



**Financial Statements for the
Year ended 31 March 2023**

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Strategic Report

The directors present their strategic report on Vulcan Industries PLC (the “Group” or the “Company”) for the year ended 31 March 2023.

Principal activity

Vulcan seeks to acquire and consolidate industrial and renewable SMEs and projects for value and to enhance performance in part through group synergies, but primarily by unlocking growth which is not being achieved as a standalone private company.

Review of business and future developments

On the 1 June 2020, the share capital of the Company was admitted to trading on the Aquis Stock Exchange Growth Market (“AQSE”). This enables the Company to raise additional equity to fund its growth and acquisition strategy. Since admission, the focus has been to restructure the existing businesses to recover from the financial impact of COVID-19 and lay the foundations to develop the Group going forward. The initial step in this process was the acquisition on 24 March 2022 of the entire share capital of Aftech Limited (“Aftech”). Aftech brings additional complementary areas of fabrication skills and product offering. On 6 March 2023, the Company broadened its activities into the energy sector with the acquisition of the entire share capital of Forepower Lincoln (250) Limited (“FPL(250)”). FPL(250) is a 248 MW Battery Energy Storage System (“BESS”) project, currently seeking formal planning consent.

COVID-19 had a significant impact on the financial performance of the Group since admission. The results for the years ended 31 March 2021 and 31 March 2022, reflected the impact of various lock downs and the subsequent challenging market conditions. Whilst demand picked up in the second half of the year ended 31 March 2022, the continued operating losses placed significant strains on working capital. In particular, M&G Olympic Products Limited (“MGO”) which, like many smaller suppliers to the major construction companies, struggled to balance the cash flow fluctuations across multiple large projects. In order to stem continued cash outflows, MGO was disposed of on 30 March 2022. A strategic review, lead the board to conclude that, in order to lay firm foundations for future growth, it was necessary to dispose of the remaining loss making businesses. Both Orca Doors Limited (“Orca”) and IVI Metallics Limited (“IVI”) were disposed of in July 2022 and Time Rainham Limited (“TRR”) was disposed of in November 2022.

Consequently, the results for Orca, IVI and TRR are disclosed as discontinued activities and the comparatives for the prior year have been restated accordingly. The financial results for the Group for the year ending 31 March 2023, show an increase in continuing revenue to £1,165,000 (2022: £46,000) and a fall in the continuing loss before interest, tax, depreciation, amortization and impairments to £523,000 (2022: £897,000). After continuing depreciation and amortization of £59,000 (2022: £nil), impairment charges of £nil (2022: £12,000) continuing finance costs of £463,000 (2022: £390,000), the Group is reporting a loss before taxation on continuing activities of £1,020,000 (2022: £1,299,000). The disposals of Orca, IVI and TRR generated a profit on discontinued activities of £1,588,000 (2022: Loss £2,389,000) after reporting a loss after tax to the date of disposal of £216,000 (2022: £3,042,000). The reported profit after tax for the Group is £639,000 (2022: Loss £3,687,000).

At 31 March 2023, the Group balance sheet shows net assets of £510,000 (2022: net liabilities £3,155,000).

Outlook

The disposals of the loss making legacy businesses of Orca, IVI and TRR during the year ended 31 March 2023 added significant benefit to the Group balance sheet and stemmed continued cash outflows. Since the year end, the Group has continued to lay the foundations for its future development. The acquisition of the FPL(250) project has broadened the sectors of Group activities. As announced on 25 October 2023, the Company has disposed of 49.9% of its holding in FPL (250) in order to fund the development of the project and value is expected to be generated as the project moves through the planning process and obtains a firm connection date to the national grid. The development phase of the project offers potential to expand the fabrication activities of Aftech. In addition there is a strong pipeline of further BESS and other opportunities which the Company will seek to bring into the Group in due course.

Key performance indicators

The board monitors the Group’s performance in delivery of strategy by measuring progress against Key Performance Indicators (“KPIs”). These KPIs comprise a number of operational and financial metrics.

	Year ending 31 March 2023	Year ending 31 March 2022
Operating metrics		
Revenue from continuing activities £'000	1,165	46
Gross Margin %	42.2	36.6
Operating EBITDA from continuing activities £'000	137	7
Group EBITDA from continuing activities £'000	(523)	(897)
Financial metrics		
EPS pence from continuing activities	(0.16p)	(0.37p)
Net Debt £'000	(3,187)	(3,964)
Net Assets / (liabilities) £'000	510	(3,155)
Liquidity - cash plus available headroom under facilities £'000	2	69

Further KPIs will be introduced as the Group evolves.

Going concern

The Group has prepared forecasts covering the period of 12 months from the date of approval of these financial statements. These forecasts are based on assumptions including, such as forecast volumes, selling prices and budgeted cost reductions. They further take into account working capital requirements and currently available borrowing facilities.

These forecasts show that following the part disposal of FPL (250) Limited, the Group is projected to have sufficient cash resources to fund the budgeted project expenditure and Group overheads. However delays in the planning process would require additional funding either through additional loan facilities or through raising cash through capital and project finance transactions to remain a going concern.

As set out in note 20, the Group is currently funded by a combination of short and long-term borrowing facilities. Loans of £475,000 at 31 March 2023 fell due for repayment in September 2023, and £1,854,000 is subject to a rolling 12 month standstill agreement. Since the year end the term of these loans has been extended and they now fall due between April and June 2025. Loans of £700,000 fall due on demand. The factoring facilities, of which £145,000 (2022: £447,000) was fully drawn at 31 March 2023, may be withdrawn with 3 months' notice.

Based on the above, whilst there are no contractual guarantees, the directors are confident that the existing financing will remain available to the Group and that additional sources of finance will be available. The directors, with the operating initiatives already in place and funding options available, are confident that the Group will achieve its cash flow forecasts. Therefore, the directors have prepared the financial statements on a going concern basis.

The forecasts show that the Group will need to meet its operating targets and that delays would require further funding to meet its commitments as they fall due. In addition to this, the Group is reliant on maintaining its existing borrowings. These conditions point to the existence of material uncertainties that may cast some doubt upon the Group's ability to continue as a going concern. and the Group may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. The Board continues to monitor these risks closely and prepare mitigation. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors have made reference to going concern in their audit report by way of a material uncertainty.

Risk management at 31 March 2023

The Company is subject to various risks and the future outlook for the Group, and growth in shareholder value should be viewed with an understanding of these risks. According to the risk, the board may decide to tolerate it, seek to mitigate it through controls and operating procedures, or transfer it to third parties. The following table summarises the principal risks facing the Group and the actions taken to mitigate these:

Risk	Detail	How it is managed
Access to equity capital	The Group is reliant on existing short-term loan facilities.	The share capital of the Company has been admitted to the Aquis Exchange Growth Market. This has facilitated the ability to raise new equity capital. Since

		the year end, term loans of £2,329,000 have been renegotiated and now fall due from April to June 2025.
Access to working capital and liquidity risk	The Group is reliant on factoring facilities which are not committed for more than 3 months.	Additional term loan facilities and equity are being sought to refinance debt falling due within 1 to 2 years at the balance sheet date.
Contingent liability	FPL (250) has commitments to pay £1,250,000 to certain third party consultants within 40 days of receipt of project planning permission.	The Company, subsequent to the year end has disposed of 49.9% of FPL (250) to fund the further development of the project.
Compliance	There is a risk of a breach of the Group's business or ethical conduct standards and breach of anti-corruptions laws, resulting in investigations, fines and loss of reputation.	The board reinforces an ethical corporate culture having adopted the QCA 10 principles of Corporate Governance.

Notes 26 and 27 to the financial statements refer to the Group's objectives, policies and procedures for managing its capital, its financial risk management objectives, its financial instruments and exposures to credit, interest rate and liquidity risk.

The board is also responsible for establishing and monitoring the Group's systems of internal controls. Although no system of internal control can provide absolute assurance against material misstatement or loss, the Group's systems are designed to provide the directors with reasonable assurance that problems are identified on a timely basis and dealt with appropriately. The board reviews the effectiveness of the systems of internal control and considers the major business risks and the control environment on a regular basis. In light of this control environment the board considers that there is no current requirement for a permanent separate internal audit function.

Directors' s172 statement

As set out in Section 172 of the Companies Act 2006, the directors are required to act in ways that we consider, in good faith, would be likely to promote the success of the Company in the long term for the benefit of its members as a whole; its stakeholders ranging from its employees; customers; suppliers; lenders, local communities and the environment having regard to:

- Likely consequences of long-term decisions
- Interests of employees
- Relationships with customers and suppliers
- Impact of operations on the community and environment
- Maintaining high standards of business conduct
- The overall need to act fairly between stakeholders

The Company's share capital is listed on the AQSE. Growth Market. The listing facilitates the raising of additional equity capital that is required to develop the existing portfolio of businesses, strengthen the Group's balance sheet and provide finance for growth and future acquisitions.

At this stage in the Group's evolution, the Company does not intend to make distributions of dividends, rather to reinvest funds generated, into optimizing the capital structure of the group for the benefit of all stakeholders. This will improve access to additional capital to enable the Group to build a critical mass to ensure a sustainable future and provide long term returns for its shareholders.

The key to the success of this long-term strategy is to develop and embed a corporate culture of best practice and maintenance of high ethical standards to the benefit of all stakeholders and to engage with each as the Group evolves.

Corporate Governance

The Directors recognise the importance of sound corporate governance and, following admission to the Aquis Exchange Growth Market on 1 June 2020, have undertaken to take account of the requirements of the QCA Code to the extent that they consider it appropriate having regard to the Company's size, board structure, stage of development and resources.

The QCA Code recommend that the board of directors should include a balance of executive and non- executive directors, such that no individual or small group of individuals can dominate the board's decision taking. In the case of a smaller company, such as the Company, the QCA Code recommends that the board should include at least two non-

executive directors who are independent.

The company is headed by an effective Board which is collectively responsible for the long-term success of the Company. The Board currently comprises:

Ian Tordoff – Executive Chairman (AC Chair, ARCC)

Prior to founding Vulcan, Ian's experience in directing large operations included: leading an EY team in restructuring functions in Ford of Europe as part of a turnaround strategy, before moving to a loss-making European ISP helping to take it to break-even in 18 months. He has created and led specialist teams in the execution of \$6bn+ health-sector projects, delivering substantial service developments in the UK and the Middle East. Ian has held non-executive and advisory roles in the NHS, dermal testing and digital-health businesses.

