

Erith Holdings Limited

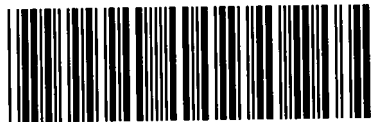
Report and Financial Statements

Year Ended

30 September 2021

Company Number 02586308

WEDNESDAY



AB6QD1UR

A12

22/06/2022

#157

COMPANIES HOUSE

Erith Holdings Limited

Report and financial statements for the year ended 30 September 2021

Contents

Page:

1	Chairman's statement
2	Strategic report
7	Directors' report
12	Directors' responsibilities statement
13	Independent auditor's report
16	Consolidated statement of comprehensive income
17	Consolidated statement of financial position
18	Company statement of financial position
19	Consolidated statement of changes in equity
20	Company statement of changes in equity
21	Consolidated statement of cash flows
22	Notes forming part of the financial statements

Directors

S T Darsey
T Darsey
D Darsey
V Stokes

Secretary and registered office

S T Darsey, Erith House, Queen's Street, Erith, Kent, DA8 1RP

Company number

02586308

Auditors

BDO LLP, 55 Baker Street, London, W1U 7EU

Erith Holdings Limited

Chairman's statement for the year ended 30 September 2021

Chairman's statement

As the curtain falls on 2021 and we look forward to a more 'normal' and enjoyable Christmas with family and friends, it is worth reminding ourselves that Covid is still very much with us and although the science on the Omicron variant is not yet conclusive, we must remain diligent, cautious and ultra compliant with current and future regulations both in the workplace and outside it. I would urge everyone therefore to follow all the rules and strictly adhere to all government advice and guidance.

I am pleased to report our audited accounts for year ending September 2021 have come in at a Group Turnover of £175.7m with Profits before Tax of £11.3m.

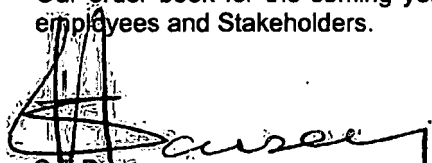
This represents a supreme effort and once again underlies the resilience of our business and both the loyalty and hard work of all our staff.

Our staff count at year end was around 591 with 450 of those staff qualifying for the year end E.O.T bonus payment.

The Employee Ownership Trust was able to distribute two awards this calendar year and has now paid out over £2.8m to employees since its inception. This is a great achievement especially given the adverse circumstances of the last two years. An achievement of which as Stakeholders we should all be proud of.

The Group's extended family ethos prevails and our commitment to the Safety, Health, Environment and Quality for all staff, clients, together with the public is very much imbedded in the D.N.A of the Business alongside a proactive policy in regards to our Corporate Social Governance and Responsibility.

Our order book for the coming year remains robust and I look forward to continued success for the Group, its employees and Stakeholders.



S. V. Darsey
Chairman

Date 1 February 2022

Erith Holdings Limited

Strategic report for the year ended 30 September 2021

Review of the business

Erith Holdings Limited, Erith Contractors Limited, Erith Haulage Company Limited, Erith Plant Services Limited, Erith Business Solutions Limited, Erith Training Limited and Swanton Consulting Limited are a group of private companies ('Erith Group') specialising in various civil engineering activities, including asbestos removal, demolition, land remediation and related ground works, haulage, landfill operations, waste handling and recycling along with supporting functions of training, IT and health and safety.

Our Integrated Management System (IMS) applies to asbestos removal, demolition, land remediation and related ground works.

The Erith Group is committed to long-term customer partnership, a central feature of which is the provision of service for all its customers based upon a multi-disciplined, skill-based approach. All contracts are specifically tailored to the nature of the work required and the specific requirements of the customer. The IMS ensures that all quality, health and safety and environmental issues relevant to each contract are considered as part of the overall contract planning and remain as core issues within the management of that contract. Erith Contractors Limited is certificated to ISO 9001:2015, ISO 14001:2015, ISO 39001:2012 and to OHSAS 18001:2007.

The Erith Group's stated policy is to:

- Plan with customers to identify their relevant quality criteria and to deliver and surpass them within stated time and cost constraints, by using reliable yet innovative low carbon technologies.
- Meet and exceed client expectations by continually improving the quality of our services.
- Deliver a quality, profitable service whilst being focused on health, safety and the wellbeing of our employees.
- Build a collaborative relationship with our clients, ensuring long term success based on respect, integrity, openness and fairness.
- Regularly review business performance and continually improve through the setting, achieving and exceeding health and safety, quality and environmental objectives and targets.
- Comply with all relevant legislation as a minimum and work towards excellence using best practice.
- Eliminate fatal risks, designing out hazards; undertake rigorous risk assessment procedures and implement/monitor mitigation measures and make employee safety and wellbeing central to every project.
- On all projects routinely assess the health and safety risks presented to employees, clients, subcontractors, visitors and the general public and minimise such risks as far as reasonably practicable.
- Minimise our environmental impacts by considering the whole life environmental costs and benefits in our business decisions.
- Ensure that our employees have the necessary training, skills and resources to meet our environmental performance.
- We require all subcontractors to demonstrate commitment to stewardship of the environment and we will create the opportunity for sharing best practice for environmental performance.
- We will publish our performance for employees, members of the public and encourage to comment on our performance.
- Senior management provides the visible leadership for promoting environmental performance integrated within our work and commits the appropriate resources to achieve the environmental goals.
- We respect the environmental status and biodiversity of where we work, and endeavour to enhance these areas for the benefit of the local community.
- Ensure that all policies and business practices are clearly communicated to all employees, and to others working on the company's behalf, by appropriate briefings and training.

We regularly review our policies, practices and control measures and update as appropriate.

Erith Holdings Limited

Strategic report for the year ended 30 September 2021 (continued)

Performance

The directors are satisfied that the results for the year are in line with forecasted results and view the future with cautious optimism.

The group statement of comprehensive income has been set out and shows a turnover for the year of £175,688,067 and a pre-tax profit of £11,330,000. The position of the group and company at the end of the year has been set out in the balance sheet.

Turnover decreased by 18.1% against last year. Turnover was decreased due to a combination of factors, including a fluctuating economic climate and on going COVID effects.

