Briggs of Burton Plc

Annual report and financial statements

for the year ended 31 December 2022

Registered number: 02077847

TUESDAY
AC70QAL5
A10 04/07/2023 #148
COMPANIES HOUSE

Briggs of Burton Plc

Contents **Page**

Strategic report
for the year ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

Principal activities

The principal activity of the company continues to be the manufacture and sale of equipment for the brewing, beverage, food, pharmaceutical and biofuel industries, together with project management services to the same market and the sale of process control systems.

Results, business review and future developments and KPIs

Results	2022 £'000	2021 £'000
Revenue	74,521	43,889
Operating profit	5,350	2,746
Profit for the financial year	4,677	2,125
Net assets	11,243	12,012
Net cash generated from operating activities	(1,164)	9,760

During the year the key achievements were:

- Statutory net profit of £4.7 million for the year ended 31 December 2022 (2021: £2.1m);
- Increase in turnover to £74.5m (2021: £43.9m).

Operating profit

Operating profit before tax for the year was £5.4m (2021: £2.7m), an increase of 96%, reflecting the growth in revenue as the business moves from EPCM activity to EPC work. The increased margins within the period 6.3% (2021: 4.8%) reflect the improvements realised from restructuring the company to increase organisational and project efficiencies enabling the business to realise additional value for both the company and its customers.

Future development

The directors believe the initiatives put in place during the year, (see Stakeholder review below) will enable significant future growth within the sectors the company operates, specifically the opportunities within the Americas as the company continues to allocate resources in this area to capitalise on ongoing opportunities.

Key performance indicators

The key performance indicators utilised by the directors in assessing the financial position and performance of the company are revenue growth, operating profit, net cash generated from operating activities and net assets, all of which are disclosed above.

Strategic report

for the year ended 31 December 2022 (continued)

Principal risks and uncertainties

Business risk management

The key business risks affecting the company are the ability to identify and win a number of turnkey projects each year, to retain and recruit sufficiently skilled engineering and support staff and an ability to manage foreign currency exposures. Regular monitoring and reporting of these risks is made to the board of directors in order for them to identify appropriately any areas for further consideration and to take mitigating action where required.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and foreign currency risk. The directors manage these risks actively by monitoring levels of risk and the related costs.

Currency risks
The directors are aware of the heightened currency exposure posed by the current economic environment and the need to ensure mitigating measures are in place. This is done by the placing of forward contracts to cover significant currency risks. The directors continue to monitor with support from the senior management team to ensure the elevated risk environment on both purchase and supply contracts continues to be effectively managed.

Credit risks
The company has implemented policies to review customer debt and carry out appropriate credit checks on potential customers before sales are made.

Liquidity risks
The company generally maintains cash balances together with available overdraft facilities that are designed to ensure the company has sufficient available funds for its operations and its required level of working capital.

Operational risk management

The business has a robust health and safety culture and a department geared towards the mitigation of operational risks with a system of risk assessments, risk-based decision making and the implementation of risk controls within its processes, enabling the acceptance, mitigation or avoidance of risks.

The directors realise as a result of the Covid-19 pandemic, the operational risk profile of the company's business has changed, and have moved to implement measures across the business to address these risks, keeping employees and customers safe.

Strategic report

for the year ended 31 December 2022 (continued)

Stakeholder review

The directors recognise their duty to promote the success of the company for the benefit of the members as a whole. Within the following section is the company's Section 172 statement, which describes how the directors of this company have had regard to these matters when performing their duty.

The company has considered Section 172(1) (a) to (f) listed below:

a) **The likely consequences of any decision in the long term**
The directors have a five-year planning horizon, as part of the strategic planning the business has embarked on three key initiatives:
Pharmaceuticals: Briggs has committed significant investment to broaden and deepen its reach and capabilities in the pharmaceutical sector. A new-build pharma production facility is being constructed at the Burton-On-Trent Global Technical Centre. This will significantly expand the type and scale of pharmaceutical projects that the company can offer its customers, together with a new welfare area creating a dedicated space for the production team. This new capability will be leveraged with increased market presence and specialised resources in the sales and commercial team. This strategic investment will provide further diversification for the Briggs Group with long term increased revenues from a market sector which generates USD $1.3 trillion/year.

Mexico expansion: Following the award of major tequila projects, Briggs committed to investment in a long-term presence within the Mexican market. A regional office has been opened in Guadalajara and recruitment of engineers and other specialisms is continuing. The tequila market has exploded in the past 3 years – more than trebling in size, mainly via increased sales of premium products in US market. This major expansion into new geographical markets enables Briggs to tap into the growth in a major developing economy and will secure long term increase revenues.