John Hunter Maxwell – Non-executive (AC,RC)

John is a member of The Institute of Chartered Accountants of Scotland. He is on the Board of Directors at London Finance & Investment Group Plc. John was previously employed as an Independent Non-Executive Director by RSA Insurance Group Plc, Executive Director by Provident Financial Plc, Chairman by DX Services Plc, Non-Executive Director by HomeServe Plc, Non-Executive Director by Parity plc, Executive Director by Prudential Plc, CEO of BPB Industries Plc, CEO of Provincial Group Plc, Chairman at Prolific Plc, Director General at The Automobile Association Limited and a Governor at the Royal Ballet School.

Darren Taylor – Non-executive (RC)

Darren is the CEO of CMG Cleantech S.A (CMG) and a director of Aftech Engineering Ltd and Dorset Aluminium Products Ltd. Alongside the engineering portfolio, Darren founded Taylor Made Franchising which owns outright and has partial ownership of ten successful franchising businesses across the UK. Darren is experienced in mergers and acquisitions and turnarounds. He has well developed skills in supporting SME owners with successful exits, business planning, account management and contract management.

Neil Clayton – Group Finance Director (ARCC)

Neil is a member of The Institute of Chartered Accountants of England and Wales. He is on the board of Agriterra Limited (AIM) and Block Commodities Limited and Global Web Pay Limited. As well as providing CFO consulting to offshore AIM listed groups with business activities in agricultural, health and natural resources in Africa, he also brings to the Board specialised capital restructuring experience from his role as Group Finance Director of Earthport Plc. Previously Neil held senior financial positions at First Technology plc, the international automotive safety and sensing manufacturing group.

As at the date of this report, the Company has adopted the corporate governance structure set out below:

The Board sets the Company's strategy, ensuring that the necessary resources are in place to achieve the agreed strategic priorities and reviews management and financial performance. It is accountable to shareholders for the creation and delivery long term shareholder value. The board is also responsible for maintaining a framework of controls that allow it to effectively assess and manage risk. In addition, the Board sets the Company's core values and standards of business conduct and for ensuring that these are widely understood throughout the Group.

Board meetings are scheduled around the key events in the corporate calendar and additional meetings or conference calls are held to consider matters that require decisions outside the scheduled meetings.

The Board has a formal schedule of matters reserved that can only be decided by the Board. The key matters are the consideration and approval of:

- The overall strategy of the Company
- Financial statements
- Management structure, appointments and remuneration
- Acquisition terms, material contracts, major capital expenditure projects and budgets
- Capital structure, debt and equity issues
- Risk management and internal controls
- Corporate governance and compliance arrangements

The Board has established the following sub-committees.

Audit Committee

The Board has established an Audit Committee with formally delegated duties and responsibilities. The Audit Committee is chaired by Ian Tordoff and its other member is John Maxwell. The Audit Committee will meet at

least two times a year and will be responsible for ensuring the financial performance of the Company is properly reported on and monitored, including reviews of the annual and interim accounts, results announcements, internal control systems and procedures and accounting policies, as well as keeping under review the categorisation, monitoring and overall effectiveness of the Company's risk assessment and internal control processes. The Committee also monitors the performance and development of the Group and Company finance functions and are committed to ensure that timely and accurate financial information is available to the board and local management.

Remuneration Committee

The remuneration committee, which currently comprises John Maxwell and Darren Taylor, is responsible for the review and recommendation of the scale and structure of remuneration for senior management, including any bonus arrangements or the award of share options with due regard to the interests of the Shareholders and the performance of the Group.

Aquis Rule Compliance Committee

The Aquis Rule Compliance Committee, comprises all directors, will meet with its AQSE advisor regularly to discuss the Companies continuing compliance obligations. The Aquis Rule Compliance Committee is chaired by Ian Tordoff.

The Company does not have a nomination committee as the Board does not consider it appropriate to establish such a committee at this stage of the Company's development. Decisions which would usually be taken by the nomination committee will be taken by the Board as a whole.

Terms and conditions for Directors

Ian Tordoff has a letter of appointment effective 1 September 2019 with a term of three years. Thereafter it may be terminated by either side with three months' notice. John Maxwell has a service agreement dated 20 March 2020 which may be terminated by either side with six months' notice. Darren Taylor has a letter of appointment with three months notice. Neil Clayton has a service agreement effective 1 June 2020 It may be terminated by either side with six months' notice.

Evaluation of Board performance

As the Board was reconstituted in June 2020, no formal review of the effectiveness of its performance as a unit, as well as that of its committees and the individual directors has been undertaken. Given the Company's size, performance reviews are to be carried out internally from time to time. Reviews will endeavor to identify skills development or mentoring needs of directors and the wider senior management team.

Share Dealing Code

The Company has adopted the Share Dealing Code for dealings in its securities by Directors and certain employees which is appropriate for a company whose shares are traded on the Aquis Stock Exchange Growth Market. This will constitute the Company's share dealing policy for the purpose of compliance with the Market Abuse Regulation and the relevant part of the Aquis Stock Exchange Rules.

It should be noted that MAR and the insider dealing legislation set out in the UK Criminal Justice Act 1993 will apply to the Company and dealings in Ordinary Shares.

Shareholder relations

The Company maintains a web site in accordance with the Access Rulebook of the AQSE Growth Market and includes regular updates about developments within the group. The directors are available to meet with institutional shareholders to discuss any issues and to enable them to gain an understanding of the Group's businesses, strategy and governance. Individual shareholders have the opportunity to raise questions with the board at the Annual General meeting. The results of voting on all resolutions in future general meetings will be posted to the Company's website, including any actions to be taken as a result of resolutions for which votes against have been received from at least 20 per cent of independent shareholders.

On behalf of the board

I C Tordoff
24 November 2023

DIRECTORS' REPORT

The directors of the Company hereby present their annual report together with the audited financial statements for the year ended 31 March 2023 for the Group.

Incorporation and listing details

Vulcan Industries PLC was incorporated as a public company on 24 October 2018 with registered number 11640409, whose ordinary shares were admitted to trading on the Aquis Exchange Growth Market on 1 June 2020 under the symbol VULC.

Principal activities, business review and future developments

The principal activity of the Group is the investment in companies in the UK engineering sector. Details of the Group's current operations and performance, future prospects and developments are set out in the Strategic Report together with a review of the risks and uncertainties impacting on the Group's long-term performance.

Results and dividends

The Group results for the year ending 31 March 2023 show a profit after tax of £639,000 (2022: Loss £3,687,000). The Directors do not recommend the payment of a dividend (2022: £nil).

Directors

The Directors who held office during the year and until the date of this report were:

I C Tordoff
J H Maxwell
N W H Clayton
D W Taylor Appointed 11 August 2022

Directors' remuneration

	Year ended 31 March 2023	Year ended 31 March 2022
	Salary £'000	Salary £'000
I C Tordoff	144	144
J H Maxwell	30	36
D W Taylor (appointed 12 August 2022)	19	-
N Clayton	120	120
K Vaughan (resigned 8 September 2021)	-	15
	<u>313</u>	<u>315</u>

Directors' fees amounting to £435,000 (2022: £172,000) were outstanding at the period end (note 28). All amounts are short-term in nature and no amounts were paid to Directors in respect of their resignations other than salary due.

Directors' interests

As at the date of this report, the interests of the Directors and their related entities in the Ordinary Shares of the Company were:

Shareholder	Number of shares	Shareholding
D W Taylor	71,597,865	8.19%
I C Tordoff	7,949,998	0.91%
J H Maxwell	6,317,306	0.72%

Directors' indemnities

The Company does not maintain qualifying indemnity insurance for its directors and officers against liabilities in respect of proceedings brought by third parties

Substantial shareholdings

As at the date of this report the following shareholders each had an interest in 3% or more of the issued share capital of the Company:

Shareholder	Number of shares	Shareholding
Mrs B Foreman	260,000,0000	29.75%
D W Taylor	71,597,865	8.19%
Unity Global FZCO	51,709,568	5.92%
Pear Tree Limited	45,000,000	5.15%
Chestergate Limited	45,000,000	5.15%

Political and charitable donations

During the period no political and charitable donations were made.

Employee involvement policy

The Group places considerable value on the awareness and involvement of its employees in the Group's performance. Within bounds of commercial confidentiality, information is disseminated to all levels of staff about matters that affect the progress of the Group and that are of interest and concern to them as employees.

Supplier payment policy and practice

The Group's policy is to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment policy which is to abide by the terms of payment agreed with suppliers for each transaction. Suppliers are made aware of the terms of payment. The number of days of average daily purchases included in trade payables at 31 March 2023 was 74 days (2022: 97 days).

Post balance sheet events

Post balance sheet events are set out in note 29.

Independent Auditor and statement of provision of information to the Independent Auditor

MAH, Chartered Accountants have expressed their willingness to continue in office as independent auditor of the Company and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

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 not aware and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Additional information and electronic communications

Additional information on the Company can be found on the Company's website at www.vulcanplc.com

The maintenance and integrity of the Company's website is the responsibility of the directors; the work carried out by the auditor does not involve consideration of these matters and accordingly, the auditor accepts no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

The Company's website is maintained in compliance with the Access Rulebook of the AQSE Growth Market.

On behalf of the board

I C Tordoff

Chairman

24 November 2023

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company financial statements in accordance with applicable law and UK adopted international accounting standards. 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 judgments and accounting estimates that are reasonable and prudent;
- state whether with applicable law and UK adopted international accounting, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

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

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

On behalf of the board

I C Tordoff

Chairman

24 November 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF VULCAN INDUSTRIES PLC

Opinion

We have audited the financial statements of Vulcan Industries Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023 which comprise the Consolidated Statement Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated statement of changes in Equity, the Consolidated Statement of Cash, the notes to the consolidated financial statements, including a summary of significant accounting policies, the Company Statement of Financial Position, the Company statement of changes in equity and the notes to the Company statement of financial position. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and UK adopted international accounting standards. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including FRS 101 *Reduced Disclosure Framework* (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2023 and of the group's loss for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted international accounting standards;
- the parent company 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Material uncertainty related to going concern

We draw attention to note 3 in the group financial statements, which indicates that conditions casting significant doubt on the entity's ability to continue as a going concern. The group incurred a net loss from continuing operations of £949,000 during the year ended 31 March 2023 and, as of that date, the group's cash balance was £2,000. These events or conditions, along with the other matters as set forth in note 3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Reviewing the cash flow forecasts prepared by management for the period up to December 2024, providing challenge to key assumptions and reviewing for reasonableness;
- Reviewing post-year end RNS announcements and held discussions with management on expenditure plans; and
- Assessing the adequacy of going concern disclosures within the Annual Report and Accounts

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

Our application of materiality

The scope of our audit was influenced by our application of materiality. The quantitative and qualitative thresholds for materiality determine the scope of our audit and the nature, timing and extent of our audit procedures.