Gross profit margins dropped very slightly from 13.0% to 12.3%. This is primarily due to the increased costs arising from Covid-19 delays.

The directors recommend the payment of a final dividend of £Nil (2020 - £Nil).

The directors have made contributions to the Employee Ownership Trust of £9,000,000 during the year (2020 - £7,500,000).

There have been no events since the date the accounts which would materially affect the position of the group.

Key performance indicators

	2021	2020
Turnover from continuing operations (£'000)	175,688	214,506

As the prime measure of our economic output, revenue growth is key to measuring shareholder return and the success of our business strategies.

Gross margin from continuing operations (%)	12.3	13.0
Gross margin from continuing operations (£'000)	21,600	27,954

Gross margin provides an indication of the quality of turnover growth and is also a measure of value added by the group, reflecting the quality of the service provided by Erith Group.

Net margin from continuing operations (%)	6.4	3.9
Net margin from continuing operations (£'000)	11,330	8,431

Net margin provides an indication of the efficiency of Erith Group, the level of shareholder return and the success of our business strategies.

Erith Holdings Limited

Strategic report for the year ended 30 September 2021 (*continued*)

Principal risks and uncertainties

The market for our services remains highly competitive with both smaller businesses and larger PLC's competing on price. The group seeks to maintain its history of strong growth by competing aggressively on price while providing added value and exceptional service to its customers.

It is anticipated that as the reputation of the business continues to grow this will foster further opportunities for the business in the future.

The group is also able to maintain strong relationships at a local level with all its customers and suppliers.

The main financial risks arising from the group's activities are credit risk, interest rate risk and liquidity risk. These are monitored by the board of directors.

All new customers and existing accounts that are growing rapidly are subjected to a detailed credit risk analysis to minimise the group's exposure to bad debt. Payment patterns are closely monitored to identify the early stages of payment difficulties.

The group's policy in respect of interest rate and liquidity risk is to limit their exposure to variable rate borrowing and fix the rates of interest of assets acquired through finance. Fixed asset acquisitions are primarily funded via leasing agreements in order to maintain sufficient medium term finance to ensure that the group has sufficient funds for future operations.

The group monitors its cash flow as part of its regular day to day control procedures. The board considers cash flow projections and ensures that appropriate facilities are available to be drawn upon as necessary.

The group recognises its obligations to consider all relevant quality, health and safety and environmental issues in its dealings with its customers, employees, suppliers and the general public. An emerging risk to the business is the operational, financial and commercial effects of climate change disruption on the group. Compliance with all relevant legislation is monitored by the board of directors as part of its regular meetings.

Erith Holdings Limited

Strategic report for the year ended 30 September 2021 (continued)

Covid-19

The Directors have carefully considered the risks to the business caused by Covid-19 and have taken a number of measures to monitor and prevent the effects of the Covid-19 virus such as implementing health and safety measures for our staff including social distancing, additional cleaning on site and in our offices along with working from home where possible.

Whilst output is below 2020 levels, our sites are continuing to make progress and project completion dates are generally not expected to be significantly delayed. We are continuing to collaborate with our customers and our suppliers to maintain work where possible whilst considering the UK Government's guidelines and directives. The Directors carefully considered the potential impact on the overall outcome of each project on a contract by contract basis.

Due to a strong forward order book going into the 2022 financial year, the Erith Group anticipates maintaining the current level of turnover and at this stage the impact on our business and results is limited. However, we continue to monitor and assess the risks due to the impact of Covid-19 on the economy.

Having recently agreed an extension on our group revolving credit facility, now renewed until December 2024, the Directors believe that the Group and Company has adequate financial resources to continue as a going concern for the foreseeable future.

Companies Act 2006 S172

The directors consider, both individually and collectively, that in the decisions taken during the financial year they have satisfied the requirements of s172(1) of the Companies Act 2006 in acting in the way they consider, in good faith, would be most likely to promote the success of the company. The directors have continuing regard as to the interest of the company's employees and other stakeholders, the impact of its activities on the community, the environment and the company's reputation for good business conduct.

The Erith Group is a family controlled business ultimately owned by an Employee Ownership Trust, intrinsically linking our employees and shareholders.

Stakeholders	Stakeholder engagement
Shareholders	We are ultimately owned by each employee through an Employee Ownership Trust. Communications through letters, bulletins, Erith TV and our intranet site occur throughout the year.

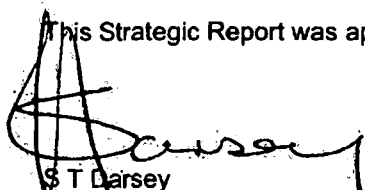
Erith Holdings Limited

Strategic report
for the year ended 30 September 2021 (continued)

Companies Act 2006 S172 (continued)

Long term Strategy	The board is responsible for establishing the strategies and long-term vision for the Group and ensuring these are communicated and aligned across the business. Our five year Strategic Objectives and Targets covers Occupational Safety, Health and Wellbeing, Environmental and Customer Satisfaction was updated and issued by the board in November 2020.
Employees	The skills, commitment and loyalty of our employees are fundamental to our business. Throughout the COVID crisis the Board has strived to protect both the safety and wellbeing of our staff as well as safeguarding the business for the future. Our strategic goal is to embed Health, Safety and Wellbeing into the ethos of our business and we are in the process of ensuring all staff are trained as mental health first aiders so they can self-monitor as well as look out for each other.
Contractors and Suppliers	We carefully vet all our contractors/suppliers to ensure that they have the relevant experience, financial standing and resources to undertake the contracts we award to them. Our supply chain is continually monitored to ensure we are reaching the high standards required by us and our customers.
Customers	We aim to develop strong, long-lasting and collaborative relationships with all our customers. We strive to continually improve the quality of our services. Our strategic goal is be considered Best in class/Contractor of choice.
Environmental and Social	The Erith Group is committed to operate in an environmentally responsible manner. Our five year strategic goals are to be recognised as market leader in green construction activities and to achieve carbon reduction in line with the science-based targets initiative with our 2021 SECR setting the baseline for these improvements.
Business Conduct	Strategic plans considered and implemented by the Board are designed to ensure that The Erith Group maintains the highest standards of business conduct.

