

Company Registration No. 11313708 (England and Wales)

**LCM ENVIROMENTAL
SERVICES HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2025**

**PM+M Solutions for Business LLP
Chartered Accountants
New Century House
Greenbank Technology Park
Challenge Way
Blackburn
Lancashire
BB1 5QB**

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr C Bingham Mr R Wallace Mr J Sharp
Company number	11313708
Registered office	The Oil Depot Wyre Street Padiham Lancashire BB12 8DF
Auditor	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

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LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present the strategic report for the year ended 31 March 2025.

Activities and business review

The principal activity of the company is that of a non-trading holding company. The principal activity of the subsidiaries is the provision of environmental and critical infrastructure services in the fuel and energy sector across the UK and Ireland.

The directors are pleased to report on a strong trading year for the group. Turnover has increased by 34.6% from the prior year to £15,339,935. This is in part through the full year impact in FY25 of LCM Coatings & Linings Ltd (Formerly known as Repair Protection & Maintenance Limited) and Sprayglass International Limited, acquisitions made in November 2023, but also through organic growth driven by a focus on customer service and operational excellence, and the cross selling of LCM's widening service offering. Effective commercial management and cost control helped deliver a gross profit increase of £2,260,999 (+41.1%) to £7,756,330 and an increase of gross margin by 240 basis points to 50.6%.

EBITDA is considered by the directors as the best measure of business performance, and this increased by £1,049,671 (+74.4%) to £2,462,045 in the reported period. EBITDA can be reconciled back to operating profit by the add back of depreciation and amortisation charged in the year (see note 4).

A further two acquisitions have been completed in the year continuing the groups growth strategy. The trade and assets of Greenarc Electrical were acquired in September 2024 providing the group with the opportunity to explore new markets in the energy sector but also increase the service lines to current customers.

Corroguard Ltd, a specialist in the coatings and linings sector, was acquired at the end of October 2024 and has diversified the customer base of the industrial division and increased its capacity.

The group has net assets of £3,912,140 (2024: £2,640,351) and operating cashflow of £1,594,419 (2024: £493,555). After all financing and investing activities, the group increased its cash position by £198,489 in the year. This strong financial position provides a platform for future growth.

Key performance indicators

The group considers its key performance indicators to be:

	2025	2024
	£'000	£'000
Turnover	15,340	11,395
Gross Profit	7,756	5,495
Gross Profit Margin	50.6%	48.2%
EBITDA	2,462	1,412
EBITDA margin	16.0%	12.4%

These KPI's are monitored monthly and shared with all stakeholders.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

Principal risks and uncertainties

The directors consider the principal risks and uncertainties to be those commonly associated with the industry.

Legal and regulatory

The business operates in a highly regulated industry and in potentially hazardous environments. Health and safety risk and environmental risk are therefore given high priority. The risk is managed by a suitably qualified health and safety team and an operational team who are highly experienced in the industry.

Credit risk

This risk is principally connected to trade debtors and collection of balances owed. The group manages its exposure to credit risk internally through the use of credit rating software, customer experience and close monitoring of the trade debtor position and cash receipts.

Competition

Risk from competitors is applicable to most businesses with the resultant risk of lost revenue. The group mitigates this risk by building strong customer relationships focussing on customer service and operational excellence. Business growth through diversification further mitigates this risk.

Macro-economic risks

Macro-economic risks such as interest or inflation rate movements, recession and credit market conditions could lead to an increase in the groups cost base, availability of finance or reduced sales opportunities. The group manages this risk by maintaining tight control and review of spending and continuing review of its sales pipeline and strategic plan.

Future developments

The directors consider the group to be well positioned for sustained and scalable growth underpinned by strong recurring revenues, increased cross selling opportunities and a strategic acquisition strategy that enhances geographical reach, technical capabilities and customer expansion.

Post year end the group has secured additional funding support from its bankers specifically to help deliver this acquisition strategy.

The directors are encouraged by the group's performance this year and will continue to seek opportunities to grow in both new and existing markets.

On behalf of the board

Mr R Wallace
Director

12 November 2025

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2025

The directors present their annual report and financial statements for the year ended 31 March 2025.

Principal activities

The principal activity of the group continued to be that of a non-trading holding company.