Year	Group materiality	Basis for materiality
2023	£23K	2% of turnover

We consider turnover to be the most significant determinant of the group's financial position and performance as it is a revenue generating group. Whilst materiality for the financial statements as a whole was set at £23k, significant components of the group were audited to a level of materiality of £21k. Performance materiality for the group and components was set at 60% of overall materiality to ensure sufficient coverage of key balances. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements. At the planning stage materiality is used to determine the financial statement areas that are included within the scope of our audit and the extent of sample sizes during the audit.

Our approach to the audit

We tailored the scope of our audit to ensure that we were able to give our audit opinion on the group's financial statements taking into account the nature of the group's activities, the group's risk profile, the accounting processes and controls, and the environment in which the group operates.

We designed our audit to ensure that we obtain sufficient and appropriate audit evidence in respect of:

- The significant transactions and balances;
- Other items, which, irrespective of size, are perceived as carrying a significant level of audit risk whether through susceptibility to fraud, or other reasons;
- The appropriateness of the going concern assumption used in the preparation of the financial statements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Material uncertainty related to going concern section and in the Basis for qualified Opinion we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our scope addressed this matter
Revenue recognition	
The Group is revenue generating across all of its subsidiaries. The Group is currently loss making and reliant on external funding. As a result there is a risk around the existence and cut-off of revenues as	<p>Our work in this area included but was not limited to:</p> <ul style="list-style-type: none"> ▪ Updating our understanding of the internal control environment in operation for the significant income streams and undertaking a walk-through to ensure that the key controls

<p>revenue could be manipulated to maximise funding potential.</p> <p>Related disclosures are found in notes 1 and 3 to the financial statements.</p>	<p>within these systems have been operating in the period under audit;</p> <ul style="list-style-type: none"> ▪ Reviewing the recognition policy in line with IFRS 15 requirements. ▪ Substantive transactional testing of income 12ecognized in the financial statements, including any deferred and accrued income balances 12ecognized at the period end; ▪ Reviewing a sample of sales recorded on either side of the period end to ensure cut-off is correct; ▪ Reviewing intragroup sales to ensure that they are eliminated correctly on consolidation; ▪ For new acquisitions, ensuring that revenue recorded within the group accounts is complete and accurate from the date of acquisition of the subsidiary; and ▪ Reviewing post period end credit notes for evidence of window dressing of sales.
<p>Loans and borrowings</p>	
<p>Loans and borrowings represents a material balance within the financial statements (£3.6m at 31 March 2023) and is key to the Group's operations.</p> <p>There is a risk that the creditor balances may have been understated, that they have been misclassified between current and non-current liabilities, that interest has not been properly accrued and that covenants could have been breached.</p> <p>Related disclosures are found in notes 3 and note 20 to the financial statements.</p>	<p>Our work in this area included but was not limited to:</p> <ul style="list-style-type: none"> ▪ Reviewing the loan agreements to determine the key terms; ▪ Confirming the year end balances with lenders or reconciling with year end statements; ▪ Re-calculating and checking interest payable; ▪ Reviewing the maturity or repayment dates and checking if the loans have been extended and if the liabilities have been correctly classified; ▪ Reviewing any security provided and if it has been adequately disclosed ▪ Considering the impact of the maturity profile on going concern.
<p>Acquisition</p>	
<p>The parent entity has acquired the business and certain assets of FPL 250 Ltd ("FPL") during the year. Management must apply their judgement to develop an accounting policy that provides relevant and reliable information in accordance with IAS 8. There is a risk that the accounting treatment applied by management is not in accordance with applicable IFRS's.</p>	<p>Our work in this area included but was not limited to:</p> <ul style="list-style-type: none"> ▪ Reviewing the sale and purchase agreement for investments purchased during the period; ▪ Agreeing the level of consideration to supporting documentation, including the valuation of any deferred or contingent consideration; ▪ Assessing the fair value of the identifiable assets and liabilities of the subsidiaries acquired;

On acquisition, there is a risk that fair value of the assets acquired is incorrect. In addition, there is a risk that the consideration payable is not conducted on an arm's length basis, and thus either generating a higher goodwill balance or a significant bargain purchase recognised in the profit and loss account.

Disclosures related to the acquisition are found in note 25 to the financial statements.

- Reviewing management's accounting treatment and policy applied for each acquisition to ensure it is in accordance with IFRS.
- Reviewing calculations of goodwill occurring on the acquisition and ensuring recognition is in accordance with IFRS; and
- Considering whether there are indications of impairment in the value of the investment acquired during the period.

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and 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 group and parent company 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 group and parent company financial statements, the directors are responsible for assessing the

group 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.

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 obtained an understanding of the group and parent company and the sector in which they operate to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, industry research and the application of cumulative audit knowledge and experience of the sector.
- We determined the principal laws and regulations relevant to the group and parent company in this regard to be those arising from:
 - Aquis rules;
 - Companies Act 2006;
 - GDPR;
 - Employment Law;
 - Health and Safety Law;
 - Anti-Bribery Money Laundering Regulations; and
 - QCA compliance
- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the group and parent company with those laws and regulations. These procedures included, but were not limited to:
 - review of legal and professional fees to understand the nature of the costs and the existence of any non-compliance with laws and regulations;
 - discussion with management regarding potential non-compliance; and
 - review of minutes of meetings of those charged with governance and RNS
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, the potential for management bias was identified in relation to the going concern of the group and parent company and as noted above, we addressed this by challenging the assumptions and judgements made by management when auditing that significant accounting estimate.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included, but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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 auditor's report.

Use of our report

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

Mohammed Haque (Senior Statutory Auditor)
For and on behalf of MAH, Chartered Accountants
Statutory Auditor

2nd Floor
154 Bishopsgate
London ECM 4LN

24 November 2023

Consolidated Statement of Comprehensive Income

		Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Note			
Continuing activities			
	Revenue	1,165	46
	Cost of sales	(674)	(29)
	Gross profit	491	17
	Operating expenses	5 (849)	(609)
	Other gains and losses	8 (224)	(305)
	Impairment charge	9 -	(12)
	Finance costs	10 (438)	(390)
	Loss before tax	(1,020)	(1,299)
	Income tax	11 71	-
	Loss for the year from continuing activities	(949)	(1,299)
Discontinued activities			
	Profit / (loss) for the year from discontinued activities	12 1,588	(2,388)
	Profit / (loss) for the year attributable to the owners of the Company	639	(3,687)
	Other Comprehensive Income for the period	-	-
	Total Comprehensive Income for the period attributable to owners of the Company	639	(3,687)
Earnings per share			
	Basic and Diluted earnings per share for loss from continuing operations attributable to the owners of the Company (pence)	13 (0.16)	(0.37)
	Basic and Diluted earnings per share loss attributable to the owners of the Company (pence)	13 0.11	(1.06)

The notes to the financial statements on pages 20 to 47 form an integral part of these financial statements.

Consolidated Statement of Financial Position

	Note	At 31 March 2023 £'000	At 31 March 2022 £'000
Non-current assets			
Goodwill	14	718	945
Other intangible assets	14	3,178	317
Investments	15	500	500
Property, plant and equipment	16	131	295
Right of use assets	17	-	403
Total non-current assets		<u>4,527</u>	<u>2,460</u>
Current assets			
Inventories	18	32	252
Trade and other receivables	19	511	833
Cash and bank balances		2	69
Total current assets		<u>545</u>	<u>1,154</u>
Total assets		<u>5,072</u>	<u>3,614</u>
Current liabilities			
Trade and other payables	23	(1,344)	(2,698)
Lease liabilities	22	-	(125)
Borrowings	20	(3,187)	(2,968)
Total current liabilities		<u>(4,531)</u>	<u>(5,791)</u>
Non-current liabilities			
Lease liabilities	22	-	(266)
Borrowings	20	-	(674)
Deferred tax liabilities	21	(31)	(38)
Total non-current liabilities		<u>(31)</u>	<u>(978)</u>
Total liabilities		<u>(4,562)</u>	<u>(6,769)</u>
Net assets / (liabilities)		<u>510</u>	<u>(3,155)</u>
Equity			
Share capital	24	348	211
Shares to be issued	24	-	293
Share premium account	24	9,827	6,645
Retained earnings		(9,665)	(10,304)
Total equity attributable to the owners of the company		<u>510</u>	<u>(3,155)</u>

The notes to the financial statements on pages 20 to 47 form an integral part of these financial statements. The financial statements were approved and authorised for issue by the Board of Directors on 24 November 2023.

I C Tordoff
Chairman
24 November 2023

Consolidated statement of changes in equity

	Share Capital £'000	Shares to be issued £'000	Share Premium £'000	Retained earnings £'000	Total Equity £'000
At 1 April 2021	112	-	3,946	(6,617)	(2,559)
Loss for the year	-	-	-	(3,687)	(3,687)
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	(3,687)	(3,687)
Transactions with shareholders					
Issue of shares	99	293	2,699	-	3,091
Total transactions with shareholders for the year	99	293	2,699	-	3,091
At 1 April 2022	211	293	6,645	(10,304)	(3,155)
Profit for the year	-	-	-	639	639
Other comprehensive income for the year	-	-	-	-	-
Total Comprehensive income for the year	-	-	-	639	639
Transactions with shareholders					
Issue of shares	137	(293)	3,182	-	3,026
Total transactions with shareholders for the year	137	(293)	3,182	-	3,026
At 31 March 2023	348	-	9,827	(9,665)	510

The notes to the financial statements on pages 20 to 47 form an integral part of these financial statements.