This Strategic Report was approved by order of the Board.



S T Darsey
Secretary

Date: 1 February 2022

Erith Holdings Limited

Directors' report for the year ended 30 September 2021

The directors present their annual report and accounts for the year ended 30 September 2021.

Principal activities and future developments

The principal activity of the company is that of a holding company. The company's subsidiaries operate in the demolition and haulage industry.

The directors are of the opinion that despite the challenging year ahead the company will continue to be profitable.

Results

The group statement of comprehensive income is set out on page 16 and shows turnover for the year of £175,688,067 and a pre-tax profit of £11,330,000.

Further details, including a review of the business, are included within the Strategic Report on page 2.

Charitable contributions

During the year the group made charitable contributions totalling £12,055 (2020 - £91,228).

Directors

The directors of the company during the year were:

S T Darsey
T Darsey
D Darsey
V Stokes

Erith Holdings Limited

Directors' report for the year ended 30 September 2021 (continued)

Energy and Carbon emissions reporting

Reporting Period

This report covers the consumption and emissions arising for the group for the period October 2020 to September 2021.

UK Energy Use and GHG Emissions

The tables and graphs below detail the energy used by the group in its business activities involving the combustion of gas and fuels, the purchase of electricity and business mileage in both kWh and tCO₂e.

Type of Activity	Comparison Year Energy Consumption (Oct 19 – Sep 20 kWh)	Oct 20 - Sep 21 Energy Consumption (kWh)	Comparison Year (Oct 19 – Sep 20) tCO ₂ e	Oct 20 – Sep 21 tCO ₂ e
Grid Electricity	452,638	273,188	115	63
Natural Gas	238,064	222,486	44	45
Petrol	627,924	586,142	144	142
Derv	16,870,594	13,432,596	4,059	3,380
Gas oil	59,821,532	26,235,326	15,358	7,167
HVO	0	8,186	0	142
Grey fleet	0	521,011	0	133
Total	78,010,752	41,278,935	19,720	11,073

Intensity Ratio

In the case of Erith Holdings Limited, the metric chosen to normalise their emissions was based on turnover and the intensity ration is detailed below.

Normalising Metric – £ Turnover	176	Intensity Ratio FY 2020-2021	63	t CO ₂ e/£turnover
Normalising Metric – £ Turnover	210	Intensity Ratio FY 2019-2020	94	t CO ₂ e/£turnover

Principal Energy Efficiency Actions

The Erith Group continues to strive for energy and carbon reduction arising from its activities. We have a rolling programme of upgrading plant and equipment for more efficient items and are also migrating the company car fleet to a mixture of Hybrid and Electric vehicles. Trials to use HVO as a direct replacement for Gas oil to power mobile plant and equipment has commenced.

Methodology

The figures quoted have been supplied directly from each subsidiary of the Erith Group. For the London office where energy costs are included within the service charge CIBSE Guide F typical consumption figures for air conditioned Offices have been used. Conversion factors used are taken from the 'Greenhouse gas reporting: conversion factors 2021'.

Erith Holdings Limited

Directors' report for the year ended 30 September 2021 (*continued*)

Financial instruments

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from credit sales. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices. Each new customer is analysed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. Purchase limits are established for each customer, which represents the maximum open amount without requiring approval.

The board assesses concentrations of credit risk by quarterly monitoring the creditworthiness rating of customers representing in excess of 10% the trade receivable balance. At a local level, a monthly review of the trade receivables' ageing analysis is undertaken and customers' credit is reassessed periodically. Existing customers that become "high risk" as a result of the periodic reassessment are placed on a restricted customer list and future credit sales are made only with approval of the local management, otherwise payment in advance is required.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are accepted.

A significant amount of cash is held with the following institutions:

	Rating at 30 September 2021	Balance at 30 September 2021 £000's	Rating at 30 September 2020	Balance at 30 September 2020 £000's
HSBC Bank plc	AA-	15,574	AA-	17,412

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Board receives rolling 12-month cash flow projections on a monthly basis as well as information regarding cash balances and (as noted above) the value of the Group's investments in corporate bonds. At the end of the financial year, these projections indicated that the Group expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down on its agreed £5m committed credit facility. The Group also seeks to reduce liquidity risk by fixing interest rates (and hence cash flows) on a portion of its long-term borrowings, this is further discussed in the 'interest rate risk' section below.

Market risk

Market risk arises from the Group's use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (other price risk).

Erith Holdings Limited

Directors' report for the year ended 30 September 2021 (continued)

Financial instruments (continued)

Cash flow interest rate risk

The Group is exposed to cash flow interest rate risk from long-term borrowings at variable rate. It is currently group policy that majority of all external group borrowings (excluding short-term overdraft facilities and finance lease payables) are fixed rate borrowings. This policy is managed centrally. Local operations are not permitted to borrow long-term from external sources. Although the board accepts that this policy neither protects the Group entirely from the risk of paying rates in excess of current market rates nor eliminates fully cash flow risk associated with variability in interest payments, it considers that it achieves an appropriate balance of exposure to these risks.

During the periods under review, the Group's borrowings at variable rate were denominated in Sterling.

Foreign exchange risk

Foreign exchange risk arises when individual Group entities enter into transactions denominated in a currency other than their functional currency. The Group's policy is, where possible, to allow group entities to settle liabilities denominated in their functional currency (primarily Euro or Pound Sterling) with the cash generated from their own operations in that currency. Where group entities have liabilities denominated in a currency other than their functional currency (and have insufficient reserves of that currency to settle them), cash already denominated in that currency will, where possible, be transferred from elsewhere within the Group.

In order to monitor the continuing effectiveness of this policy, the Board receives a monthly forecast, analysed by the major currencies held by the Group, of liabilities due for settlement and expected cash reserves.

Employment of disabled persons

The company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Particular attention is given to the training and promotion of disabled employees to ensure that their career development is not unfairly restricted by their disability, or perceptions of it.

