

Company registration number: 00260559

F. B. ELLMER LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023



F. B. ELLMER LIMITED

CONTENTS

	Page
Directors and other information	2
Strategic report	3 - 6
Directors' report	7 - 8
Independent auditors' report to the members of F. B. Ellmer Limited	9 - 12
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Statement of cash flows	16
Notes to the financial statements	17 - 27

F. B. ELLMER LIMITED

DIRECTORS AND OTHER INFORMATION

Directors	Michael Byrne Paul Foley Trevor Dillon Navaratnam Vanithasan Stephen Fuller
Secretary	Navaratnam Vanithasan
Company number	00260559
Registered office	53 Great Suffolk Street London SE1 0DB
Independent auditors	BDO LLP 2 City Place Beehive Ring Road Gatwick RH6 0PA

F. B. ELLMER LIMITED
STRATEGIC REPORT
YEAR ENDED 30 JUNE 2023

Introduction

The directors' present their Strategic report for the year ended 30 June 2023.

Review of business

The business experienced steady growth, showing a marginally increased turnover of £83m (2022: £80m), with a significantly increased operating profit of £2.4m (2022: £1.4m).

Current projects include fit-out work in Google's new offices in Kings Cross, the fit-out of 18 luxury residential apartments at the Peninsula in Belgravia, main contract works at the 199 room Marylebone Lane Hotel, 15 high end residential apartments in Vauxhall, a 155 bed Hotel in Covent Garden, and 36 apartments in Bayswater. Completed projects comprised of refurbishment works to the Mansion and Pavilion at Stoke Park.

Forward look

The secured order book for FY2024 is healthy and includes the completion of the residential apartments at the Peninsula, the Marylebone Lane Hotel, the balance of the Google contract, the Vauxhall and Bayswater apartments. New projects secured are the Penthouses in the N6 Tower and Damac Tower in Nine Elms, London.

The London and South-East construction market remains our principal focus, with continued opportunities in our core strength areas of High-end Residential, Hotel & Leisure and Commercial, with the ability to provide Modular / Modern Methods of Construction options as required.

Key financial performance indicators	2023	2022
	£'000	£'000
Turnover	82,521	80,075
Operating profit	2,400	1,440
Profit before tax	2,753	1,490
Cash at bank	15,468	26,793

Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in note 3 to the accounts.

Principal risks and uncertainties

The Company has an established framework of policies and procedures that are designed with the objective of minimising avoidable risks to the business.

Occupational health and safety continues to be a key focus of risk management for the business. There are comprehensive Health and Safety policies and procedures in place. During the year there were no reportable RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) incidents. At Ellmer we strive for zero accidents but where they do occur, we ensure that any learning is shared within the business.

The Company will continue to tightly manage its cash flows through robust commercial administration to ensure we receive fair entitlement for the work we carry out in a timely manner. In addition, we will continue to bid for new work where the margin is commensurate with the risk.

F. B. ELLMER LIMITED

STRATEGIC REPORT (CONTINUED) YEAR ENDED 30 JUNE 2023

Financial risk management and policies

The Company's principal financial assets are bank balances and cash, and trade and other receivables. The Company's credit risk is primarily in relation to trade receivables.

Management of liquidity risk is achieved by close monitoring of cash flow, by matching payables and receivables within contractual obligations and robust commercial administration of our contracts. The financial strength of customers is assessed prior to entering into a contract and is regularly reviewed together with exposure during the course of the contract.

Research and development

We remain committed to the continuous development of our methods, systems and processes through our research and development programmes, which focus on providing robust and deliverable solutions that create significant benefits for our clients in terms of safety, time, cost and quality.

Vision and values

Our 'vision' is focused on Safety, People, Delivery, Relationships and Innovation. We are committed to working tirelessly for the health, Safety and wellbeing of our colleagues and those around us. We want the People who work with us, our clients, delivery partners and colleagues, to be part of our team, not just for one project but for life.

We want to build success based upon customer satisfaction, collaboration, value for money and reliable Delivery. We believe in customer service and in creating long lasting, trusting Relationships. We provide the resources and environments, for learning and creativity, to assist everyone to achieve the highest standards of performance and to inspire Innovation.