Consolidated Statement of Cash Flows	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Loss for the period from continuing activities	(949)	(1,299)
Adjusted for:		
Finance costs	463	389
Depreciation of property, plant and equipment	29	1
Amortisation of intangible assets	30	104
Impairment of Goodwill and intangible assets	-	369
(Decrease) / increase in provisions	-	(62)
Share based payment	100	499
Operating cash flows before movements in working capital	(327)	1
Decrease / (increase) in inventories	(6)	5
Decrease / (increase) in trade and other receivables	(118)	(149)
Increase in trade and other payables	139	327
Cash (used in) / from operating activities	(312)	184
Income tax credit received	28	-
Income tax paid	(3)	-
Cash (used in) / from operating activities – continuing	(287)	184
Cash (used in) / from operating activities – discontinued	(278)	(370)
Cash used in operating activities	(565)	(186)
Investing activities		
Purchases of property, plant and equipment	(2)	-
Disposal of subsidiaries – net debt retained	731	-
Acquisition of subsidiary net of cash acquired	-	46
Cash from / (used in) investing activities – continuing	729	46
Cash used in investing activities – discontinued	-	31
Cash from / (used in) investing activities	729	77
Financing activities		
Interest paid	(271)	(388)
Drawdown of loans and borrowings	70	-
Repayment of loans and borrowings	(169)	-
Proceeds on issue of shares	258	1,041
Net cash from financing activities – continuing	(112)	653
Net cash from financing activities – discontinued	(119)	(561)
Net cash from financing activities	(231)	92
Net decrease in cash and cash equivalents	(67)	(17)
Cash and cash equivalents at beginning of year	69	86
Cash and cash equivalents at end of year	2	69

The notes to the financial statements on pages 20 to 47 form an integral part of these financial statements.

The reconciliation of movements in borrowings to the cash flow statement is set out in note 20. Movements in lease liabilities are set out in note 22. Other significant non-cash movements relate to the equity consideration paid on the acquisition of FPL(250) Limited, further details are set out in note 25, and the assumption of the CBIL liability on the disposal of IVI as set out in note 20.

Notes to the consolidated financial statements for the period ended 31 March 2023

1. General information

Vulcan Industries PLC is incorporated in England and Wales as a public company with registered number 11640409. The address of the Company's registered office is shown on page 55.

On 1 June 2020, the entire issued share capital of the Company was admitted to trading on the Aquis Stock Exchange Growth Market (AQSE Growth market).

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Strategic Report.

These financial statements are presented in Sterling and are rounded to the nearest £'000. Which is also the currency of the primary economic environment in which the Company and Group operate (their functional currency).

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS Standards) and IFRS interpretations Committee (IFRS IC) interpretations ("IFRS") in conformity with the requirements of the Companies act 2006.

The financial statements have been prepared on the historical cost basis, except for the certain financial instruments that are measured at fair values at the end of each reporting period and certain assets and liabilities arising on acquisition, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, leasing transactions that are within the scope of IFRS 16, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 or value in use in IAS 36.

The principal accounting policies adopted are set out in note 3.

2. Adoption of new and revised Standards

New and amended IFRS Standards

There were no new standards and interpretations to published standards adopted during the year which have had a significant impact on the Group's accounting policies.

New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective and (in some cases) have not yet been adopted by the UK:

IFRS 17	Insurance Contracts (effective 1 January 2023)
IAS 37	Onerous contracts -costs of fulfilling a contract (effective 1 January 2023)

The directors do not expect that the adoption of the Standards listed above will have a material impact on the financial statements of the Group in future periods

3. Significant accounting policies

Going concern

The Group has prepared forecasts covering the period of 12 months from the date of approval of these financial statements. These forecasts are based on assumptions such as forecast volumes, selling prices and budgeted cost reductions. They further take into account working capital requirements and currently available borrowing facilities.

These forecasts show that following the part disposal of FPL (250) Limited, the Group is projected to have sufficient cash resources to fund the budgeted project expenditure and Group overheads. However delays in the planning process would require additional funding either through additional loan facilities or through raising cash through capital and project finance transactions to remain a going concern.

The Group's focus is on continued improvements to operational performance of the acquisitions made to date with an emphasis on volume growth to increase gross margins and synergies resulting in cost reductions. On 1 June 2020 the Company was admitted to trading on the AQSE Growth Market. This has already facilitated the ability of the Company to raise new equity..

As set out in notes 20, the Group is currently funded by a combination of short and long-term borrowing facilities. At 31 March 2023 the loans of £1,854,000 were subject to a rolling standstill agreement and £475,000 fell due for repayment in September 2023. Since the year end their term has been extended and they now fall due between April and June 2025. The liquidity profile of the Group's debt is set out in note 27. The factoring facilities, of which £145,000 (2022: £447,000) was fully drawn at 31 March 2023, may be withdrawn with 3 months' notice. As set out in Note 20, on 30 August 2022, the Company has received a demand under a cross guarantee of the outstanding principal of the CBIL originally drawn down by IVI. The Company has recognised the obligation as a liability and is in negotiations to restructure this loan.

Based on the above, whilst there are no contractual guarantees, the directors are confident that the existing financing will remain available to the Group and that additional sources of finance will be available. The directors, with the operating initiatives already in place and funding options available are confident that the Group will achieve its cash flow forecasts. Therefore, the directors have prepared the financial statements on a going concern basis.

Nonetheless, the forecasts show that the Group will need to meet its operating targets and that delays would require further funding to meet its commitments as they fall due. In addition to this the Group is reliant on maintaining its existing borrowings. These conditions and events indicate the existence of material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern and the Group may therefore be unable to realise their assets and discharge their liabilities in the ordinary course of business. These financial statements do not include the adjustments that would result if the Group were unable to continue as a going concern.

The auditors have made reference to going concern by way of a material uncertainty within their audit report.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries) made up for the period ended 31 March 2023. Control is achieved when the Company has the power:

- over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the period are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interest issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred. At the acquisition date, the identifiable assets (both tangible and intangible) acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. In the case of asset acquisition, it is the excess of the sum of the consideration transferred over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

Goodwill

Goodwill is initially recognised and measured as set out above.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the

unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, net of discounts, value added taxes and other sales related taxes.

Performance obligations and timing of revenue recognition:

All of the Group's revenue is derived from selling goods with revenue recognised at a point in time when control of the goods has transferred to the customer. This is generally when the goods are collected or delivered to the customer, or in the case of fabrication project work, when the project has been accepted by the customer. There is limited judgement needed in identifying the point control passes: once physical delivery of the products to the agreed location has occurred, the Group no longer has physical possession, usually it will have a present right to payment. Consideration is received in accordance with agreed terms of sale.

Determining the contract price:

The Group's revenue is derived from:

- a) sale of goods with fixed price lists and therefore the amount of revenue to be earned from each transaction is determined by reference to those fixed prices; or
- b) individual identifiable contracts, where the price is defined

Allocating amounts to performance obligations:

For most sales, there is a fixed unit price for each product sold. Therefore, there is no judgement involved in allocating the price to each unit ordered.

There are no long-term or service contracts in place. Sales commissions are expensed as incurred. No practical expedients are used.

Government grants

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets (including property, plant and equipment) are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Furlough claims under the Job Retention Scheme, have been disclosed as other income and not netted against the related salary expense.

Leases

The Group as a lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the lessee uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;

- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.
- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group did not make any such adjustments during the period presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 'Provisions, Contingent liabilities and Contingent assets'. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs.

Foreign currencies

Transactions in currencies other than the functional currency are recognised at the rates of exchange on the dates of the transactions. At each balance sheet date, monetary assets and liabilities are retranslated at the rates prevailing at the balance sheet date with differences recognised in the Statement of comprehensive income in the period in which they arise.

Retirement and termination benefit costs

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. Payments made to state-managed retirement benefit plans are accounted for as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

There are no defined benefit plans in place.

Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

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 profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized.

Current and deferred tax assets and liabilities are offset when there is a legally enforceable right to set off.

Property, plant and equipment

Plant, machinery, fixtures and fittings are stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives, using the straight-line method or reducing balance methods, on the following bases:

Leasehold improvements	Over the life of the lease
Plant and machinery	10 per cent – 25 per cent per annum
Fixtures and fittings	10 per cent – 30 per cent per annum
Motor Vehicles	20 per cent – 25 percent per annum

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset.

Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cash flows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or

otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average cost method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

Financial assets

Financial assets are classified as either financial assets at amortised cost, at fair value through other comprehensive income ("FVTOCI") or at fair value through profit or loss ("FVPL") depending upon the business model for managing the financial assets and the nature of the contractual cash flow characteristics of the financial asset.

A loss allowance for expected credit losses is determined for all financial assets, other than those at FVPL, at the end of each reporting period. The Group applies a simplified approach to measure the credit loss allowance for trade receivables using the lifetime expected credit loss provision. The lifetime expected credit loss is evaluated for each trade receivable taking into account payment history, payments made subsequent to year-end and prior to reporting, past default experience and the impact of any other relevant and current observable data. The Group applies a general approach on all other receivables classified as financial assets. The general approach recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. The Group derecognises financial liabilities when the Group's obligations are discharged, cancelled or have expired.

Trade and other receivables

Trade receivables are accounted for at amortised cost. Trade receivables do not carry any interest and are stated at their nominal value as reduced by appropriate expected credit loss allowances for estimated recoverable amounts as the interest that would be recognised from discounting future cash payments over the short payment period is not considered to be material. Other receivables are accounted for at amortised cost and are stated at their nominal value as reduced by appropriate expected credit loss allowances.

Financial liabilities

The classification of financial liabilities at initial recognition depends on the purpose for which the financial liability was issued and its characteristics.

All purchases of financial liabilities are recorded on trade date, being the date on which the Group becomes party to the contractual requirements of the financial liability. Unless otherwise indicated the carrying amounts of the Group's financial liabilities approximate to their fair values.

The Group's financial liabilities consist of financial liabilities measured at amortised cost and financial liabilities at fair value through profit or loss.

A financial liability (in whole or in part) is derecognised when the Group has extinguished its contractual obligations, it expires or is cancelled. Any gain or loss on derecognition is taken to the statement of comprehensive income.

Borrowings

Borrowings are included as financial liabilities on the Group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

Trade and other payables

Trade and other payables are initially recorded at fair value and subsequently carried at amortised cost.

Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

For all other financial instruments not traded in an active market, the fair value is determined by using valuation techniques deemed to be appropriate in the circumstances. Valuation techniques include the market approach (i.e. using recent arm's length market transactions adjusted as necessary and reference to the current market value of another instrument that is substantially the same) and the income approach (i.e. discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible).

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing the categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting year.

Provisions

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

Share-based payments

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value excludes the effect of non-market-based vesting conditions.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of the number of equity instruments that will eventually vest. At each reporting date, the Group revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to reserves.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the entity obtains the goods or the counterparty renders the service.

4. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group's accounting policies, which are described in note 3, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Identified intangible assets

Identified intangible assets arising on acquisition are disclosed in note 14 and comprise; marketing related assets such as brands and domain names; customer related assets such as customer relationships, lists and existing order books. Their existence is established in a post-acquisition review which also estimates their value and the period over which they are amortised;

Other intangible assets

The BESS project has been valued at costs incurred to date on the project and a fair value adjustment has been made on acquisition (note 25). The fair valuation adjustment reflects a discount from comparable market values for similar projects to take into account the early stage of development.

Carrying value of goodwill, other intangible assets and property plant and equipment

Impairment reviews for non-current assets are carried out at each balance sheet date in accordance with IAS 36, Impairment of assets. Reported losses in the subsidiary companies, were considered to be indications of impairment and a formal impairment review was undertaken. The review uses a discounted cash flow model to estimate the net present value of each cash generating unit. Management consider each operating subsidiary to be a separately identifiable cash generating unit.

The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumptions, capital requirements, and discount rates among others. The forecasts of future cash flows for each subsidiary were derived from the operational plans in place. Real prices were assumed to remain constant at current levels.

Details of the reviews are set out in note 14.

Receivables

In applying IFRS 9 the directors make a judgement in assessing the Group's exposure to credit risk. The Group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due where historical experience has indicated that these receivables are generally not recoverable. The allowance for expected credit losses follows an internal assessment of customer credit worthiness and an estimate as to the timing of settlement and is disclosed in note 19. In addition, the directors have assessed the recoverability of other receivables on a case by case basis.

Discontinued activities

The Group disposed of Orca, IVI and TRR during the year. The trading loss and net assets have been derived from the accounting records at the date of disposal.

5. Operating segments and loss for the period

The Chief Operating Decision Maker ("CODM") is the Board. The Board reviews the Group's internal reporting in order to assess performance of the business. The Board consider that the Group operates in a single segment, the engineering sector in the United Kingdom

Loss for the period

The loss for the period on continuing activities is arrived at after charging / (crediting)

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Depreciation of property, plant and equipment	29	-
Cost of inventories recognised as expense	380	22
Employee benefit expense (see note 7)	609	311
Loss allowance on trade receivables (see note 19)	12	40
Amortisation of intangible assets	30	-
Acquisition and disposal costs	140	25
Amounts payable to the auditors and their associates in respect of audit services are as follows:		
Fees payable to the Company's auditor for:	£'000	£'000
- the audit of the Company's accounts	15	15
- the audit of the Company's subsidiaries	13	20
- other services	-	-
Total	<u>28</u>	<u>35</u>

6. Employee benefits

	Year ending 31 March 2023	Restated Year ending 31 March 2022
The average monthly number of employees (including executive directors) was:		
Executive directors	2	2
+Production	39	77
Administration	6	19
	<u>47</u>	<u>98</u>
Of which relating to:		
Continuing activities	13	3
Discontinued activities	34	95
	<u>47</u>	<u>98</u>

7. Employee benefits (continued)

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
+		
Wages and salaries	942	2,982
Social security costs	63	293
Retirement benefits	23	54
Total employee benefits expense	<u>1,028</u>	<u>3,329</u>
Of which relating to:		
Continuing activities	609	311
Discontinued activities	<u>419</u>	<u>3,018</u>
	<u>1,028</u>	<u>3,329</u>

Details of directors' remuneration is set out in the directors' report on page 7.

8. Other gains and losses

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Acquisition and disposal costs	140	25
Loss allowance on trade receivables	52	104
Government grants	(1)	(31)
Other expenses	34	187
	<u>225</u>	<u>285</u>
Of which relating to:		
Continuing activities	224	305
Discontinued activities	<u>1</u>	<u>(20)</u>
	<u>225</u>	<u>285</u>

9. Impairment charge

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Goodwill (note 14)	-	1,142
Identified intangible assets (note 14)	-	571
Other receivables	-	327
	<hr/>	<hr/>
	-	2,040
Of which relating to:		
Continuing activities	-	12
Discontinued activities	-	2,028
	<hr/>	<hr/>
	-	2,040
	<hr/>	<hr/>

10. Finance costs

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Interest receivable:		
Interest on quoted bond	25	-
	<hr/>	<hr/>
	25	-
Interest payable:		
Interest on bank overdrafts and loans	426	444
Interest on lease liabilities	8	32
Loan arrangement fees and other finance costs	68	26
	<hr/>	<hr/>
	502	502
	<hr/>	<hr/>
Net Finance costs	<hr/>	<hr/>
	477	502
Of which relating to:		
Continuing activities	438	389
Discontinued activities	39	113
	<hr/>	<hr/>
	477	502
	<hr/>	<hr/>

11. Income tax

	Year ending 31 March 2023 £'000	Year ending 31 March 2022 £'000
Corporation income tax		
– Current year credit	71	68
– Adjustments in respect of prior years	-	-
	<u>71</u>	<u>68</u>
Deferred tax		
– Origination and reversal of temporary differences	-	-
	<u>71</u>	<u>68</u>
Of which relating to:		
Continuing activities	71	-
Discontinued activities	-	68
	<u>71</u>	<u>68</u>

The standard rate of corporation tax applied to reported loss for the period is 19 per cent (2022: 19 per cent).

The charge for the year can be reconciled to the profit before tax as follows:

	Year ended 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Loss before tax from continuing activities	(1,020)	(1,299)
Tax at the UK corporation tax rate of 19% (2022: 19%)	194	247
Tax effect of expenses that are not deductible in determining taxable profit	-	-
Tax effect of tax losses not recognised	(123)	(247)
	<u>-</u>	<u>-</u>
Tax credit for the year on continuing activities	<u>71</u>	<u>-</u>

At the reporting date, the Group's continuing operations have unused tax losses of £6,020,000 (2022: £3,777,000) available for offset against future profits, subject to agreement by HM Revenue & Customs. Deferred tax assets of £1,144 (2022: £718,000) have not been recognised in respect of these losses as the requirements of IAS 12, 'Income taxes', have not been met.

12. Discontinued activities

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Revenue	943	5,049
Cost of sales	(873)	(4,061)
Gross margin	70	988
Operating expenses	(280)	(2,082)
Other Income	33	125
Impairment loss	-	(2,028)
Finance costs	(39)	(113)
Loss before tax on discontinued activities	(216)	(3,110)
Tax credit on discontinued activities	-	68
Loss after tax on discontinued activities	(216)	(3,042)
Profit on disposal of discontinued activities	1,804	654
Profit / (loss) on discontinued activities	1,588	(2,388)

On 30 March 2022, the Company disposed of M&G Olympic Products Limited. Orca Doors Limited was disposed of on 18 July 2022, IVI Metalics was disposed of on 31 July 2022 and Time Rainham Limited was disposed of on 8 November 2022

The comparatives in the Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows and several notes have been restated to separate continuing and discontinued operations.

13. Earnings per share

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
The calculation of the basic earnings per share is based on the following data:		
Loss for the year for the purposes of basic loss per share attributable to equity holders of the Company:		
- From continuing operations	(949)	(1,299)
- From discontinued operations	1,588	(2,388)
- Total	639	(3,687)
Weighted average number of Ordinary Shares for the purposes of basic loss per share	595,784,173	346,819,139
Basic earnings per share(pence)		
- From continuing operations	(0.16p)	(0.37p)
- From discontinued operations	0.27p	(0.69p)
- Total	0.11p	(1.06p)

The Company has issued options over ordinary shares which could potentially dilute basic loss per share in the future. There is no difference between basic loss per share and diluted loss per share as the potential ordinary shares are anti-dilutive. Details of options are set out in note 24.

14. Goodwill and other intangible assets

Goodwill

£'000

Cost

At 31 March 2021	1,721
Recognised on acquisition	718
Disposal	(202)
At 31 March 2022	2,237
Disposal	(1,519)
At 31 March 2023	718

Accumulated Impairment Losses

At 31 March 2021	150
Impairment charge	1,142
At 31 March 2022	1,292
Disposal	(1,292)
At 31 March 2023	-

Carrying value at 31 March 2023

718

Carrying value at 31 March 2022

945

Goodwill arising on acquisition comprises the expected synergies to be realised from the benefits of being a member of a group rather than stand-alone company. These include shared services, economies from pooled procurement, leveraging skillsets across the group and other intangible assets, such as the workforce knowledge, experience and competences across the group that cannot be recognised separately as intangible assets.

Other intangible assets	BESS Project	Identified intangible assets	Total
		£'000	£'000
Cost			
At 31 March 2021	-	1,067	1,067
Recognised on acquisition	-	300	300
Disposal	-	(167)	(167)
At 31 March 2022	-	1,200	1,200
On acquisition of subsidiary	274	-	274
Recognised on acquisition	2,600	-	2,600
Additions	34	-	34
Disposal	-	(900)	(900)
At 31 March 2023	2,908	300	3,208
Amortisation			
At 31 March 2021	-	242	242
Charge for the period	-	120	120
Impairment charge	-	571	571
Disposal	-	(50)	(50)
At 31 March 2022	-	883	883
Charge for the period	-	40	40
Disposal	-	(893)	(893)
	-	30	30
Carrying value at 31 March 2023	2,908	270	3,178
Carrying value at 31 March 2022	-	317	317

Identified intangible assets arising on acquisition comprise; marketing related assets such as brands and domain names; customer related assets such as customer relationships, lists and existing order books. These are amortised, depending upon the nature of the asset and the business acquired over 1 to 10 years on a straight-line basis.

BESS Project

	£'000
Fair value on acquisition (note 25)	2,874
Additions	34
At 31 March 2023	2,908

Forepower Lincoln (250) Limited is a 248MW Battery Energy Storage System Project ("BESS") which was acquired on 6 March 2023. The value at 31 March 2023 represents the project costs incurred by FPL(250) together with a fair value adjustment on acquisition of £2.6 million, being the consideration paid by the company. The fair valuation adjustment reflects a discount from comparable market values for similar projects to take into account the early stage of development of the project. On 25 October 2023, the Company disposed of 49.9% of its holding in FPL (250) in order to fund the development of the project and value is expected to be generated as the project moves through the planning process and obtains a firm connection date to the national grid. Further uplifts in value are expected as project mile-stones are achieved.

The Group tests goodwill and other intangible assets annually for impairment, or more frequently if there are indications that they might be impaired. Aftech Limited made a small profit before taxation on consolidation,

nonetheless its result was considered to be an indication of impairment and an impairment review was undertaken.