The group's HR procedures make clear that full and fair consideration must be given to applications made by and the promotion of disabled persons. Where an employee becomes disabled whilst employed by the group, the HR procedures also require that reasonable effort is made to ensure they have the opportunity for continued employment within the group. Retraining of employees who become disabled whilst employed by the company is offered where appropriate.

Employee engagement

The group maintains an intranet site that provides employees with information on matters of concern to them as employees, including the financial and economic factors affecting the performance of the company. The intranet site includes functionality that enables employees to express views on matters that affect them and the group. See further information included in the s172 report on page 5.

Erith Holdings Limited

Directors' report for the year ended 30 September 2021 *(continued)*

Business Relationships

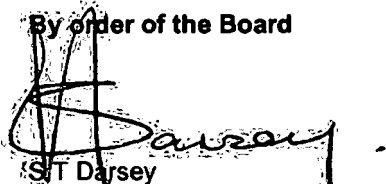
The group aims to foster close and collaborative relationships with both suppliers and customers. How we engage with the relevant stakeholders can be seen within our S172 report on page 5.

Auditors

The current directors have taken all the steps they ought to have taken to make themselves aware of any information needed by the group and company's auditors for the purpose of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the next annual general meeting.

By order of the Board



S.T. Darsey
Secretary

Date: 1 February 2022

Erith Holdings Limited

Directors' responsibilities statement for the year ended 30 September 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company 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 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.

Erith Holdings Limited

Independent auditor's report

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

Opinion on the financial statements

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 30 September 2021 and of the Group's profit for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Erith Holdings Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 30 September 2021 which comprise Consolidated statement of comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the 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.

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 directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements other than the financial statements and our auditor's report 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. 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.

Erith Holdings Limited

Independent auditor's report (continued)

Other Companies Act 2006 reporting

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 Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Erith Holdings Limited

Independent auditor's report (*continued*)

Extent to which the audit was 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 identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our sector experience through discussion with the directors and other management (as required by auditing standards).
- We had regard to laws and regulations in areas that directly affect the financial statements including financial reporting (including related company legislation) and taxation legislation. We considered that extent of compliance with those laws and regulations as part of our procedures on the related financial statement items.
- With the exception of any known or possible non-compliance, and as required by auditing standards, our work in respect of these was limited to enquiry of the directors.
- We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.
- We addressed the risk of fraud through management override of controls, by testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

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

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

Alexander Tapp

9AC8C079A40044A...

Alexander Tapp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
London, UK

Date 01 February 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Erith Holdings Limited

Consolidated statement of comprehensive income for the year ended 30 September 2021

	Note	2021 £'000	2020 £'000
Turnover	3	175,688	214,506
Cost of sales		<u>(154,088)</u>	<u>(186,552)</u>
Gross profit		21,600	27,954
Administrative expenses		<u>(15,734)</u>	<u>(20,083)</u>
Share of joint venture profits		<u>25</u>	<u>235</u>
Operating profit	5	5,891	8,106
Interest receivable		1	5
Interest payable and similar charges	6	(322)	(258)
Profit on disposal of fixed asset		5,760	513
Revaluation of investment property		-	65
Profit on ordinary activities before taxation		11,330	8,431
Tax on profit on ordinary activities	7	<u>(1,975)</u>	<u>(1,850)</u>
Profit for the financial year and total comprehensive income for the year		<u>9,355</u>	<u>6,581</u>

All amounts relate to continuing activities.

Except for the result for the financial year, as shown above, the group had no recognised gains and losses during the year.

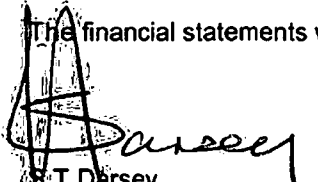
The notes on pages 22 to 38 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of financial position at 30 September 2021

<i>Company number: 02586308</i>	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible assets	8		12,043		15,484
Investments	9		260		235
Current assets					
Stocks	10	137		137	
Debtors	11	44,657		38,824	
Cash at bank and in hand		15,574		17,412	
		<u>60,368</u>		<u>56,373</u>	
Creditors: amounts falling due within one year	12	<u>(50,709)</u>		<u>(44,971)</u>	
Net current assets			<u>9,659</u>		<u>11,402</u>
Total assets less current liabilities			<u>21,962</u>		<u>27,121</u>
Creditors: amounts falling due after more than one year	13		<u>(4,405)</u>		<u>(10,079)</u>
Provisions for liabilities	15		<u>(160)</u>		<u>-</u>
Net assets			<u>17,397</u>		<u>17,042</u>
Capital and reserves					
Called up share capital	16		150		150
Profit and loss account			17,247		16,892
Equity attributable to owners of the parent company			<u>17,397</u>		<u>17,042</u>

The financial statements were approved by the Board and authorised for issue on 1 February 2022


T Darsey
Director

The notes on pages 22 to 38 form part of these financial statements.

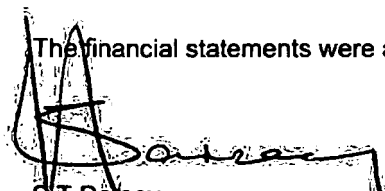
Erith Holdings Limited

Company statement of financial position at 30 September 2021

Company number: 02586308	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Fixed assets					
Tangible fixed assets	8		-		2,600
Investments	9		150		150
			<u>150</u>		<u>2,750</u>
Current assets					
Debtors	11	1,524		1,243	
Cash at bank and in hand		146		1,188	
		<u>1,670</u>		<u>2,431</u>	
Creditors: amounts falling due within one year	12	(1,273)		(973)	
		<u>397</u>		<u>1,458</u>	
Net current assets			397		1,458
Total assets less current liabilities			547		4,208
Creditors: amounts falling due after more than one year	13		-		(4,125)
			<u>547</u>		<u>83</u>
Net assets			547		83
Capital and reserves					
Called up share capital	16		150		150
Profit and loss account			397		(67)
			<u>547</u>		<u>83</u>
Equity attributable to owners of the parent company			547		83

In accordance with Section 408 of the Companies Act 2006, the company has not presented its own income statement in these financial statements. The company results for the year include a profit after tax and before dividends payable of £9,464,000 (2020 - £5,755,000) which is dealt within the consolidated financial statements of the group.