Sustainability: Briggs has engaged external consultants to work with the company to develop a fully integrated sustainability programme into its company operations. This extends across all operations, including requirements that the company's suppliers also pursue carbon reduction and other measures into their operations and supply chains. The sustainability agenda is, and will continue to be, a key touch stone in every facet of Briggs decision making. In addition to reducing the company's long term impact on the environments in which it operates, this investment will lower costs and improve efficiencies in the long term.

b) **The interest of the company's employees**
Within 2022 the directors commissioned a health and safety climate survey to gauge the company's culture towards health and safety and wellbeing to determine areas for improvement to align with its core values. The company recognised the cost pressures employees were under due to Covid-19 and other macro-economic factors awarding a cost of living salary increment within the year, there were additional flexibility in working patterns introduced to further enhance work life balance.
Also, within the year, the decision was made to foster actively a learning and development culture within the company to enable employees to reach their full potential which the directors believe has a direct impact on the quality of the Brigg's offerings.

c) **The need to foster the company's business relationships with suppliers, customers and others**
This is highlighted in the section "Engagement with suppliers, customers and others "within the Directors' report below.

Strategic report

for the year ended 31 December 2022 (continued)

Stakeholder review (continued)

d) The impact of the company's operations on the community and the environment

The directors recognise as a growing business within the midlands, investing back into the community is not only an altruistic endeavour; long term it delivers benefits to the company.

In the year, the Company supported a group of youngsters bid to race at the iconic Goodwood track as part of a community project to encourage more young people into the world of Science, Technology, Engineering and Maths (STEM).

Hilton Formula 24 was an innovative project run by local science and technology company STEM Venturi, giving youngsters aged 9 to 16 the opportunity to design, build and race an electric car as part of a nationwide competition run by Greenpower Educational Trust. Primarily run through schools, the group are the first community team of its kind in the midlands and one of only a handful available across the UK.

e) The desirability of the company maintaining a reputation for high standards of business conduct

The directors consider it essential that the company maintains a reputation for high standards of business conduct. The Board is responsible for setting, monitoring and upholding the culture, values, standards, ethics, brand and reputation of the company. The wider management drives the embedding of the desired culture throughout the organisation and its values of Safety, Honesty, Flexibility, and the ability to Deliver what we promise are driven throughout the heart of the business in everything it does. These values are reflected in the company's policies and practices and how it deals with others. These values and standards guide decision making and promote success, including the consequences of those decisions in the long term in line with local laws and regulations.

f) The need to act fairly between members of the company.

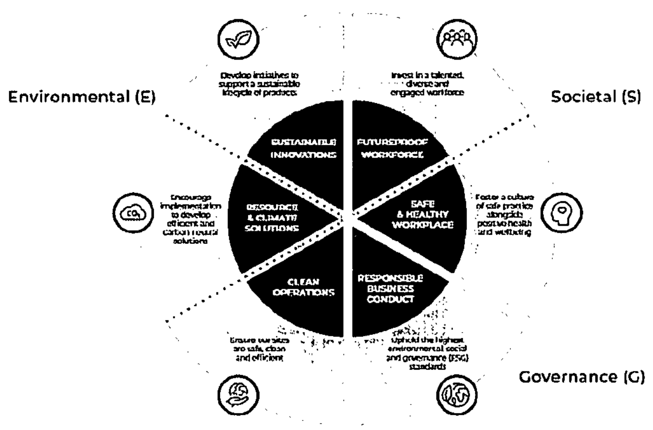
Within the year the directors rolled out diversity training for all senior managers throughout the business to embed the ability to recognise and combat unconscious bias. The directors believe this will further enhance the company's inclusive approach to all stakeholders having regard to the range of people with various racial, ethnic, socioeconomic and cultural background that make up the company's stakeholders.

Strategic report
for the year ended 31 December 2022 (continued)

Sustainability review

As a global company, the directors believe it is important strategically that the company takes active responsibility for the society and environment it operates in. Establishing and committing to an advanced sustainability strategy is becoming a baseline requirement from customers, employees, regulators, shareholders and other stakeholders. With 'driving sustainability' as a core group value, sustainability is an essential part of who the Briggs Group is today and will play an even more integral role in its future.