The recoverable amount of the goodwill and identified intangible assets is determined based on a value in use calculation which uses cash flow projections based on financial budgets approved by the directors covering a six-year period, and a discount rate of 10% per cent per annum.

Where cash flows have been extrapolated beyond that six-year period, no further growth has been assumed.

Impairment charge	Year ended 31 March 2023 £'000	Year ending 31 March 2022 £'000
Goodwill		
IVI Metallica Limited	-	548
Orca Doors Limited	-	294
Romar Process Engineering Limited	-	300
	<u>-</u>	<u>1,142</u>
Identified intangible assets		
IVI Metallica Limited	-	478
Orca Doors Limited	-	8
Romar Process Engineering Limited	-	85
	<u>-</u>	<u>571</u>

The Company disposed of its shareholdings in IVI and Orca in July 2022. Accordingly full impairment of goodwill and identifiable intangible assets was made at 31 March 2022. The Company disposed of its shareholding in Time Rainham in November 2022. In the prior year, goodwill and identifiable intangible assets in respect of the acquisition by Time Rainham of the business and assets of Romar Process Engineering Limited were fully impaired.

In reviewing the goodwill and identified intangible assets attributable to the acquisition of Aftech Limited the impairment review base case showed that there was no need for impairment.

Sensitivity analysis

Discount rate: The Group's borrowings have a current nominal rate of interest ranging from 5% to 18% per annum. It is intended to refinance the loan at 18% at more reasonable long-term rates. The real rate assumed in these forecasts is estimated to be 10%, a blended rate, taking into account the timing required to arrange the refinancing.

In order for a potential impairment to arise, either to goodwill and identifiable intangible assets arising on acquisition or to non-current assets in Aftech, forecast sales volumes would have to fall by 1%. And if the discount rate rose to 11%.

15. Investments

	At 31 March 2023 £'000	At 31 March 2022 £'000
MBH Corporation PLC – Medium Term Notes	500	500
	<u>500</u>	<u>500</u>

The MBH notes are listed on Euronext Dublin, have a coupon of 5% and mature on 18 June 2025

16. Property, plant and equipment

	Leasehold improvements	Plant and machinery	Motor vehicles	Fixtures and Equipment	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 31 March 2021	173	1,156	30	144	1,503
Additions	-	-	-	4	4
On acquisition of subsidiary	-	516	60	9	585
Disposals	-	-	(4)	-	(4)
Disposal of subsidiary	-	(405)	(26)	(128)	(559)
At 31 March 2022	173	1,267	60	29	1,529
Additions	-	-	-	2	2
Disposal of subsidiary	(173)	(751)	-	(20)	(944)
At 31 March 2023	-	516	60	11	587
Accumulated depreciation					
At 31 March 2021	173	787	27	107	1,094
Charge for the year	-	156	1	18	175
On acquisition of subsidiary	-	362	58	7	427
Disposals	-	-	(4)	-	(4)
Disposal of subsidiary	-	(321)	(24)	(113)	(458)
At 31 March 2022	173	984	58	19	1,234
Charge for the year	-	53	-	2	55
Disposal of subsidiary	(173)	(647)	-	(13)	(833)
At 31 March 2023	-	390	58	8	456
Net book value at 31 March 2023	-	126	2	3	131
Net book value at 31 March 2022	-	283	2	10	295

17. Right of use assets

	Buildings	Plant and machinery	Motor vehicles	Fixtures and Equipment	Total
Cost	£'000	£'000	£'000	£'000	£'000
At 31 March 2021	944	61	366	18	1,389
Disposals	-	-	(94)	-	(94)
Disposal of subsidiary	(327)	(61)	(169)	(18)	(575)
At 31 March 2022	617	-	103	-	720
Disposal of subsidiary	(617)	-	(103)	-	(720)
At 31 March 2023	-	-	-	-	-
Accumulated depreciation					
At 31 March 2021	287	34	208	18	547
Charge for the period	185	5	41	-	231
Disposals	-	-	(47)	-	(47)
Disposal of subsidiary	(232)	(39)	(125)	(18)	(414)
At 31 March 2022	240	-	77	-	317
Charge for the period	43	-	8	-	51
Disposal of subsidiary	(283)	-	(85)	-	(368)
	-	-	-	-	-
Net book value at 31 March 2023	-	-	-	-	-
Net book value at 31 March 2022	377	-	26	-	403

The Group leases several assets including buildings, plant, vehicles and IT equipment. The average lease term is less than 1 year (2022: 3 years). Accordingly at 31 March 2023, no leases are disclosed as right of use assets.

The maturity analysis of lease liabilities is presented in note 22.

Amounts recognised in profit and loss

	Year ending 31 March 2023 £'000	Restated Year ending 31 March 2022 £'000
Depreciation expense on right-of-use assets	51	231
Interest expense on lease liabilities	8	55
Expense relating to short-term leases and low value assets	4	32
	<u>63</u>	<u>318</u>
Of which relating to:		
Continuing activities	1	19
Discontinued activities	62	299
	<u>63</u>	<u>318</u>

At 31 March 2023, the Group is committed to £27,000 (2022: £96,000) for short-term leases.

18. Inventories

	At 31 March 2023 £'000	At 31 March 2022 £'000
Raw materials	18	103
Work-in-progress	14	107
Finished goods	-	42
	<u>32</u>	<u>252</u>

The cost of inventories recognised as an expense during the period in respect of continuing operations was £380,000 (2022: £22,000).

19. Trade and other receivables

	At 31 March 2023 £'000	At 31 March 2022 £'000
Trade receivables	208	815
Less loss allowance	<u>(40)</u>	<u>(51)</u>
	168	764
Other receivables	329	57
Prepayments and accrued income	<u>14</u>	<u>12</u>
	<u>511</u>	<u>833</u>

Trade receivables

The average credit period on sales of goods is 65 days (2022: 54 days). No interest is charged on outstanding trade receivables.

The Group always measures the loss allowance for trade receivables at an amount equal to lifetime expected credit loss (ECL). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience, adjusted for factors that are specific to the individual debtors and general economic conditions of the industry in which the debtors operate. The Group has recognised a loss allowance of 100 per cent against all receivables over 120 days past due, with the exception of contract retentions, because historical experience has indicated that these receivables are generally not recoverable.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or when the trade receivables are over two years past due, whichever occurs earlier. None of the trade receivables that have been written off is subject to enforcement activities.

The following table details the risk profile of trade receivables based on the Group's provision matrix.

At 31 March 2023	Current	More than 30 days	More than 60 Days	More than 90 days	More than 120 days	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expected loss rate	0%	0%	86%	0%	100%	19%
Gross trade receivables	94	71	22	-	21	208
Loss allowance	-	-	19	-	21	40
At 31 March 2022	Current	More than 30 days	More than 60 Days	More than 90 days	More than 120 days	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Expected loss rate	0%	0%	6%	0%	45%	6%
Gross trade receivables	506	147	41	2	119	815
Loss allowance	-	-	6	-	45	51

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9.

	£'000
Loss allowances at 31 March 2021	176
Increase in loss allowance recognised in profit or loss during the year	104
On acquisition of subsidiary	40
On disposal of subsidiary	(115)
Receivables written off during the year as uncollectible	(154)
At 31 March 2022	51
Increase in loss allowance recognised in profit or loss during the year	12
Receivables written off during the year as uncollectible	(12)
On disposal of subsidiaries	(11)
	40

Group trade receivables amounting to £208,000 (2022: £786,000) have been pledged as security to loans from factoring facilities and £nil (2022: £815,000) has been pledged as security for borrowings falling due in more than one year.

20. Borrowings

	At 31 March 2023 £'000	At 31 March 2022 £'000
Non-current liabilities		
Secured		
Corona virus business interruption loan (CBIL)	-	634
	-	634
Unsecured		
Bounce back loans (BBL)	-	40
	-	674
Current liabilities		
Secured		
Factoring facility	145	447
Other Loans	1,854	1,854
Convertible loan note	475	475
Corona virus business interruption loan	700	182
	3,174	2,958
Unsecured		
Other loans	13	
Bounce back loans	-	10
	3,187	2,968
	3,187	3,642

Other loans of £1,854,000 (2022: £1,854,000) are secured by means of a debenture, chattels mortgage and cross guarantee entered into by the Company. At 31 March 2023, there was a rolling 12 month standstill agreement in place. Since the year end the Company extended the term and the principal now falls due for repayment between April and

July 2025.

Since the year end the term of the convertible note has been extended to 30 June 2025. The lender has the right to convert the outstanding principal into ordinary share of the Company at a price of 1p per share. In the event that the lender does not exercise its conversion rights by 30 June 2025, the loan shall become immediately repayable by the Company.

The factoring facility is secured on the trade receivables amounting to £208,000 (2022: £786,000). There is a factoring charge of 1% of the Gross debt and a discount rate of 5% above bank base rates on net advances. The agreement provide for 3 months' notice by either party and certain minimum fee levels.

On 31 July 2022, the Company disposed of IVI. Subsequently IVI was put into administration and the Company received a demand from HSBC for the outstanding principal under a cross guarantee. The CBIL liability is secured by means of a debenture entered into by the Company.