The financial statements were approved by the Board and authorised for issue on 1 February 2022


S T Darsey
Director

The notes on pages 22 to 38 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of changes in equity for the year ended 30 September 2021

	Equity share capital £'000	Profit and loss Account £'000	Total equity £'000
At 1 October 2020	150	16,892	17,042
Comprehensive income for the year			
Profit for the year	-	9,355	9,355
Total comprehensive income for the year	-	9,355	9,355
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	(9,000)	(9,000)
Total contributions by and distributions to owners	-	(9,000)	(9,000)
30 September 2021	150	17,247	17,397
	Equity share capital £'000	Profit and loss Account £'000	Total equity £'000
At 1 October 2019	150	17,811	17,961
Comprehensive income for the year			
Profit for the year	-	6,581	6,581
Total comprehensive income for the year	-	6,581	6,581
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	(7,500)	(7,500)
Total contributions by and distributions to owners	-	(7,500)	(7,500)
30 September 2020	150	16,892	17,042

The notes on pages 22 to 38 form part of these financial statements.

Erith Holdings Limited

Company statement of changes in equity for the year ended 30 September 2021

	Equity Share Capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 October 2020	150	(67)	83
Comprehensive income for the year			
Profit for the year	-	9,464	9,464
Total comprehensive income for the year	-	9,464	9,464
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	(9,000)	(9,000)
Total contributions by and distributions to owners	-	(9,000)	(9,000)
30 September 2021	150	397	547
	Equity Share Capital £'000	Profit and loss account £'000	Total Equity £'000
At 1 October 2019	150	1,678	1,828
Comprehensive income for the year			
Profit for the year	-	5,755	5,755
Total comprehensive income for the year	-	5,755	5,755
Contributions by and distributions to owners			
Contributions to Employee Ownership Trust	-	(7,500)	(7,500)
Total contributions by and distributions to owners	-	(7,500)	(7,500)
30 September 2020	150	(67)	83

The notes on pages 22 to 38 form part of these financial statements.

Erith Holdings Limited

Consolidated statement of cash flow for the year ended 30 September 2021

	Note	2021 £'000	2021 £'000	2020 £'000	2020 £'000
Cash flows from operating activities	17		9,777		18,496
Cash flows from investing activities					
Interest received		1		5	
Purchase of tangible fixed assets		(2,915)		(1,580)	
Proceeds from sale of tangible fixed assets		8,496		997	
Net cash from investing activities			5,582		(578)
Cash flows from financing activities					
Repayment of loans		(4,625)		(500)	
Drawdown of loans		-		2,000	
Capital element of finance lease rental		(3,572)		(1,842)	
Contributions to Employee Ownership Trust		(9,000)		(7,500)	
Net cash used in financing activities			(17,197)		(7,842)
(Decrease)/Increase in cash and cash equivalents			(1,838)		10,076
Cash and cash equivalents at the beginning of the year			17,412		7,336
Cash and cash equivalents at end of the year			15,574		17,412
Cash and cash equivalents comprise:					
Cash at bank and in hand			15,574		17,412
Bank overdrafts			-		-
			15,574		17,412

The notes on pages 22 to 38 form part of these financial statements.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021

1 Accounting policies

Erith Holdings Limited is a private company limited by shares incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Company's operations and its principal activities are set out in the report of the directors. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006. The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest thousand £.

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- no cash flow statement has been presented for the parent company;
- disclosures in respect of the parent company's financial instruments have not been presented as equivalent disclosures have been provided in respect of the group as a whole; and
- no disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the group as a whole.

The principal accounting policies are summarised below.

Basis of consolidation

The consolidated financial statements present the results of Erith Holdings Limited and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Going concern

As at the 30 September 2021, the Group has substantial cash reserves and a significant level of secured orders. The Directors regularly review the working capital requirements of the Group and prepare profit, cash flow and covenant forecasts which include the economic uncertainties arising from Covid-19 such as the potential fall in output and increase in cost from additional health and safety measures.

The revolving credit facility were successfully renegotiated for an additional term of 4 years and is now due for repayment in December 2024. After making enquiries and considering the factors and sensitivities applied, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for at least 12 months from the approval of these financial statements. Thus, the Directors consider it appropriate to continue to adopt the going concern basis of accounting.

Turnover

Turnover represents sales to outside customers of invoiced amounts less value added tax. Profit is recognised as a percentage of work certified at the year-end date where profitability can be assured with reasonable probability.

When applicable turnover also includes property rental to external customers at invoiced amounts less value added tax or local taxes on sales. Rental charges invoiced in advance of the rental period are treated as deferred income.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

1 Accounting policies (*continued*)

Tangible fixed assets

With the exception of land and buildings, depreciation of tangible fixed assets is calculated to write off the cost of the fixed assets over their estimated useful lives on a straight line basis. The annual rates of depreciation are as follows:

Plant and machinery	-	10% - 33%
Fixtures, fittings and equipment	-	10% - 25%
Motor vehicles	-	10% - 20%
Leasehold improvements	-	Evenly over the term of the lease.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income or losses' in the statement of comprehensive income.

The company has not provided for depreciation on buildings and therefore has not complied with the Financial Reporting Standard 102. It is considered, however, that non-compliance with the standard has not had a material effect on these accounts since any such depreciation is considered immaterial.

Investment properties

Investment property is carried at fair value determined by market sales data, including the value of recent disposals of similar properties within the area and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in profit or loss.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income or expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except:

- the recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (*continued*)

1 Accounting policies (*continued*)

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Work in progress is valued on the basis of cost of materials, direct labour and appropriate production overheads less progress payments received, adjusted for realisable profits where appropriate.

Contracts where the work is expected to extend for a period exceeding one year and where the outcome can be assessed with reasonable probability before their conclusion are valued at cost plus attributable profit less any foreseeable losses. Attributable profit is that amount which is estimated to reflect fairly the profit arising on the current contracts up to the balance sheet date. Foreseeable losses are those which are currently estimated to arise over the duration of existing contracts after taking into account costs, including direct labour and appropriate production overheads, to be incurred in the future.