All of the above harmonises with our core values, which are Safety, Integrity and Respect.

Health, safety and environment

Health, Safety and Welfare at work is a core business value. Our certified ISO 45001 management system provides us with the platform to deliver legal compliance and best practice across all our activities. As part of our drive for continual improvement, the monitoring and analysis of accidents, incidents, near misses and hazard identification continues to inform the business about trends. This allows us to develop and implement avoidance measures/controls to ensure that the accident/incident rate remains low, especially in comparison to the national construction average.

We believe that all accidents and injuries are preventable, and we continue to drive a culture where safety is an integral part of every business decision. We are determined that our performance on health and safety should be one that can be admired.

A strong culture of transparency and trust has been established in which all our workforce can feel comfortable about speaking and reporting any issues that concern them. Hazard identification and reporting is key within our targets to prevent near misses and accidents happening in the first place.

The Company has a well-trained and experienced Occupational Health, Safety and Environmental (OHSE) team managed by the OHSE Group Director, thus providing a consistent approach and enabling cross company learning. The OHSE team continues to deliver the Company's Incident and Injury Free behavioural programme, 'The Byrne Way', across the whole business.

Our business is committed to minimising our detrimental environmental impacts, conducting our business activities in a sustainable manner and ultimately transitioning to a business model that does not cause harm to the natural environment. We continue to work with our clients to promote sustainable alternative materials, equipment and methods, and cascade our environmental and wider sustainability values through our supply chain, encouraging progressive dialogue and action.

F. B. ELLMER LIMITED

STRATEGIC REPORT (CONTINUED) YEAR ENDED 30 JUNE 2023

Quality management

The business continues to be certified to ISO 9001 with our systems and procedures being continually reviewed to enable us to implement change both through forward planning and a historic review process, involving feedback from clients and our workforce. We strive for 'right first time' but recognise that sometimes things don't go to plan. Our quality culture promotes stopping if something isn't right, and fosters integrity and transparency in addressing quality issues. For us, quality management is a continually evolving process enabling us to repeatedly meet our clients' and stakeholders' needs as well as delivering value through all aspects of our work.

We are committed to maintaining the highest standards of delivery across the areas of health, safety, quality and environmental management.

Stakeholders

Section 172 of the Companies Act 2006 requires directors to take into consideration the interest of stakeholders in their decision making. The directors continue to have regard to the interests of the Company's employees and other stakeholders, including the impact of its activities on the community, the environment and the Company's reputation, when making decisions. Acting in good faith and fairly, the directors consider what is most likely to promote the success of the Company for its members in the long term. We explain in this annual report, and below, how the Board engages with stakeholders.

Customers

The Company understands that the relationships with our customers are central to the success of the business and the directors aim to ensure our business is flexible, responsive and innovative to ensure that our clients aspirations are met for every project.

Interaction, communication and transparency with our clients sit central in our strategy with engagement provided throughout the project lifecycle. We regularly invite feedback during each stage of the project on both a formal and informal basis. Formal project reviews are undertaken to ensure that we continually improve our performance and maintain high standards of service to our clients.

Supply chain

Our supply chain partners are vital to the success of our business. We are proud of long standing relationships with our supply chain and have worked hard to ensure that our partners are aligned with our values and strategic drivers. This alignment ensures that our "one team" approach delivers on our projects, every time. Our aim is to ensure shared success and to treat our supply chain with trust and respect. We regularly review our supply chain performance and the board of directors provide governance to appointments and opportunities of our supply chain alongside our procurement teams.

Employment of disabled persons

The Company is committed to a policy of recruitment and promotion on the basis of aptitude and ability without discrimination of any kind. Management actively pursues both the employment of disabled persons whenever a suitable vacancy arises and the continued employment and retaining of employees who become disabled whilst employed by the Company. Particular attention is given to training, career development and promotion of disabled employees with a view to encouraging them to play an active role in development of the Company.