The principal activity of the group continued to be that of fuel asset management and risk mitigation, further supported by the strategic acquisition of Greenarc Electrical to expand its capabilities in electrical infrastructure and energy solutions.

Results and dividends

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr C Bingham
Mr R Wallace
Mr J Sharp

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

Statement of disclosure to auditor

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

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

On behalf of the board

Mr R Wallace
Director

12 November 2025

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

Opinion

We have audited the financial statements of LCM Environmental Services Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2025 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 March 2025 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we have considered the following:

- the nature of the industry and sector, control environment and business performance including the design of the Group's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of our enquiries of management about their own identification and assessment of the risks of irregularities;
- the matters discussed among the audit engagement team including significant component audit teams and involving relevant specialists regarding how and where fraud might occur in the financial statements and any potential indicators of fraud;
- any matters we identified having obtained and reviewed the Group's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
 - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of commercial income, posting of unusual journals and complex transactions; and manipulating the Group's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the Group operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety regulations, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the identified risks of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

Claire Layton ACA (Senior Statutory Auditor)

For and on behalf of PM+M Solutions for Business LLP, Statutory Auditor

Chartered Accountants

New Century House

Greenbank Technology Park

Challenge Way

Blackburn

Lancashire

BB1 5QB

12 November 2025

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2025

	Notes	2025 £	2024 £
Turnover	3	15,339,935	11,394,882
Cost of sales		(7,583,605)	(5,899,551)
Gross profit		7,756,330	5,495,331
Administrative expenses		(5,883,829)	(4,529,479)
Other operating income		89,382	10,290
Operating profit	4	1,961,883	976,142
Interest receivable and similar income	7	268	330
Interest payable and similar expenses	8	(47,586)	(53,081)
Profit before taxation		1,914,565	923,391
Tax on profit	9	(554,530)	(298,038)
Profit for the financial year		1,360,035	625,353

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

GROUP BALANCE SHEET

AS AT 31 MARCH 2025

		2025		2024	
	Notes	£	£	£	£
Fixed assets					
Goodwill	10		1,880,667		1,501,383
Other intangible assets	10		60,000		75,000
Total intangible assets			1,940,667		1,576,383
Tangible assets	11		845,612		668,809
			2,786,279		2,245,192
Current assets					
Stocks	14	730,218		526,355	
Debtors	15	4,124,660		2,805,668	
Cash at bank and in hand		485,854		1,017,434	
			5,340,732		4,349,457
Creditors: amounts falling due within one year	16	(3,807,136)		(3,645,106)	
Net current assets			1,533,596		704,351
Total assets less current liabilities			4,319,875		2,949,543
Creditors: amounts falling due after more than one year	17		(221,451)		(207,234)
Provisions for liabilities					
Deferred tax liability	20	186,284		101,958	
			(186,284)		(101,958)
Net assets			3,912,140		2,640,351
Capital and reserves					
Called up share capital	22		18,560		6,887
Share premium account			299,753		299,753
Capital redemption reserve			443		360
Profit and loss reserves			3,593,384		2,333,351
Total equity			3,912,140		2,640,351

These financial statements have been prepared in accordance with the provisions relating to medium-sized groups.

The financial statements were approved by the board of directors and authorised for issue on 12 November 2025 and are signed on its behalf by:

Mr R Wallace
Director

Company registration number 11313708 (England and Wales)

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

COMPANY BALANCE SHEET

AS AT 31 MARCH 2025

		2025	2024
	Notes	£	£
Fixed assets			
Investments	12	260,200	260,200
		<u>260,200</u>	<u>260,200</u>
Current assets			
Debtors	15	211,756	300,000
Net current assets		<u>211,756</u>	<u>300,000</u>
Net assets		<u><u>471,956</u></u>	<u><u>560,200</u></u>
Capital and reserves			
Called up share capital	22	18,560	6,887
Share premium account		299,753	299,753
Capital redemption reserve		443	360
Profit and loss reserves		<u>153,200</u>	<u>253,200</u>
Total equity		<u><u>471,956</u></u>	<u><u>560,200</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2024 - £0 profit).