Finance leases and hire purchase contracts

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to statement of comprehensive income on a straight-line basis over the term of the lease.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard (1 October 2014) to continue to be charged over the shorter period to the first market rent review rather than the term of lease.

For leases entered into on or after 1 October 2014, reverse premiums and similar incentives received to enter into operating lease agreements are released to statement of comprehensive income over the term of the lease.

Pension costs

The group makes contributions to the Erith Haulage Company Limited Retirement Benefit Scheme, a defined contribution scheme. The amounts charged to the statement of comprehensive income in respect of pension costs are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown in either accruals or prepayments in the balance sheet.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

1 Accounting policies (continued)

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding convertible debt and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost.

Foreign currency translation - Transactions and balances

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of changes in equity.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in statement of comprehensive income within 'other operating income or expense'.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Distributions

Distributions are recognised when they are paid.

Reserves

The company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

- Determine whether leases entered into by the group are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Long term contracts are assessed on a contract by contract basis. Recognition is based on probable outcomes assessed by experienced senior management.

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Other key sources of estimation uncertainty

- **Tangible fixed assets**

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- Investment properties are valued annually using available external market data. This uses market rental values capitalised at a market capitalisation rate and considers actual prices achieved from the disposal of similar properties within the area, including those previously owned.

3 Turnover

All of the group's turnover relates to its principal activities and is sourced within the UK except for £10,398,455 (2020 - £590,071) which was derived from activities in the Republic of Ireland.

4 Information regarding directors and employees

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Directors' emoluments:				
Emoluments	372	638	-	9
Pension costs	23	17	-	-
	<u>395</u>	<u>655</u>	-	<u>9</u>
			2021 Number	2020 Number
Number of directors who were members of the group pension scheme			1	1
	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Emoluments of highest paid director	162	287	-	3
Pension costs of highest paid director	23	-	-	-

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (continued)

4 Information regarding directors and employees (continued)

Employee costs (including directors) during the year:

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Wages and salaries	30,823	32,870	-	8
Social security costs	3,610	3,696	-	1
Pensions	963	945	-	-
	<u>35,396</u>	<u>37,511</u>	<u>-</u>	<u>9</u>

Average number of persons (including directors) employed:

	Group 2021 Number	Group 2020 Number	Company 2021 Number	Company 2020 Number
Production	426	519	-	-
Administration	148	112	-	-
	<u>574</u>	<u>631</u>	<u>-</u>	<u>-</u>

Key management personnel include all directors across the group who together have authority and responsibility for planning, directing and controlling the activities of the group. The total compensation paid to key management personnel for services provided to the group was £2,079,645 (2020 - £2,247,160).

5 Operating profit

	2021 £'000	2020 £'000
This has been arrived at after charging/(crediting):		
Depreciation (note 8)	3,620	3,899
Auditors' remuneration:		
- group audit fee	165	75
- group non audit fee (tax compliance)	26	46
- company audit fee	5	5
Profit on disposal of fixed assets	(5,760)	(513)
	<u></u>	<u></u>

6 Interest payable and similar charges

	2021 £'000	2020 £'000
Finance lease and hire purchase contracts	189	104
Bank interest	133	154
	<u>322</u>	<u>258</u>

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

7 Taxation

	2021 £'000	2020 £'000
<i>UK corporation tax</i>		
UK corporation tax on profit for the period	1,802	1,565
Adjustments in respect of prior periods	(14)	165
	<u>1,788</u>	<u>1,730</u>
<i>Deferred tax</i>		
Recognition of timing differences	187	77
Adjustments in respect of prior periods	-	43
	<u>187</u>	<u>120</u>
Taxation on profit on ordinary activities	<u>1,975</u>	<u>1,850</u>

The tax assessed for the period is lower (2020 - higher) than the standard rate of corporation tax in the UK. The differences are explained below:

	2021 £'000	2020 £'000
Profit on ordinary activities before tax	<u>11,330</u>	<u>8,431</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19 % (2020 – 19.0%)	2,153	1,602
Effect of:		
Expenses not deductible for tax purposes	57	78
Non-taxable income	-	(57)
Adjustment to tax charge in respect of previous periods	(14)	165
Foreign branch exemption	(275)	-
Fixed asset differences	(124)	-
Deferred tax not recognised	225	-
Other timing differences	(47)	62
	<u>1,975</u>	<u>1,850</u>
Current tax charge for the period	<u>1,975</u>	<u>1,850</u>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (*continued*)

8 Tangible fixed assets

Group	Investment properties £'000	Leasehold improvements £'000	Land and buildings £'000	Plant and machinery £'000	Fixtures fittings and equipment £'000	Motor vehicles £'000	Total £'000
<i>Cost or valuation</i>							
At 1 October 2020	1,340	175	2,600	16,550	1,732	5,091	27,488
Additions	-	-	-	2,485	335	95	2,915
Disposals	-	-	(2,600)	(3,176)	(1)	(115)	(5,892)
Revaluation	-	-	-	-	-	-	-
At 30 September 2021	1,340	175	-	15,859	2,066	5,071	24,511
<i>Depreciation</i>							
At 1 October 2020	-	175	-	7,292	1,334	3,203	12,004
Charge for the year	-	-	-	2,585	388	647	3,620
Disposals	-	-	-	(3,086)	-	(70)	(3,156)
At 30 September 2021	-	175	-	6,791	1,722	3,780	12,468
<i>Net book value</i>							
At 30 September 2021	1,340	-	-	9,068	344	1,291	12,043
At 30 September 2020	1,340	-	2,600	9,258	398	1,888	15,484

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

8 Tangible fixed assets (continued)

The depreciated historical cost of the land is:

	2021 £'000	2020 £'000
Cost	2,600	2,600
Accumulated depreciation based in historical cost	-	-
	2,600	2,600

Fixed assets with a cost of £6,534,719 (2020 - £5,310,874) have been fully depreciated. The net book value of plant and machinery under finance lease and hire purchase contracts is £8,140,363 (2020 - £8,169,850). The related depreciation charge for the year was £2,091,526 (2020 - £1,774,508). The net book value of motor vehicles under finance leases and hire purchase contract is £1,132,827 (2020 - £1,762,115). Related depreciation charge for the year was £518,378 (2020 - £568,244).