F. B. ELLMER LIMITED

STRATEGIC REPORT (CONTINUED)
YEAR ENDED 30 JUNE 2023

People

We are fully committed to the elimination of unlawful and unfair discrimination, and values the difference a diverse workforce brings. The business has a positive attitude in respect of equality and diversity, and extends this to all employees, as well as other stakeholders.

The business continues in its ambition to remain an employer of choice and to that end we continually invest in our people to guarantee industry leading performance and high levels of staff motivation and satisfaction. Our people have made a vital contribution to the performance, culture and occupational health and safety achievements of the past year.

We provide education and training opportunities, both for experienced long-term workers and for our young employees. It is important to us that our people have the skills they require to do the job safely and to deliver a high standard of quality, confidently and effectively, and for our young people to feel that we consider them as being part of our future. The mixture of experience and fresh eyes provides a level of confidence and ability that reflects positively on our business.

Employee involvement

During the year, the policy of providing employees with information about the business has been continued through face-to-face briefings in which employees have been encouraged to present their suggestions and views for improving the business' performance.

Training and development

We continue with our commitment to encourage our people to be involved in the improvement of our processes and promotion of efficiency. A structure that allows an employee to follow a career path is vital in the retention of staff, and this in turn adds confidence to clients that the people they deal with are committed for the long term to meet their expectations.

We deliver a range of training/upskilling opportunities to our whole workforce such as NVQs, Leadership and Management training and Advanced Health & Safety and Environmental training.

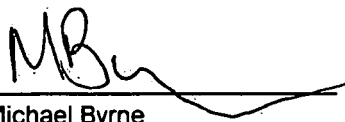
Corporate social responsibility

Our Corporate Social Responsibility policy is aligned with our vision and core values and demonstrates the acknowledgement of our role in the environments and communities in which we work.

We have participated in communication and awareness campaigns to help develop the employability and skills of young people seeking a career in construction, especially those from under-represented groups.

We are proud to maintain support for, and be linked with, charities, initiatives and organisations such as the Construction Youth Trust, Women into Construction and WISE (campaign for gender balance in Science, Technology and Engineering).

This report was approved by the board of directors on 9 November 2023 and signed on behalf of the board by:


Michael Byrne
Director

F. B. ELLMER LIMITED

DIRECTORS' REPORT YEAR ENDED 30 JUNE 2023

The directors present their report and the audited financial statements of the Company for the year ended 30 June 2023.

Directors

The directors who served during the year and up to the date of signing the financial statements were:

Michael Byrne
Paul Foley
Trevor Dillon
Navaratnam Vanithasan
Stephen Fuller

Results and dividends

The Company's profit after tax for the financial year is £2,196,312 (2022: £1,200,388).

A dividend of £2,000,000 (2022: £1,500,000) was paid during the year and the directors do not recommend payment of a further dividend for the year.

Financial Instruments

The Company's operations expose it to a variety of financial risks including the effects of changes in interest rates on debt, liquidity risk and credit risk. The Company's principal financial instruments comprise sterling cash and bank deposits, together with trade debtors and trade creditors that arise directly from its operations.

Principal activity

The Company's principal activity during the financial year is that of new build, refurbishment and fit-out contractors.

Disclosure of information in the strategic report

The Company has chosen in accordance with section 414C(11) Companies Act 2006 to set out in the Company's strategic report information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the Directors' Report. It has done so in respect of future developments, principal risks and uncertainties and research and development.

F. B. ELLMER LIMITED

DIRECTORS' REPORT (CONTINUED)
YEAR ENDED 30 JUNE 2023

Directors responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' 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 Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Independent auditors

The Company is in the process appointing PricewaterhouseCoopers LLP as its auditors for the 2024 financial year. A resolution will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 9 November 2023 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'Trevor Dillon', written over a horizontal line.

Trevor Dillon
Director

F. B. ELLMER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. B. ELLMER LIMITED

Opinion on the financial statements

In our opinion the financial statements:

- . give a true and fair view of the state of the Company's affairs as at 30 June 2023 and of its 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.

We have audited the financial statements of F. B. Ellmer Limited ("the Company") for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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.