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 12 November 2025 and are signed on its behalf by:

Mr R Wallace
Director

Company registration number 11313708 (England and Wales)

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		6,887	299,753	360	1,707,998	2,014,998
Year ended 31 March 2024:						
Profit and total comprehensive income		-	-	-	625,353	625,353
Balance at 31 March 2024		6,887	299,753	360	2,333,351	2,640,351
Year ended 31 March 2025:						
Profit and total comprehensive income		-	-	-	1,360,035	1,360,035
Issue of share capital	22	11,756	-	-	-	11,756
Redemption of shares	22	(83)	-	83	(100,000)	(100,000)
Balance at 31 March 2025		18,560	299,753	443	3,593,384	3,912,140

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2025

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2023		6,887	299,753	360	253,200	560,200
Year ended 31 March 2024:						
Profit and total comprehensive income for the year		-	-	-	-	-
Balance at 31 March 2024		6,887	299,753	360	253,200	560,200
Year ended 31 March 2025:						
Profit and total comprehensive income		-	-	-	-	-
Issue of share capital	22	11,756	-	-	-	11,756
Redemption of shares	22	(83)	-	83	(100,000)	(100,000)
Balance at 31 March 2025		18,560	299,753	443	153,200	471,956

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2025

		2025	2024
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	28	2,194,994	852,084
Interest paid		(47,586)	(53,081)
Income taxes paid		(552,989)	(305,448)
Net cash inflow from operating activities		1,594,419	493,555
Investing activities			
Purchase of business		(728,871)	(386,879)
Purchase of intangible assets		(152,298)	-
Purchase of tangible fixed assets		(295,942)	(210,718)
Proceeds from disposal of tangible fixed assets		51,986	65,525
Interest received		268	330
Net cash used in investing activities		(1,124,857)	(531,742)
Financing activities			
Redemption of shares		(100,000)	-
Repayment of bank loans		(67,967)	(77,770)
Payment of finance leases obligations		(103,106)	(66,603)
Net cash used in financing activities		(271,073)	(144,373)
Net increase/(decrease) in cash and cash equivalents		198,489	(182,560)
Cash and cash equivalents at beginning of year		(136,358)	46,202
Cash and cash equivalents at end of year		62,131	(136,358)
Relating to:			
Cash at bank and in hand		485,854	1,017,434
Bank overdrafts included in creditors payable within one year		(423,723)	(1,153,792)

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

Company information

LCM Environmental Services Holdings Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is The Oil Depot, Wyre Street, Padiham, Lancashire, BB12 8DF.

The group consists of LCM Environmental Services Holdings Limited and all of its subsidiaries.

1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

During the financial period, the subsidiary assumed the trade, assets, and liabilities previously carried out by two of its own subsidiaries. This internal reorganisation has been accounted for as a transfer of trade within the group and does not constitute a business combination under applicable accounting standards.

The assets and liabilities transferred have been recognised at their carrying amounts at the date of transfer. No gain or loss has been recognised on the transfer, and no goodwill has arisen.

1.2 Business combinations

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.3 Basis of consolidation

The consolidated group financial statements consist of the financial statements of the parent company LCM Environmental Services Holdings Limited together with all entities controlled by the parent company (its subsidiaries).

All financial statements are made up to 31 March 2025. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Subsidiaries are consolidated in the group's financial statements from the date that control commences until the date that control ceases.

1.4 Going concern

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

1.5 Turnover

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

The nature and timing of satisfaction of performance obligations of the company's major sources of revenue are as follows:

Fuel asset management and Electrical solutions

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on sign off of works), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Fuel asset management services

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

1.6 Intangible fixed assets - goodwill

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

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

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.7 Intangible fixed assets other than goodwill

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

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

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

Brand development	5 years straight line
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1.8 Tangible fixed assets

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

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

Plant and equipment	2 - 5 years straight line
Fixtures and fittings	2 - 10 years straight line
Computers	2 - 3 years straight line
Motor vehicles	2 - 10 years straight line

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

1.9 Fixed asset investments

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

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

Where a subsidiary's trade and net assets are hived up into the parent company, the carrying value of the investment in the subsidiary is reviewed. To the extent that the investment relates to the net assets and trade transferred, a portion of the investment is reclassified to intangible fixed assets as goodwill.