The movement in borrowings reconciles to the cash flow statement as follows:

	At 31 March 2022	Discontinued	Disposal of subsidiary	Assumed	Repaid	At 31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000
Secured borrowings	1,854	-	-	-	-	1,854
Unsecured borrowing	-	-	-	70	(57)	13
Convertible loan note	475	-	-	-	-	475
Factoring facilities	447	(2)	(248)	-	(52)	145
CBIL and BBLs	866	(120)	(746)	746	(46)	700
Total borrowings	3,642	(122)	(994)	816	(155)	3,187

	At 31 March 2021	Interest capitalized	On acquisition / disposal of subsidiary	Drawn down	Repaid	At 31 March 2022
	£'000	£'000	£'000	£'000	£'000	£'000
Secured borrowings	1,854	-	-	-	-	1,854
Convertible loan note	473	2	-	-	-	475
Factoring facilities	321	-	198	48	(120)	447
CBIL and BBLs	1,005	-	(44)	-	(95)	866
Total borrowings	3,653	2	154	48	(216)	3,642

21. Deferred tax

	Accelerated depreciation	Tax losses	Total
	£'000	£'000	£'000
At 31 March 2021 and 2022	38	-	38
Disposal of subsidiary	(7)	-	(7)
At 31 March 2023	31	-	31

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

22. Lease liabilities

	At 31 March 2023 £'000	At 31 March 2022 £'000
Maturity Analysis		
Year 1	-	10
Year 2	-	19
Year 3	-	-
Year 4	-	362
Year 5	-	391
Analysed as:		
Current	-	125
Non-current	-	266
	-	391

The movement in lease liabilities reconciles to the cash flow statement as follows:

	2023 £'000	Restated 2022 £'000
At 1 April	391	789
On disposal of subsidiary	(341)	(104)
Repayments – discontinued activities	(50)	(294)
At 31 March	-	391

23. Trade and other payables

	At 31 March 2023 £'000	At 31 March 2022 £'000
Trade payables	199	693
Corporation tax	-	26
Other taxation and social security	36	1,176
Other payables	438	322
Accruals and deferred income	671	481
	1,344	2,698

Trade payables and accruals principally comprise amounts outstanding for trade purchases and ongoing costs. The average credit period taken for trade purchases is 74 days (2022: 95 days). For most suppliers no interest is charged on the trade payables for the first 30 days from the date of the invoice. Thereafter, interest is chargeable on the outstanding balances at various interest rates. The Group has financial risk management policies in place to ensure that all payables do not incur interest penalties.

The directors consider that the carrying amount of trade payables approximates to their fair value.

24. Share capital

	Number	£'000
Issued and fully paid:		
At 31 March 2021	280,786,938	112
Issued during the period	245,547,664	99
At 31 March 2022	526,334,602	211
Issued during the period	344,193,003	137
At 31 March 2023	870,527,605	348

The Company has one class of ordinary share with a nominal value of 0.04p and which carries no right to fixed income.

	Number	£'000
Shares issued during the year		
For Cash (net of fees)	44,372,354	258
In settlement of fees and expenses	16,513,216	168
Acquisition consideration	283,307,433	2,893
	<u>344,193,003</u>	<u>3,319</u>

Share premium	£'000
At 31 March 2021	3,946
Premium arising on issue of new equity during the year	2,699
At 31 March 2022	6,645
Premium arising on issue of new equity during the year	3,182
At 31 March 2023	<u>9,827</u>

Shares to be issued	£'000
At 31 March 2022	293
Issued during the year	(293)
At 31 March 2023	<u>-</u>

At completion of the acquisition of Aftech Limited on 24 March 2022, the Company did not have sufficient authority to issue all the consideration shares. Once the authority had been received at the Annual General Meeting held on 13 May 2023, the remaining consideration shares were issued on 16 June 2023.

Warrants

	Number	Exercise price	Expiry date
At 31 March 2021 and 2022	2,000,000	3p	1 June 23
Issued during the year	24,661,487	3p	30 June 23
At 31 March 2022 and 2023	<u>26,661,487</u>	<u>3p</u>	

The warrants issued during the year were issued to the Vendors of Aftech Limited. They have been valued using the Black Scholes model and the cost is not material so has not been included in acquisition costs

25. Acquisition of subsidiaries

In the year to 31 March 2023, the Company completed one acquisition:

Forepower Lincoln (250) Limited

On 6 March 2023, the Group purchased the entire share capital of Forepower Lincoln (250) Limited ("FPL(250)") for £2,600,000 which was satisfied by the issue and allotment by the Company of 260,000,000 shares at an issue price of 1p per share. The acquisition has been treated as a business combination. FPL(250) is a 248MW Battery Energy Storage System ("BESS") project in the early stages of its planning application. The amounts recognised in respect of the identifiable assets acquired and liabilities assumed in the acquisition is as set out in the table below.

	Net assets acquired	Fair value Adjustments	Total
	£'000	£'000	£'000
Intangible assets – project expenditure	274	2,600	2,874
Current liabilities	(274)	-	(274)
	-	2,600	2,600
Consideration			
Issue of equity			2,600
Total consideration			2,600

Acquisition costs of £1,000 have been included in other gains and losses in the consolidated statement of profit and loss and comprehensive income.

26. Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may issue new shares or take other steps to increase share capital and reduce or increase debt facilities. The capital structure of the Group is managed and monitored by the Directors. The capital structure is managed with reference to gearing ratios, cash flow and interest cover ratios.

27. Financial risk management

The Group's financial instruments comprise primarily cash and various items such as trade debtors and trade payables which arise directly from operations. The main purpose of these financial instruments is to provide working capital for the Group's operations. The Company does not utilise complex financial instruments or hedging mechanisms.

Financial assets by category

	At 31 March 2023 £'000	At 31 March 2022 £'000
Current assets:		
Trade and other receivables	497	821
Cash and cash equivalents	2	69
Categorised as financial assets measured at amortised cost	<u>499</u>	<u>890</u>

Financial liabilities by category

	At 31 March 2023 £'000	At 31 March 2022 £'000
Current liabilities		
Trade and other payables	1,344	2,699
Borrowings	3,187	2,968
Leases	-	125
Categorised as financial liabilities measured at amortised cost	<u>4,531</u>	<u>5,792</u>

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 and arises principally from the Group's receivables from customers. Indicators that there is no reasonable expectation of recovery include, amongst others, failure to make contractual payments for a period of greater than 120 days past due.

The carrying amount of financial assets represents the maximum credit exposure.

The principal financial assets of the Company are bank balances and trade receivables. The Group deposits surplus liquid funds with counterparty banks that have high credit ratings and the Directors consider the credit risk to be minimal.

The maximum exposure is that detailed in financial assets at amortised cost above.

In relation to the impairment of financial assets, the Group accounts for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. Details of movements in expected credit losses are set out in note 19.

Interest rate risk

On the assumption that the balance of floating rate debt at the year end remained outstanding for a year, the exposure to a 1% increase in interest rates would reduce profit before tax and equity by £2,000 (2022: £13,000).

Currency risk

The Group operates in a global market with income and costs arising in a number of currencies. The majority of the operating costs are incurred in £GBP. The Company does not hedge potential future income or costs, since the existence, quantum and timing of such transactions cannot be accurately predicted. At 31 March 2023 and 31 March 2022 the Group did not have a material foreign currency exposure.

Liquidity risk

The Group policy throughout the year has been to ensure that it has adequate liquidity by careful management of its working capital. The operating executives continually monitor the Group's actual and forecast cash flows and cash positions. They pay particular attention to ongoing expenditure, both for operating requirements and capital expenditure.

At 31 March 2023 the Company held cash deposits of £2,000 (2022: £69,000) and had borrowings and lease liabilities of £3,187,000 (2022: £4,033,000). As at the date of this report the Group has adequate liquidity to meet its obligations as they fall due.

The following table details the Group's remaining contractual maturity of its financial liabilities. The table is drawn up utilising undiscounted cash flows and based on the earliest date on which the Company could be required to settle its obligations.

	At 31 March 2023 £'000	At 31 March 2022 £'000
Liquidity analysis		
Year 1	3,187	3,092
Year 2	-	297
Year 3	-	284
Year 4	-	258
Year 5	-	102
	<u>3,187</u>	<u>4,033</u>

Since the year end borrowings of £475,000 falling due within one year have been extended to mature in on 30 June 2025 and borrowings of £1,854,000 falling due within one year have been extended to between April 2025 and June 2025.

28. Related party transactions

Balances and transactions between the company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note.

Remuneration of key management personnel

The remuneration of the individual directors, who are the key management personnel of the Group, is set out in the Directors' report. Aggregate remuneration is set out below:

	Year ended 31 March 2023 £'000	Year ended 31 March 2022 £'000
Short-term employee benefits	<u>313</u>	<u>313</u>
At 31 March the following directors' fees were outstanding:		
IC Tordoff	235	100
JH Maxwell	40	16
N Clayton	141	56
D Taylor	19	-
	<u>435</u>	<u>172</u>

The Company uses Global Web Pay Limited (“GWP”), a regulated payment services provider, to hold its cash balances and conduct its transactional banking. Mr Clayton is a non-executive director of GWP. The balance held at 31 March 2023 was £nil and charges during the year then ended were minimal.

At the year end, the Group was owed £200,000 (2022: £Nil) by Dorset Aluminium Products Ltd in respect of an interest free loan which is repayable upon demand.

During the year, the Group incurred £96,000 (2022: £Nil) of management costs from Darren Taylor Holdings Ltd and at the year end the Group owed them £37,551 (2022: £6,000) in respect of an interest free current account balance which is repayable upon demand.

During the year, the Group incurred £20,000 (2022: £Nil) of general expenses from TMF Partners LLP.

Dorset Aluminium Products Ltd, Darren Taylor Holdings Ltd and TMF Partners LLP are all related parties as Darren Taylor is a director or member and was in a position of significant influence during the year.

29. Post balance sheet events

On 25 October 2023, the Company disposed of 49.9% of its holding in FPL (250) in order to fund the development of the project. Value is expected to be generated as the project moves through the planning process and obtains a firm connection date to the national grid.

On 17 May 2023 the Company issued 3,333,333 ordinary shares of £0.0004 each at £0.0075 per share.

30. Contingent liability

FPL(250) has a consultancy contract concerning the application for a connection to the national grid in respect of the BESS project. Within 40 days of receiving planning consent, FPL(250) has an obligation to pay £1.2million to the contractor and a further £50,000 to another supplier.

Company Statement of Financial Position

Vulcan Industries PLC

Company Number 11640409

	Note	At 31 March 2023 £'000	At 31 March 2022 £'000
Non-current assets			
Investments	4	3,950	1,550
Total non-current assets		<u>3,950</u>	<u>1,550</u>
Current assets			
Receivables	5	95	948
Cash		<u>1</u>	<u>5</u>
Total current assets		<u>96</u>	<u>953</u>
Total assets		<u>4,046</u>	<u>2,503</u>
Current liabilities			
Trade and other payables	6	(832)	(610)
Borrowings	7	(3,029)	(2,329)
Provision		<u>-</u>	<u>-</u>
Total current liabilities		<u>(3,861)</u>	<u>(2,939)</u>
Total liabilities		<u>(3,861)</u>	<u>(2,929)</u>
Net assets		<u>185</u>	<u>(436)</u>
Equity			
Share capital	8	348	211
Share premium account	8	9,827	6,645
Shares to be issued	8	-	293
Retained earnings		(9,990)	(7,585)
Total equity attributable to the owners of the company		<u>185</u>	<u>(436)</u>

As permitted by section 408 of the Companies Act 2006 the Company has elected not to present its own Profit and Loss Account for the year. In the year ended 31 March 2023 the Company reported a loss of £2,405,000 (2022: £4,712,000).