F. B. ELLMER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. B. ELLMER LIMITED (CONTINUED)

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual Directors report and financial statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

Responsibilities of Directors

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

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

F. B. ELLMER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. B. ELLMER LIMITED (CONTINUED)

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 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:

Non-compliance with laws and regulations

Based on our understanding of the Company and the industry in which it operates; and discussion with management and those charged with governance, we obtained an understanding of the Company's policies and procedures regarding compliance with laws and regulations; and we considered the significant laws and regulations to be those directly related to the reporting framework (FRS 102, the Companies Act 2006) and the tax related legislation (the Finance Act).

Our procedures in respect of the above included:

- . Review of minutes of meeting of those charged with governance for any instances of non-compliance with laws and regulations;
- . Review of correspondence with tax authorities for any instances of non-compliance with laws and regulations;
- . Review of financial statement disclosures and agreeing to supporting documentation; and
- . Review of legal expenditure accounts to understand the nature of expenditure incurred.

Fraud

We assessed the susceptibility of the financial statements to material misstatement, including fraud. Our risk assessment procedures included:

- . Enquiry with management and those charged with governance regarding any known or suspected instances of fraud;
- . Review of minutes of meeting of those charged with governance for any known or suspected instances of fraud;
- . Discussion amongst the engagement team as to how and where fraud might occur in the financial statements; and
- . Performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud.

F. B. ELLMER LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF F. B. ELLMER LIMITED (CONTINUED)

Based on our risk assessment, we considered the area most susceptible to fraud to be management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls).

Our procedures in respect of the above included:

- Testing a sample of journal entries throughout the year, which met a defined risk criterion, by agreeing to supporting documentation.
- Assessing significant estimates made by management for bias; and
- Challenged management in their significant accounting estimates, in particular in relation to contract accounting.


We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members who were all deemed to have appropriate competence and capabilities and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

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

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

DocuSigned by:

552C94ADC61E458...

Michael Philp (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Gatwick, UK

10 November 2023

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

F. B. ELLMER LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED 30 JUNE 2023**

		2023	2022
	Note	£	£
Turnover		82,520,911	80,075,377
Cost of sales		(76,813,513)	(75,526,866)
Gross profit		<u>5,707,398</u>	<u>4,548,511</u>
Administrative expenses		(3,307,293)	(3,108,351)
Operating profit	5	<u>2,400,105</u>	<u>1,440,160</u>
Interest receivable and similar income	8	<u>352,533</u>	<u>49,482</u>
Profit before taxation		<u>2,752,638</u>	<u>1,489,642</u>
Tax on profit	9	(556,326)	(289,254)
Profit for the financial year		<u><u>2,196,312</u></u>	<u><u>1,200,388</u></u>

All the activities of the company are from continuing operations.

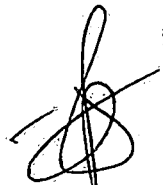
The notes on pages 17 to 27 form part of these financial statements.

F. B. ELLMER LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	-	-
Current assets			
Debtors	12	12,969,931	10,087,940
Cash and cash equivalents		15,467,800	26,792,517
		28,437,731	36,880,457
Creditors: amounts falling due within one year	13	(25,549,133)	(34,188,171)
Net current assets		2,888,598	2,692,286
Net assets		<u>2,888,598</u>	<u>2,692,286</u>
Capital and reserves			
Called up share capital	16	4,000	4,000
Profit and loss account		2,884,598	2,688,286
Total equity		<u>2,888,598</u>	<u>2,692,286</u>

These financial statements were approved by the board of directors and authorised for issue on 9 November 2023, and are signed on behalf of the board by:



Trevor Dillon
Director

Company registration number: 00260559

The notes on pages 17 to 27 form part of these financial statements.

F. B. ELLMER LIMITED

**STATEMENT OF CHANGES IN EQUITY
YEAR ENDED 30 JUNE 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 July 2021	4,000	2,987,898	2,991,898
Profit for the financial year	-	1,200,388	1,200,388
Dividends paid		(1,500,000)	(1,500,000)
At 30 June 2022 and 1 July 2022	4,000	2,688,286	2,692,286
Profit for the financial year	-	2,196,312	2,196,312
Dividends paid		(2,000,000)	(2,000,000)
At 30 June 2023	4,000	2,884,598	2,888,598

The notes on pages 17 to 27 form part of these financial statements.