Investment properties

The company's investment properties are valued annually on 30 September at fair value, determined by an external market data source. Details on the assumptions made and the key sources of estimation uncertainty are given in note 2.

The surplus on revaluation of investment property arising of £Nil (company - £65,000) has been credited to the statement of comprehensive income for the year. All other tangible assets are stated at historical cost less depreciation and impairments.

If investment property had been accounted for under the historical cost accounting rules, the property would have been measured as follows:

	Group 2021 £'000	Group 2020 £'000
Historical cost	868	868
Accumulated depreciation	-	-
	868	868
 Excess of net book value over historical cost basis	 472	 472

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (*continued*)

8 Tangible fixed assets (*continued*)

Company	Land and buildings £'000
Cost	
At 1 October 2020	2,600
Disposals	2,600
	<hr/>
At 30 September 2021	-
	<hr/>
Accumulated depreciation	
At 1 October 2020	-
Charge for the year	-
	<hr/>
At 30 September 2021	-
	<hr/>
Net book value	
At 30 September 2021	-
	<hr/>
At 30 September 2020	2,600
	<hr/>

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (*continued*)

9 Investments

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Shares in subsidiaries and joint ventures	260	235	150	150
Investment in joint venture undertakings				
			Group 2021 £'000	Group 2020 £'000
As at 1 October			235	-
Share of joint venture profits			25	235
As at 30 September			260	235

The following were the principal subsidiary and joint venture undertakings at the end of the year.

Name	Country of incorporation	Number of class of shares	Proportion of shares held %
<i>Companies treated as subsidiary undertakings</i>			
Erith Haulage Company Limited	England	50,000 ordinary 25,000 Class 'A' ordinary	100
Erith Contractors Limited	England	50,000 ordinary 25,000 Class 'A' ordinary	100
Swanton Consulting Limited	England	100 Ordinary	100
Erith Plant Services Limited	England	100 Ordinary	100
Erith Business Solutions Limited	England	100 Ordinary	100
Erith Training Limited	England	100 Ordinary	100

Erith Haulage Company Limited operates in the haulage industry. Erith Contractors Limited operates in the business of contract demolition. Swanton Consulting Limited operates in the business of structural engineers. Erith Plant Services Limited operates in the business of plant leasing. Erith Training Limited operates in the business of Training services. Erith Business Solutions Limited operates in the provision of both Health and Safety and IT services.

The registered office of all subsidiaries above is Erith House, Queen's Street, Erith, Kent, DA8 1RP.

Name	Country of incorporation	Number of class of shares	Proportion of shares held %
<i>Companies treated as joint venture undertakings:</i>			
Land Remediation Limited	England	1 ordinary	50

The registered office of Land Remediation Limited is 1 Beauchamp Court, 10 Victors Way, Barnet, Hertfordshire, EN5 5TZ.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (continued)

10 Stocks	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Raw materials	137	137	-	-
<hr/>				
11 Debtors	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade debtors	19,860	24,818	77	-
Amounts owed by group undertakings	-	-	1,272	1,233
Other debtors	262	182	10	10
Prepayments and accrued income	212	74	165	-
Taxes and social security	221	434	-	-
Amounts receivable on long term contracts	24,102	13,289	-	-
Deferred tax (note 15)	-	27	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	44,657	38,824	1,524	1,243
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts owed by group undertakings are interest free and repayable on demand. Included within amounts recoverable on contract are retentions of £9,304,368 (2020: £9,986,062) which are recoverable within the normal operating cycle of the Group. All remaining amounts shown under debtors fall due for payment within one year.

12 Creditors: amounts falling due within one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Trade creditors	9,747	9,359	2	3
Amounts owed to group undertakings	-	-	300	300
Corporation tax	1,788	1,730	804	91
Taxes and social security	4,853	3,874	8	8
Other creditors	885	854	128	-
Obligations under finance leases and hire purchase contracts	3,595	3,316	-	-
Accruals and deferred income	29,841	25,338	31	71
Term loans (see note 13)	-	500	-	500
	<hr/>	<hr/>	<hr/>	<hr/>
	50,709	44,971	1,273	973
	<hr/>	<hr/>	<hr/>	<hr/>

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

12 Creditors: amounts falling due within one year (continued)

Amounts owed to group undertakings are interest free and repayable on demand. Included within accruals and deferred income are retentions of £2,216,022 (2020: £2,275,357) which are payable within the normal operating cycle of the Company.

Individual companies within the group have arranged overdraft facilities with the group's bankers, which are subject to a group set-off arrangement. These facilities include an invoice discounting facility, and a revolving credit facility secured by fixed and floating charges over certain assets of the group. The revolving credit facility incurs interest at 2.5% above of SONIA and is due for repayment in December 2024. Obligations under finance leases and hire purchase contracts are secured against those assets to which the agreements relate.

13 Creditors: amounts falling due after more than one year

	Group 2021 £'000	Group 2020 £'000	Company 2021 £'000	Company 2020 £'000
Hire purchase contracts and finance leases	4,405	5,954	-	-
Term loans	-	4,125	-	4,125
	<u>4,405</u>	<u>10,079</u>	<u>-</u>	<u>4,125</u>
Group				
	Bank loans	2020	Finance leases	2020
Financial liabilities are due:	2021	£'000	2021	£'000
	£'000		£'000	
In more than one year but not more than two years	-	2,125	2,116	3,018
In more than two years but not more than five years	-	2,000	2,289	2,936
Greater than five years	-	-	-	-
	<u>-</u>	<u>4,125</u>	<u>4,405</u>	<u>5,954</u>

Obligations under finance leases and hire purchase contracts are secured against those assets to which the agreements relate.