The notes on pages 50 to 54 form an integral part of the financial statements.

The financial statements were approved by the board on 24 November 2023

I C Tordoff

Chairman

Company statement of changes in equity	Share Capital £'000	Shares to be issued £'000	Share Premium £'000	Retained earnings £'000	Total Equity £'000
At 31 March 2020	112	-	3,946	(2,873)	1,185
Loss for the period	-	-	-	(4,712)	(4,712)
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(4,712)	(4,712)
Transactions with shareholders	-	-	-	-	-
Issue of shares	99	293	2,699	-	3,091
Total transactions with shareholders for the period	99	293	2,699	-	3,091
At 31 March 2022	211	293	6,645	(7,585)	(436)
Loss for the period	-	-	-	(2,405)	(2,405)
Other comprehensive income for the period	-	-	-	-	-
Total Comprehensive income for the period	-	-	-	(2,405)	(2,405)
Transactions with shareholders	-	-	-	-	-
Issue of shares	137	(293)	3,182	-	3,026
Total transactions with shareholders for the period	137	(293)	3,182	-	3,026
At 31 March 2023	348	-	9,827	(9,990)	185

The notes on pages 50 to 54 form an integral part of the financial statements.

Notes to the Company statement of financial position

1. Significant accounting policies

Basis of accounting

Vulcan Industries PLC (the “Company”) is a public company limited by shares. The Company is incorporated in the United Kingdom under the Companies Act 2006 and registered in England and Wales. The address of the registered office is on page 55. The nature of the Group’s operations and its principal activities are set out in the Strategic Report on pages 2 to 6. The Financial Statements have been prepared under the historical cost convention and in accordance with International Financial Reporting Standards. The functional currency of Vulcan Industries PLC is considered to be pounds Sterling because that is the currency of the primary economic environment in which the Company operates. Vulcan Industries PLC meets the definition of a qualifying entity under FRS 101 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate Financial Statements. Vulcan Industries PLC is consolidated in its Group Financial Statements. Exemptions have been taken in these separate Company Financial Statements in relation to the presentation of a cash flow statement, the remuneration of key management personnel and financial instruments. The principal accounting policies are consistent with those applied for the group and are summarised below.

Going concern

The director considerations in respect of going concern are set out in note 3 to the Group financial statements.

Investments

Investments in subsidiaries are measured at cost less impairment. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described in note 3 to the Group financial statements. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Financial instruments

Initial recognition

A financial asset or financial liability is recognised in the statement of financial position of the Group when it arises or when the Group becomes part of the contractual terms of the financial instrument.

Financial Assets and liabilities

The accounting policy of the Company is identical to that of the Group and is disclosed in note 3 to the Group financial statements.

Borrowings

Borrowings are included as financial liabilities on the Group balance sheet at the amounts drawn on the particular facilities net of the unamortised cost of financing. Interest payable on those facilities is expensed as finance cost in the period to which it relates.

2. Critical accounting judgements and key sources of estimation uncertainty

In applying the Group’s accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Carrying value of investments and intercompany receivables

Impairment reviews for non-current assets are carried out at each balance sheet date in accordance with IAS 36, Impairment of assets. Reported losses in the subsidiary companies, were considered to be indications of impairment and a formal impairment review was undertaken. The review uses a discounted cash flow model to estimate the net present value of each cash generating unit. Management consider each operating subsidiary to be a separately

identifiable cash generating unit.

The impairment reviews are sensitive to various assumptions, including the expected sales forecasts, cost assumptions, capital requirements, and discount rates among others. The forecasts of future cash flows for each subsidiary were derived from the operational plans in place. Real prices were assumed to remain constant at current levels.

Discount rate: The Group's borrowings have a current nominal rate of interest ranging from 5% to 18% per annum. The real rate assumed in these forecasts is 10%.

Sensitivities were applied to each forecast. If sales fell 6% and the discount rate increased to 14%, a potential impairment to the cost of investment in subsidiaries arises of approximately £200,000.

Accordingly an impairment to the cost of investment of £200k has been made in the period ended 31 March 2023.

3. Profit and loss for the period

The auditor's remuneration for audit services to the Company is disclosed in note 5 to the Group Consolidated Financial Statements. Directors' remuneration is disclosed in the directors' report on page 7. There was one other employee of the Company in the year.

4. Investment in subsidiaries

Cost	£'000
At 31 March 2021	2,900
Additions	1,550
Disposal	(950)
At 31 March 2022	3,500
Additions	2,600
Disposal	(1,950)
At 31 March 2023	4,150
Impairment	
At 31 March 2021	-
Charge	1,950
At 31 March 2022	1,950
Charge	200
Disposal	(1,950)
	200
NBV at 31 March 2023	3,950
NBV at 31 March 2022	1,550

The Company acquired Aftech Limited on 24 March 2022 and disposed of M&G Olympic Products Limited on 30 March 2023. In the current year, the Company disposed of Orca Doors Limited, IVI Metallics Limited and Time Rainham Limited for nominal consideration. On 6 March 2023, the Company acquired the entire share capital of Forepower Lincoln (250) Limited.

Vulcan Industries Plc Annual Report year ended 31 March 2023

At 31 March 2023 the Company held investments in the following subsidiary companies:

Subsidiary undertakings	Proportion of ordinary shares held	Country of incorporation and place of business	Registered office	Nature of business
Ruobrah Five Limited	100%	Cayman Islands	Po Box 31325 SMB Grand Cayman KY1 - 1206	Dormant
Aftech Limited ¹	100%	UK	Unit 5a, Station Ind Est., Swindon SN1 5DE	Aftech design and manufacture custom-built metalwork
Forepower Lincoln (250) Limited	100%	UK	Tickton Hall, Tickton, Beverley, East Yorkshire, United Kingdom, HU17 9RX	Battery Energy Storage System project.

¹ The equity of Aftech Limited is held by Ruobrah Five Limited

5. Receivables

	At 31 March 2023 £'000	At 31 March 2022 £'000
Loans to subsidiary companies	-	882
Other debtors	90	61
Prepayments	5	5
	<u>95</u>	<u>948</u>

Loans to subsidiary companies do not bear interest.

6. Trade and other payables

	At 31 March 2023 £'000	At 31 March 2022 £'000
Trade payables	131	108
Taxation and social security	4	47
Other payables	29	79
Accruals	668	376
	<u>832</u>	<u>610</u>

The directors consider that the carrying amount of trade payables approximates to their fair value

7. Borrowings

	At 31 March 2023 £'000	At 31 March 2022 £'000
Current liabilities		
Secured		
Corona virus business interruption loan	700	-
Other Loans	1,854	1,854
Convertible loan note	475	475
	<u>3,029</u>	<u>2,329</u>
	<u>3,029</u>	<u>2,329</u>

Other loans of £1,854,000 (2022: £1,854,000) are secured by means of a debenture and chattels mortgage entered into by the Company. At 31 March 2023, the lender had agreed to a rolling 12 month standstill agreement. The maturity date has been extended a further year since the year end to between April and July 2025. The loans bear an interest rate of 18% per annum.

The convertible loan note has a coupon of 5% and the right to convert the outstanding principal into ordinary share of the Company at a price of 1p per share. Subsequent to the year end the term has been extended to 30 June 2025. In the event that the lender does not exercise its conversion rights by 30 June 2025, the loan shall become immediately repayable by the Company.

On 31 July 2022, the Company disposed of IVI. Subsequently IVI was put into administration and the Company received a demand from HSBC for the outstanding principal under a cross guarantee. The CBIL liability is secured by means of a debenture entered into by the Company.

8. Share capital

	Number	£'000
Issued and fully paid:		
At 31 March 2021	280,786,938	112
Issued during the period	<u>245,547,664</u>	<u>99</u>
At 31 March 2022	526,334,602	211
Issued during the period	<u>344,193,003</u>	<u>137</u>
At 31 March 2023	<u>870,527,605</u>	<u>348</u>

The Company has one class of ordinary share with a nominal value of 0.04p and which carries no right to fixed income.

	Number	£'000
Shares issued during the year		
For Cash (net of fees)	44,372,354	258
In settlement of fees and expenses	16,513,216	168
Acquisition consideration	283,307,433	2,893
	<u>344,193,003</u>	<u>3,319</u>

Share premium	£'000
At 31 March 2021	3,946
Premium arising on issue of new equity during the year	2,699
At 31 March 2022	6,645
Premium arising on issue of new equity during the year	3,182
At 31 March 2023	<u>9,827</u>

Shares to be issued	£'000
At 31 March 2022	293
Issued during the year	(293)
At 31 March 2023	<u>-</u>

At completion of the acquisition of Aftech Limited on 24 March 2022, the Company did not have sufficient authority to issue all the consideration shares. Once the authority had been received at the Annual General Meeting held on 13 May 2023, the remaining consideration shares were issued on 16 June 2023.

Warrants

	Number	Exercise price	Expiry date
At 31 March 2021 and 2022	2,000,000	3p	1 June 23
Issued during the year	24,661,487	3p	30 June 23
At 31 March 2022 and 2023	<u>26,661,487</u>	<u>3p</u>	

The warrants issued during the year were issued to the Vendors of Aftech Limited. They have been valued using the Black Scholes model and the cost is not material so has not been included in acquisition costs

9. Related party transactions

The Company has taken the exemption not to disclose intercompany balances and transactions in the year with fully owned subsidiary undertakings. Details of transactions with Directors and Key management are referred to in note 28 of the group financial statements.

DIRECTORS, AGENTS AND ADVISERS

Directors	I C Tordoff (Executive Chairman) J H Maxwell (Non-executive) N W H Clayton (Group Finance Director) D W Taylor (Non-executive)
Company Secretary	N W H Clayton
Registered office	8th Floor, The Broadgate Tower 20 Primrose Street London EC2A 2EW
Website	www.vulcanplc.com
Legal Advisers	Hill Dickinson LLP The Broadgate Tower 20 Primrose Street London, EC2A 2EW
Aquis Corporate Adviser and Broker	First Sentinel Corporate Finance Limited 72 Charlotte Street London, W1T 4QQ
Auditors	MAH, Chartered Accountants 2nd floor, 154 Bishopsgate London, EC2M 4LN
Registrars	Neville registrars Neville House Steelpark Road Halesowen B62 8HD