F. B. ELLMER LIMITED

**STATEMENT OF CASH FLOWS
YEAR ENDED 30 JUNE 2023**

	Note	2023 £	2022 £
Cash flows from operating activities			
Cash (used in) / from operations	17	(9,289,728)	24,067,993
Interest received		352,533	49,482
Tax paid		(387,522)	(119,876)
Net cash (used in) / from operating activities		<u>(9,324,717)</u>	<u>23,997,599</u>
Cash flows from financing activities			
Equity dividends paid	10	(2,000,000)	(1,500,000)
Net cash used in financing activities		<u>(2,000,000)</u>	<u>(1,500,000)</u>
Net (decrease) / increase in cash and cash equivalents		(11,324,717)	22,497,599
Cash and cash equivalents at the beginning of the year		26,792,517	4,294,918
Cash and cash equivalents at the end of the year		<u>15,467,800</u>	<u>26,792,517</u>

The notes on pages 17 to 27 form part of these financial statements.

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 30 JUNE 2023

1. General information

The Company's principal activity during the financial year was that of new build, refurbishment and fit-out contractors. The Company is a private Company limited by shares and is incorporated and domiciled in the UK under the Companies Act 2006. The address of its registered office is 53 Great Suffolk Street, London, SE1 0DB.

2. Statement of compliance

The financial statements of F.B. Ellmer Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

3. Accounting policies

Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below. The Company has adopted FRS 102 in these financial statements. The financial statements have been prepared under the historical cost convention unless otherwise specified.

These financial statements are prepared on a going concern basis, under the historical cost convention. The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

The presentational and functional currency of the Company is pound sterling (GBP).

Going concern

The Company has considerable financial resources supported by a strong order book and the directors believe that the Company is well placed to manage the principal risks and uncertainties set out in the Strategic Report.

The Company had a very strong cash position throughout the financial year. At the year end the cash balance was £15.5m (2022: £26.8m). The Board considers the financial resilience of the Company on a monthly basis by reviewing budgets, revenue forecasts and rolling cash flow forecasts. In addition to this, the Company has stress tested the forecasts and cash flows to determine financial resilience throughout the year to be able to continue trading as a going concern.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis of accounting in preparing the annual report and financial statements.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions of FRS 102, section 1 paragraphs:

- 1.12 (a) reconciliation of the number of shares outstanding at the beginning and end of the prior year;
- 1.12 (c) financial instruments as information is included in the consolidated financial statements;
- 1.12 (e) key management compensation in total.

F. B. ELLMER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023**

3. Accounting policies (continued)

Revenue

i) Turnover

Turnover comprises revenue recognised in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Turnover from long term contractual arrangements is recognised on an individual contract basis based on the level of work performed, as estimated by the percentage of costs incurred against total forecast cost, taking into account expected contract profitability. This method relies on estimates of total expected contract turnover and costs, as well as reliable measurement of the progress made towards completion. Claims are included in contract turnover only when negotiations have reached an advanced stage such that it is probable that the client would accept the item.

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. Where the outcome of a contract cannot be estimated reliably, revenue is only recognised to the extent that it is probable that it will be recoverable. Profit is only recognised on a construction contract when the final outcome can be assessed with reasonable certainty.

Recognised turnover and profits are subject to revisions during the contract if the assumptions regarding the overall contract outcome are changed. The cumulative impact of a revision in estimates is recorded in the period in which such revisions become likely and can be estimated. Where the actual and estimated costs to completion exceed the estimated turnover for a contract, the full contract life loss is recognised immediately.

ii) Interest income

Interest receivable comprises interest on cash balances held in bank accounts and invested in liquidity funds.

Pensions

The Company operates a defined contribution pension scheme for employees. The annual contributions payable are charged to the Statement of comprehensive income.