The goodwill arising on hive-up is calculated based on the original acquisition date of the subsidiary and represents the excess of the consideration paid over the fair value of the identifiable net assets acquired at that date. The amount of goodwill transferred is adjusted for amortisation that would have been charged from the acquisition date to the date of the hive-up, in accordance with the Group's amortisation policy of ten years. The accumulated amortisation from the date of acquisition to the date of hive up is recognised in reserves.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.10 Impairment of fixed assets

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

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

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

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

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

1.11 Stocks

Work in progress and stock of consumables are stated at the lower of cost and their value in use.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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

1.12 Cash and cash equivalents

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

1.13 Financial instruments

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

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

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

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

Basic financial assets

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

Basic financial liabilities

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

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

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

1.14 Equity instruments

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

1.15 Taxation

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

Current tax

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

Deferred tax

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

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

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

1 Accounting policies

(Continued)

1.16 Employee benefits

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

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

1.17 Retirement benefits

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

1.18 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

2 Judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods. These judgements have been applied in the following areas, deferred tax and the useful lives of property, plant and equipment, the useful lives of intangible assets and impairment of fixed asset investments.

3 Turnover and other revenue

	2025	2024
	£	£
Turnover analysed by geographical market		
United Kingdom	12,575,070	9,190,141
Republic of Ireland	2,764,865	2,204,741
	<u>15,339,935</u>	<u>11,394,882</u>
	2025	2024
	£	£
Other revenue		
Interest income	268	330
	<u>268</u>	<u>330</u>

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

4 Operating profit

	2025 £	2024 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	17,687	14,261
Fees payable to the group's auditor for the audit of the group's financial statements	6,750	-
Depreciation of owned tangible fixed assets	276,606	250,890
Profit on disposal of tangible fixed assets	(1,369)	(11,582)
Amortisation of intangible assets	223,556	185,342
Release of negative goodwill	-	(116,688)
Operating lease charges	85,598	80,704
	<u> </u>	<u> </u>

5 Employees

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

	Group 2025 Number	2024 Number	Company 2025 Number	2024 Number
Team	57	58	-	-
Directors	3	3	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	60	61	3	3
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Wages and salaries	3,182,457	2,624,049	-	-
Social security costs	307,002	261,108	-	-
Pension costs	86,620	74,468	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	3,576,079	2,959,625	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

6 Directors' remuneration

	2025 £	2024 £
Remuneration for qualifying services	136,000	143,950
Company pension contributions to defined contribution schemes	2,937	1,761
Sums paid to third parties for directors' services	102,785	102,785
	<u> </u>	<u> </u>
	241,722	248,496
	<u> </u>	<u> </u>

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

7 Interest receivable and similar income

	2025	2024
	£	£
Interest income		
Interest on bank deposits	104	330
Other interest income	164	-
	<u>268</u>	<u>330</u>

8 Interest payable and similar expenses

	2025	2024
	£	£
Interest on bank overdrafts and loans	32,576	32,959
Interest on finance leases and hire purchase contracts	15,010	20,122
	<u>47,586</u>	<u>53,081</u>

9 Taxation

	2025	2024
	£	£
Current tax		
UK corporation tax on profits for the current period	471,324	348,269
Adjustments in respect of prior periods	152	(31)
	<u>471,476</u>	<u>348,238</u>
Deferred tax		
Origination and reversal of timing differences	83,054	(50,200)
	<u>554,530</u>	<u>298,038</u>

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

9 Taxation

(Continued)

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

	2025 £	2024 £
Profit before taxation	1,914,565	923,391
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2024: 25.00%)	478,641	230,848
Tax effect of expenses that are not deductible in determining taxable profit	4,754	76
Adjustments in respect of prior years	(78)	25
Depreciation on assets not qualifying for tax allowances	18,857	3,149
Other permanent differences	2,560	(15,419)
Fixed asset adjustment	630	-
Consolidated goodwill amortisation not deductible	47,724	43,187
Negative goodwill released to profit not taxable	-	(29,172)
Profit post subsidiary acquisition	1,442	65,344
Taxation charge	554,530	298,038

10 Intangible fixed assets

Group	Goodwill £	Brand development £	Total £
Cost			
At 1 April 2024	2,075,458	75,000	2,150,458
Additions - separately acquired	152,298	-	152,298
Additions - business combinations	435,542	-	435,542
Disposals	(50,000)	-	(50,000)
At 31 March 2025	2,613,298	75,000	2,688,298
Amortisation and impairment			
At 1 April 2024	574,075	-	574,075
Amortisation charged for the year	208,556	15,000	223,556
Disposals	(50,000)	-	(50,000)
At 31 March 2025	732,631	15,000	747,631
Carrying amount			
At 31 March 2025	1,880,667	60,000	1,940,667
At 31 March 2024	1,501,383	75,000	1,576,383