Erith Holdings Limited

Notes forming part of the financial statements
for the year ended 30 September 2021 (continued)

14 Financial instruments

The Group's financial instruments may be analysed as follows:

	Group 2021 £'000	Group 2020 £'000
Financial assets		
Financial assets measured at fair value through profit or loss	10	10
Financial assets that are debt instruments measured at amortised cost	51,808	55,691
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities measured at amortised cost	36,343	43,976
Derivative financial instruments at fair value through profit or loss	-	-
	<u> </u>	<u> </u>

Financial assets measured at amortised cost through the statement of comprehensive income comprise cash, trade debtors, other debtors and amounts receivable on long term contracts.

Financial assets measured at fair value through the profit or loss relate to a non-basic loan receivable included within other debtors due in less than one year. The fair value of the loan receivable uses level 3 inputs and is based on the directors judgement around the forecast outcome of the loan. In the current period the Group and Company recorded a fair value deficit of £Nil (2020: £1,490,000) has been recorded through administrative expenses.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under finance lease and hire purchase contracts, bank loans, other creditors and accruals and deferred income.

Information regarding the group's exposure to and management of credit risk, liquidity risk, market risk, cash flow interest rate risk, and foreign exchange risk is included in the Directors' report.

15 Deferred Tax

	2021 £'000	2020 £'000
Group		
<i>Deferred taxation - accelerated capital allowances</i>		
At 1 October	(27)	(147)
Charged to statement of comprehensive income	187	120
	<u> </u>	<u> </u>
At 30 September (see note 11)	<u>160</u>	<u>(27)</u>
	<u> </u>	<u> </u>
Company		
<i>Deferred taxation – accelerated capital allowances</i>		
At 1 October	-	-
Charged to statement of comprehensive income	-	-
	<u> </u>	<u> </u>
At 30 September	<u>-</u>	<u>-</u>
	<u> </u>	<u> </u>

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

16 Share capital

Group and Company	2021 £'000	2020 £'000
<i>Authorised, allotted, called up and fully paid</i>		
100,000 Ordinary shares of £1 each	100	100
50,000 'A' Ordinary shares of £1 each	50	50
	<u>150</u>	<u>150</u>

In the event of a winding up or disposal of the company, the value of the ordinary share capital has been fixed at the aggregate value of the issued share capital of Erith Haulage Company Limited and Erith Contractors Limited on 22 March 1988. The 'A' ordinary shares shall have a value of the amount of the excess of the company's worth over the value of the ordinary shares. In the event of the winding up of the company the funds available for distribution will be applied first in paying the ordinary shareholders. In all other respects the shares rank pari passu.

17 Reconciliation of profit for the year to net cash generated from operating activities

	2021 £'000	2020 £'000
Profit for the year	11,330	6,581
<i>Adjustment for:</i>		
Interest receivable	(1)	(5)
Interest payable and similar charges	322	258
Taxation	(1,579)	1,850
Depreciation	3,620	3,899
Profit on sale of fixed assets	(5,760)	(513)
Revaluation of investment property	-	(65)
Share of joint venture profits	(25)	(235)
Impairment of financial asset	-	1,490
Movement in bad debt provision	(856)	2,334
Increase in stock	-	-
Decrease in debtors	19	16,858
Decrease/(increase) in creditors	4,628	(11,998)
<i>Cash from operations:</i>		
Taxation paid	(1,600)	(1,700)
Interest paid	(321)	(258)
Net cash generated from operating activities	9,777	18,496

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

18 Contingent liability

The company has given an unlimited guarantee to the bankers of Erith Haulage Company Limited, whose overdraft at 30 September 2021 was £Nil (2020 - £Nil) and Erith Contractors Limited whose overdraft at 30 September 2021 was £Nil (2020 - £Nil).

The group is subject to two ongoing regulatory investigations. The first is in relation to an accident that occurred at the group's premises that resulted in a fatality. At this time the inquest has been adjourned until March 2022. The second is in relation to a regulatory investigation. At this time, the outcome of both matters are considered to be undeterminable at this time and the directors therefore have made no provision in these financial statements for any costs arising from this matter other than the ongoing professional fees.

19 Pension scheme

The group sponsors the Erith Haulage Company Limited Retirement Benefit Scheme. The cost to the group of contributions to the scheme during the year was £Nil (2020 - £Nil). The scheme is a defined contribution scheme. The amount charged to the statement of comprehensive income of the group in respect of pension costs is the contribution payable in the year.

20 Operating lease commitments

The total future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	1,149,658	488,638
Later than one year no later than five years	3,888,632	1,644,552
Later than five years	6,770,441	685,914
	<hr/>	<hr/>
Total	11,808,731	2,819,104
	<hr/>	<hr/>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £785,673 (2020 - £488,638).

Erith Holdings Limited

Notes forming part of the financial statements for the year ended 30 September 2021 (continued)

21 Related party transactions

As directors of Erith Holdings Limited and Erith Holdings Trustee Limited, Messrs S, T and D Darsey are considered related parties.

At the year-end, D Darsey had amounts owing to Erith Contractors Limited of £Nil (2020 - £Nil). The maximum amount owing to the company during the year was £Nil (2020 - £Nil).

At the year-end, T Darsey had amounts owing to Erith Contractors Limited of £Nil (2020 - £Nil). The maximum amount owing to the company during the year was £Nil (2020 - £Nil).

At the year-end, S T Darsey had amounts owing to Erith Haulage Company Limited of £Nil (2020 - £Nil). The maximum amount owing to the company during the year was £Nil (2020 - £Nil).

No interest has been charged on these current accounts.

Rent paid to The Trustees of the Erith Group Directors Pension Scheme during the year of £393,095 (2020 - £120,000). No balance was outstanding at the year-end (2020 - £Nil).

Rent charged from Ebbsfleet Recycling Company Ltd (a company controlled by the Darsey family) during the year of £200,000 (2020 - £200,000) with £Nil outstanding at year end (2020 - £Nil).

Charges from Ebbcliff Ltd (a company to whom Steve Darsey, Tony Darsey and David Darsey are directors) during the year of £216,396 (2020 - £437,178) with £ Nil outstanding at year end (2020 - £ Nil). Charges to Ebbcliff Ltd during the year of £141,391 (2020 - £418,161) with £2,806 outstanding at year end (2020-£9,721).

The ultimate controlling party is Erith Holdings Trustee Limited on behalf of the Erith Employee Ownership Trust.