and provisions	(261)	601	340
	<hr/>	<hr/>	<hr/>
Total asset/(liability)	(246)	(411)	(657)
	<hr/>	<hr/>	<hr/>

20 Provisions for liabilities and charges

	Restoration provisions £000
At beginning of year	487
Unwinding of interest	15
Increase in provision recognised in the profit and loss account	145
Utilisation of provision	(217)
	<hr/>
At end of year	430
	<hr/>

Restoration provisions comprise provisions for the cost of restoring and decommissioning the Company's landfill site.

21 Capital and reserves

Share capital

	2022 £000	2021 £000
<i>Allotted, called up and fully paid:</i>		
100,000 (2021: 100,000) ordinary shares of £1 each	100	100
	<hr/>	<hr/>

Notes (continued)

22 Share-based payments

Share awards and options over the shares of Breedon Group Plc, the ultimate parent entity, are granted to certain employees of the company. The fair value of options and awards granted is measured at grant date using the Black-Scholes model and is recognised as an expense over the period the employees become entitled to the awards and options, with a corresponding credit recognised within equity. The amount recognised as an expense is adjusted to reflect the actual number of awards and options expected to vest. Recharges by the ultimate parent entity are offset against equity and recognised as an intercompany liability.

As the consolidated financial statements of the ultimate parent company, Breedon Group Plc include the equivalent disclosures, the company has taken the exemptions under FRS101 available in respect of the disclosure requirements of IFRS 2 *Share Based Payments* in respect of group settled share based payments.

23 Pensions

The Company contributes to various defined contribution schemes in respect of its employees. Pension costs charged during the year in respect of the schemes were £14,000 (2021: £28,000). Contributions of £nil were outstanding at the year-end (2021: £nil).

24 Related party transactions

The Company is a wholly owned subsidiary of Breedon Group plc and is therefore exempt from the requirements to disclose transactions with its parent and fellow wholly owned subsidiary undertakings.

The Company's key management personnel are the Directors. Details of Directors' remuneration are given in note 3.

25 Parent undertaking

Kilcarn Limited, a company incorporated in Northern Ireland, is the Company's immediate parent undertaking.

For the year ended 31 December 2022, the results of the Company are included within the consolidated results of Breedon Group plc, a company incorporated in Jersey with registration number 98465. Copies of these consolidated financial statements can be obtained from the Company Secretary, Breedon Group plc, Pinnacle House, Breedon Quarry, Breedon on the Hill, Derby, DE73 8AP.

26 Post balance sheet events

As part of Breedon's move from AIM to the Premium Segment of the Official List and to trading on the Main Market of the London Stock Exchange, Breedon undertook an internal restructuring exercise on 17 May 2023 which included the incorporation of a new parent undertaking for the Group and which consequently has become the ultimate parent company for the company. The new ultimate parent company is Breedon Group plc, a company incorporated and domiciled in England & Wales with registration number 14739556. Neither the financial results or position of the Company have been impacted by the change in ultimate parent company.