The company had no intangible fixed assets at 31 March 2025 or 31 March 2024.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

10 Intangible fixed assets

(Continued)

11 Tangible fixed assets

Group	Assets under construction	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2024	-	1,112,896	79,889	1,866	245,760	1,440,411
Additions	13,080	27,971	58,776	18,022	381,555	499,404
Business combinations	-	1,414	-	193	3,015	4,622
Disposals	-	-	-	-	(161,289)	(161,289)
Transfers	-	(996,540)	553	18,543	977,444	-
At 31 March 2025	13,080	145,741	139,218	38,624	1,446,485	1,783,148
Depreciation and impairment						
At 1 April 2024	-	582,364	77,515	1,282	110,441	771,602
Depreciation charged in the year	-	46,422	5,339	7,688	217,157	276,606
Eliminated in respect of disposals	-	-	-	-	(110,672)	(110,672)
Transfers	-	(496,324)	1,200	14,988	480,136	-
At 31 March 2025	-	132,462	84,054	23,958	697,062	937,536
Carrying amount						
At 31 March 2025	13,080	13,279	55,164	14,666	749,423	845,612
At 31 March 2024	-	530,532	2,374	584	135,319	668,809

The company had no tangible fixed assets at 31 March 2025 or 31 March 2024.

12 Fixed asset investments

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Investments in subsidiaries	13	-	-	260,200	260,200

During the year, the trade and net assets of LCM Coatings & Linings Ltd and Sprayglass International Limited were hived up into LCM Environmental Services Limited.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

12 Fixed asset investments (Continued)

Movements in fixed asset investments	Shares in subsidiaries
Company	£
Cost or valuation	
At 1 April 2024 and 31 March 2025	260,200
Carrying amount	
At 31 March 2025	260,200
At 31 March 2024	260,200

13 Subsidiaries

Details of the company's subsidiaries at 31 March 2025 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held	
			Direct	Indirect
LCM Ireland Ltd	Unit 12 Blackstaff Way, Belfast, BT11 9DT	Ordinary	0	100.00
LCM Coatings & Linings Ltd	The Oil Depot, Wyre Street, Padiham, Lancashire, England, BB12 8DF	Ordinary	0	100.00
Sprayglass International Limited	The Oil Depot, Wyre Street, Padiham, Lancashire, England, BB12 8DF	Ordinary	0	100.00
Corroguard Ltd	The Oil Depot, Wyre Street, Padiham, Lancashire, England, BB12 8DF	Ordinary	0	100.00
LCM Environmental Services Limited	The Oil Depot, Wyre Street, Padiham, Lancashire, England, BB12 8DF	Ordinary	100.00	-

During the financial period, LCM Environmental Services Limited assumed the trade, assets, and liabilities previously carried out by LCM Coatings & Linings Ltd and Sprayglass International Limited. This internal reorganisation has been accounted for as a transfer of trade within the group and does not constitute a business combination under applicable accounting standards.

The assets and liabilities transferred have been recognised at their carrying amounts at the date of transfer. No gain or loss has been recognised on the transfer, and no goodwill has arisen.

LCM Environmental Services Holdings Limited has provided parental guarantee, through section 479A of the Companies Act, to LCM Coatings & Linings Ltd, Sprayglass International Limited and Corroguard Ltd. The parental guarantee exempts these subsidiaries from the requirement in the Act to prepare audited financial statements.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

14 Stocks

	Group 2025 £	2024 £	Company 2025 £	2024 £
Raw materials and consumables	92,309	94,546	-	-
Work in progress	603,944	431,809	-	-
Finished goods and goods for resale	33,965	-	-	-
	<u>730,218</u>	<u>526,355</u>	<u>-</u>	<u>-</u>

15 Debtors

	Group 2025 £	2024 £	Company 2025 £	2024 £
Amounts falling due within one year:				
Trade debtors	3,926,321	2,565,531	-	-
Amounts owed by group undertakings	-	-	200,000	300,000
Other debtors	42,128	21,253	11,756	-
Prepayments and accrued income	156,211	218,884	-	-
	<u>4,124,660</u>	<u>2,805,668</u>	<u>211,756</u>	<u>300,000</u>

The amounts owed to group undertakings are not subject to any formal agreement, no interest is charged and there is no fixed repayment date.