Employee benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

Holiday pay accrual

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

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

3. Accounting policies (continued)

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised in equity. In this case tax is also recognised in equity. Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior period. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

ii) Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Tangible assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

F. B. ELLMER LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023**

3. Accounting policies (continued)

Depreciation

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the Statement of Comprehensive Income.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Fittings fixtures and equipment - 15% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Cash and cash equivalents

Cash and cash equivalents include cash in hand and deposits with banks.

Related party transactions

The Company discloses transactions with related parties which are not wholly owned with the same group. It does not disclose transactions with members of the same group that are wholly owned. The Company has taken advantage of the disclosure exemption.

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

3. Accounting policies (continued)

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

i) Financial assets

Basic financial assets, including trade and other receivables, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction which is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method. At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the assets' original effective interest rate. The impairment loss is recognised in the Statement of comprehensive income. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in Statement of comprehensive income.

Financial assets are derecognised when (i) the contractual rights to the cash flows from the asset expire or are settled, or (ii) substantially all the risks and rewards of the ownership of the asset are transferred to another party, or (iii) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

ii) Financial liabilities

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest. 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. Trade creditors 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.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

iii) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements if 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.

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

4. Key judgements and estimates uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

i) Accounting for contracts

Contract accounting requires estimates to be made for contract costs and income. In many cases, these contractual obligations span more than one financial period. Also the costs and income may be affected by a number of uncertainties that depend on the outcome of future events and may need to be revised as events unfold and uncertainties are resolved.

Management bases its estimation of costs and income and its assessment of the expected outcome of each contractual obligation on the latest available information, which includes detailed contract valuations and forecasts of the costs to complete. The estimates of the contract position, reflecting both the forecasted costs and the reliable estimate of the forecasted revenue on each contract, and the profit or loss earned to date are updated regularly and significant changes are highlighted through established internal reporting and review procedures. The impact of any change in the accounting estimates is then reflected in the financial statements.

ii) Trade receivables, and long term contract accounting

In arriving at the trade receivables and amounts recoverable on long term contracts management make judgements on the overall expected outturn costs to complete the contracts, the expected total sale value and expected final outturn margin on the contracts. Such judgements are made by reference to all information available to management at the balance sheet date, including but not limited to assessments of all operational and commercial risks and opportunities.

iii) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, economic utilisation and the physical condition of the assets.

5. Operating profit

Operating profit is stated after charging / (crediting):

	2023	2022
	£	£
Auditors' remuneration - as auditor	<u>40,000</u>	<u>35,000</u>

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

6. Staff costs

The average monthly number of persons (including executive directors) employed by the Company during the year was:

	2023	2022
	Number	Number
Administrative and technical	<u>54</u>	<u>41</u>

The aggregate payroll costs incurred during the year were:

	2023	2022
	£	£
Wages and salaries	4,898,060	4,240,403
Social security costs	543,555	480,969
Cost of defined pension contribution scheme	199,563	183,015
	<u>5,641,178</u>	<u>4,904,387</u>

7. Directors' remuneration

The directors' emoluments were as follows:

	2023	2022
	£	£
Aggregate remuneration	471,293	428,302
Cost of defined pension contribution scheme	18,697	17,631
	<u>489,990</u>	<u>445,933</u>

The number of directors who accrued benefits under company pension plans

	2023	2022
	Number	Number
Defined contribution plans	<u>2</u>	<u>2</u>

Remuneration of the highest paid director in respect of qualifying services:

	2023	2022
	£	£
Remuneration	251,894	228,321
Cost of defined pension contribution scheme	9,897	9,250
	<u>261,791</u>	<u>237,571</u>

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

8. Interest receivable and similar income

	2023	2022
	£	£
Bank interest	347,545	49,202
Other interest receivable and similar income	4,988	280
	<u>352,533</u>	<u>49,482</u>

9. Tax on profit

	2023	2022
	£	£
<i>Current tax:</i>		
UK current tax expense	544,981	275,450
Adjustments in respect of previous periods	-	20,983
	<u>544,981</u>	<u>296,433</u>
<i>Deferred tax:</i>		
Origination and reversal of timing differences	11,345	(7,179)
	<u>11,345</u>	<u>(7,179)</u>
Tax on profit	<u>556,326</u>	<u>289,254</u>

Reconciliation of tax expense

The tax assessed on the profit for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%).