Other debtors within the group and company include a balance of £11,756 that is due from shareholders. The balance represents a loan for the allotment of shares in the period. The loan is unsecured, interest free and repayable on demand.

16 Creditors: amounts falling due within one year

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans and overdrafts	18	470,022	1,209,384	-	-
Obligations under finance leases	19	77,970	50,506	-	-
Trade creditors		1,500,522	1,469,144	-	-
Corporation tax payable		381,581	348,269	-	-
Other taxation and social security		260,241	157,495	-	-
Other creditors		332,554	96,534	-	-
Accruals and deferred income		784,246	313,774	-	-
		<u>3,807,136</u>	<u>3,645,106</u>	<u>-</u>	<u>-</u>

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

17 Creditors: amounts falling due after more than one year

	Notes	Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans and overdrafts	18	10,242	68,916	-	-
Obligations under finance leases	19	211,209	138,318	-	-
		<u>221,451</u>	<u>207,234</u>	<u>-</u>	<u>-</u>

18 Loans and overdrafts

		Group 2025 £	2024 £	Company 2025 £	2024 £
Bank loans		56,541	124,508	-	-
Bank overdrafts		423,723	1,153,792	-	-
		<u>480,264</u>	<u>1,278,300</u>	<u>-</u>	<u>-</u>
Payable within one year		470,022	1,209,384	-	-
Payable after one year		10,242	68,916	-	-
		<u>480,264</u>	<u>1,278,300</u>	<u>-</u>	<u>-</u>

The companies banker Barclays Bank PLC have three fixed and floating charges over the assets of this company and related companies by way of debentures dated 24th July 2014, 24th July 2014 and 30th November 2022.

19 Finance lease obligations

	Group 2025 £	2024 £	Company 2025 £	2024 £
Future minimum lease payments due under finance leases:				
Within one year	77,970	50,506	-	-
In two to five years	211,209	138,318	-	-
	<u>289,179</u>	<u>188,824</u>	<u>-</u>	<u>-</u>

Obligations under hire purchase agreements totalling £289,179 (2024 - £167,850) are secured upon the assets to which they relate.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

20 Deferred taxation

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

	Liabilities 2025 £	Liabilities 2024 £
Group		
Accelerated capital allowances	187,907	102,673
Short term timing differences	(1,623)	(715)
	<u>186,284</u>	<u>101,958</u>

The company has no deferred tax assets or liabilities.

	Group 2025 £	Company 2025 £
Movements in the year:		
Liability at 1 April 2024	101,958	-
Charge to profit or loss	84,326	-
	<u>186,284</u>	<u>-</u>
Liability at 31 March 2025		

The deferred tax liability is expected to unwind over the course their useful lives, an unknown amount is expected to reverse in the next period due to future capital expenditure offsetting the unwinding of the deferred tax liability.

21 Retirement benefit schemes

	2025 £	2024 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>86,620</u>	<u>74,468</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund. At the year end £16,457 (2024 - £6,817) was due to the scheme.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

22 Share capital

Group and company	2025	2024	2025	2024
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary A Class of 0.1p each	3,000,000	3,000,000	3,000	6,887
Ordinary B Class of 0.1p each	3,640,000	3,640,000	3,640	-
Ordinary C Class of 0.1p each	164,000	247,000	164	-
Ordinary E Class of 0.1p each	11,756,000	-	11,756	-
	<u>18,560,000</u>	<u>6,887,000</u>	<u>18,560</u>	<u>6,887</u>

The company's issued share capital comprises multiple classes of ordinary shares denominated in GBP, namely A Ordinary, B Ordinary, C Ordinary, and E Ordinary shares. Holders of B and C Ordinary shares are entitled to one vote per share, whereas A and E Ordinary shares carry no voting rights. All classes of shares rank pari passu in respect of dividend entitlements and capital distributions, including upon winding up, subject to the provisions of the Articles of Association. The declaration of dividends to one class does not confer entitlement to dividends on other classes. None of the shares are redeemable.

The company has an approved share option scheme for the benefit of key employees of the group.

The options were granted in August 2021 and December 2024 and will vest on satisfaction of the vesting conditions arising on an exit.

The number of options granted were 400,000 (2024 - 400,000) B Options, 663,854 (2024 - 716,466) C Options, 313,544 (2024 - 430,932) D Options and 10,014,353 (2024 - nil) E Options.

As the fair value of the shares can not be determined no value has been recognised in the financial statements.

23 Acquisition of a business

On 1 September 2024 the group acquired the trade and assets of Greenarc Electrical.

	Fair Value £
Goodwill	<u>152,298</u>
Total consideration	<u>152,298</u>
The consideration was satisfied by:	£
Cash	<u>152,298</u>

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the company's services in new markets and the future operating synergies from the combination.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

23 Acquisition of a business

(Continued)

On 29 October 2024 the group acquired 100 percent of the issued capital of Corroguard Limited.

	Book Value £	Adjustments £	Fair Value £
Net assets acquired			
Property, plant and equipment	4,622	-	4,622
Trade and other receivables	690,135	-	690,135
Cash and cash equivalents	50,000	-	50,000
Trade and other payables	(35,330)	-	(35,330)
Tax liabilities	(114,825)	-	(114,825)
Provisions	(1,272)	-	(1,272)
	<u>593,330</u>	<u>-</u>	<u>593,330</u>
Total identifiable net assets			593,330
Goodwill			<u>435,541</u>
Total consideration			<u>1,028,871</u>
The consideration was satisfied by:			£
Cash			778,871
Deferred consideration			<u>250,000</u>
			<u>1,028,871</u>
Contribution by the acquired business for the reporting period included in the group statement of comprehensive income since acquisition:			£
Turnover			29,200
Loss after tax			<u>(5,936)</u>

The goodwill arising on the acquisition of the business is attributable to the anticipated profitability of the company's services in new markets and the future operating synergies from the combination.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2025

24 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Within one year	74,029	236,289	-	-
Between two and five years	7,941	62,654	-	-
	<u>81,970</u>	<u>298,943</u>	<u>-</u>	<u>-</u>

25 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2025 £	2024 £	Company 2025 £	2024 £
Acquisition of tangible fixed assets	-	174,660	-	-
	<u>-</u>	<u>174,660</u>	<u>-</u>	<u>-</u>

26 Related party transactions

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sales 2025 £	Sales 2024 £	Purchases 2025 £	Purchases 2024 £
Group				
Other related parties	474,040	1,020,325	1,012,690	815,739
	<u>474,040</u>	<u>1,020,325</u>	<u>1,012,690</u>	<u>815,739</u>

The following amounts were outstanding at the reporting end date:

Amounts due to related parties	2025 £	2024 £
Group		
Other related parties	67,419	80,842
	<u>67,419</u>	<u>80,842</u>

27 Controlling party

The ultimate controlling shareholders are C Bingham and H Bingham.

LCM ENVIROMENTAL SERVICES HOLDINGS LIMITED

NOTES TO THE GROUP FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2025

28 Cash generated from group operations

	2025 £	2024 £
Profit after taxation	1,360,035	625,353
Adjustments for:		
Taxation charged	554,530	298,038
Finance costs	47,586	53,081
Investment income	(268)	(330)
Gain on disposal of tangible fixed assets	(1,369)	(11,582)
Amortisation and impairment of intangible assets	223,554	185,342
Depreciation and impairment of tangible fixed assets	276,606	250,890
Negative goodwill released to profit	-	(116,688)
Movements in working capital:		
(Increase)/decrease in stocks	(203,863)	426
Increase in debtors	(618,346)	(473,759)
Increase in creditors	556,529	41,313
Cash generated from operations	2,194,994	852,084

29 Analysis of changes in net debt - group

	1 April 2024 £	Cash flows £	31 March 2025 £
Cash at bank and in hand	1,017,434	(531,580)	485,854
Bank overdrafts	(1,153,792)	730,069	(423,723)
	(136,358)	198,489	62,131
Borrowings excluding overdrafts	(124,508)	67,967	(56,541)
Obligations under finance leases	(188,824)	(100,355)	(289,179)
	(449,690)	166,101	(283,589)

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