	2023	2022
	£	£
Profit before tax	2,752,638	1,489,642
Profit multiplied by rate of tax	688,160	283,032
Adjustments in respect of prior periods	-	20,983
Credits not chargeable for tax purposes	(12,071)	(14,761)
Change of tax rate	(119,763)	-
Tax charge for the year	<u>556,326</u>	<u>289,254</u>

10. Dividends

	2023	2022
	£	£
Dividends on equity shares paid during the year	<u>2,000,000</u>	<u>1,500,000</u>

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

11. Tangible assets

	Fixtures, fittings and equipment £
Cost	
At 1 July 2022 and 30 June 2023	241,057
Accumulated depreciation	
At 1 July 2022 and 30 June 2023	241,057
Carrying amount	
At 30 June 2023	-
At 30 June 2022	-

12. Debtors

	2023 £	2022 £
Amounts recoverable on long term contracts	11,171,015	9,312,409
Amounts owed by group undertakings	1,000,000	-
Deferred tax asset (note 14)	61,922	73,267
Other debtors	62,143	175,000
Prepayments and accrued income	674,851	527,264
	<u>12,969,931</u>	<u>10,087,940</u>

The debtors above include the following amounts falling due after more than one year:

	2023 £	2022 £
Amounts recoverable on long term contracts	1,616,764	1,649,875

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

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

13. Creditors: amounts falling due within one year

	2023 £	2022 £
Payments received on account	-	3,555,844
Trade creditors	20,927,191	23,596,813
Corporation tax	344,981	187,522
Taxation and social security	3,003,120	5,711,213
Other creditors	263,427	376,308
Accruals and deferred income	1,010,414	760,471
	<u>25,549,133</u>	<u>34,188,171</u>

14. Deferred tax

Movements in the year:

	2023 £	2022 £
At 1 July 2022	73,267	66,088
Profit and loss account movement during the year	(11,345)	7,179
At 30 June 2023	<u>61,922</u>	<u>73,267</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2023 £	2022 £
Accelerated capital allowances	<u>61,922</u>	<u>73,267</u>

15. Pension commitments

The Company operates defined contribution pension schemes. The assets of the pension schemes are held separately from those of the Company in funds under the control of the pension providers. The pension cost charge represents contributions payable by the Company to the fund and amounted to £199,563 (2022: £183,015).

Contributions of £Nil (2022: £Nil) were payable to the fund at the balance sheet date.

16. Share capital and reserves

Issued, called up and fully paid

	2023 No	£	2022 No	£
Ordinary shares of £1.00 each	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

F. B. ELLMER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30 JUNE 2023

17. Cash generated from operations

	2023	2022
	£	£
Cash flows from operating activities		
Profit for the financial year	2,196,312	1,200,388
Interest receivable and similar income	(352,533)	(49,482)
Tax on profit	556,326	289,254
<i>Changes in:</i>		
Trade and other receivables	(2,893,336)	(970,035)
Trade and other payables	(8,796,497)	23,597,868
Cash (used in) / from operations	<u>(9,289,728)</u>	<u>24,067,993</u>

18. Guarantees and other financial commitments

During its normal course of business, the Company has given guarantees to support the bank BACS facility of the Company and the Group.

At the balance sheet date, the Company had performance and retention bonds of £981,988 (2022: £10,649,462).

There were no capital commitments either authorised or contracted for at the balance sheet date.

19. Related party transactions

The Company has taken advantage of the exemption under paragraph 33.1A from the provisions of FRS 102, not to disclose transaction entered and outstanding balances between two or more members of a group, on the grounds that at 30 June 2023 it was a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

20. Parent company and ultimate parent undertaking

The immediate parent company is Byrne Group Limited and the ultimate parent company is Wilson Bayly Holmes-Ovcon Limited, a company registered in South Africa and is listed on the Johannesburg Stock Exchange (JSE).

The smallest group where the results of the Company are consolidated is Byrne Group Limited. The consolidated financial statements of Byrne Group Limited can be obtained from the UK Companies House website.