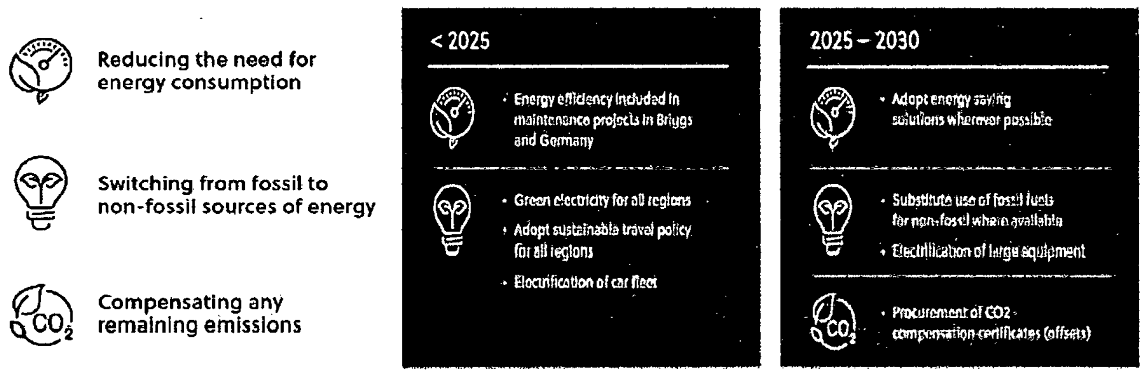
The board understands that sustainability is a complex matter that requires a multifaceted approach. Therefore, the company's sustainability strategy breaks down into six initiatives which together form the 'Process & Progress' programme, that will guide all group companies in their strategic decisions and day-to-day activities. These themes include initiatives such as reducing carbon footprint, supporting clients in their sustainability journey, building the organization in a futureproof way, and much more.



Collaboration is essential to achieving the company's sustainability goals. Cross-functional cooperation, employee engagement throughout all levels, as well as working closely together with customers, suppliers and other stakeholders, will drive sustainable change in the industry in which the company operates.

The company believes that by working together, it can and will make a difference. The company has committed to be climate neutral by 2030 and in 2022 started this journey with the sustainability initiatives below.

Targets



Strategic report

for the year ended 31 December 2022 (continued)

Streamline Energy and Carbon Reporting (SECR) disclosure.

The SECR disclosure presents the company's carbon footprint across Scope 1 and 2, together with an appropriate intensity metric and total energy use of electricity, gas and diesel. In 2022, the company reduced its like for like carbon intensity by 20%

SECR DISCLOSURE

119,835

Total scope 1 emissions (KG CO_2e)

71,647

Total scope 2 emissions (KG CO_2e)

	2022	2021
Total scope 1 emissions (KG CO_2e)	119,835	131,940
Total scope 2 emissions (KG CO_2e)	71,647	67,120
Carbon intensity ratio (KG CO_2e/FTE)	877	1,101
Total energy use (kWh of electricity, gas and diesel)	942,048	995,435

Data notes (reporting period 1 January to 31 December 2022)	
Boundary	The numbers above only relate to Briggs PLC and does not include subsidiaries that would not themselves need to report.
Alignment with financial reporting period	Data collection is aligned with the financial year end
Reporting method	Data collected from third party utility bills and government mileage disclosures on company vehicles.
Emission factor source	DEFRA 2022: Greenhouse gas reporting: conversion factors 2022 - GOV.UK (www.gov.uk)

Signed on behalf of the Board

N Beddoe
Chief Financial Officer
30 June 2023

Directors' report
for the year ended 31 December 2022

The directors present their report and the audited company financial statements for the year ended 31 December 2022. The company's registered number is 02077847.

Financial risk management and future developments

These are disclosed within the strategic report on pages 2 and 3.

Dividends

Dividends declared and paid within the year were £4.9m (2021: £nil).

Directors and indemnity provisions

The directors of the company who held office during the year, and up to the date of signing the financial statements, were:

RJ Buxton
GM Crombie
N Beddoe
K Leach

A qualifying third-party indemnity provision is in place for the directors of the company. This covers liability for the actions of directors and officers of the company and associated costs including legal costs.

Employees

The company's policy is to consult and discuss with employees matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports, which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, where possible, for retaining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Research and development

The company continues to invest in and develop new engineering solutions. The cost of this is recognised in the profit and loss account as incurred and largely consists of staff costs and related support costs relating to product development and engineering research.

Directors' report
for the year ended 31 December 2022 (continued)

Engagement with suppliers, customers and others in a business relationship with the company

The company's corporate values underpin dealings with customers, suppliers and other stakeholders with a relationship with the company.

Corporate Values	Customers	Suppliers	Community
Be Safe	Safety is the company's priority, it works with clients to ensure everything from design, construction and long-term operation, the safety of operation is maximised.	To ensure the safety of deliverables, suppliers are vetted to ensure compliance with the appropriate industry safety standards.	The environmental impact of the company's designs seeks to minimise waste, conserving power and water usage, with sustainability being a key feature of the company's work.
Be flexible	The company works across a number of industries and develops bespoke solutions dependent upon client needs. It is a competitive advantage facilitated by the depth of the company's engineering expertise of which the company is proud.	The company works with suppliers in partnership to deliver complex projects across the globe and relies upon robust communication protocols to enable suppliers to react and deliver to client specifications as they change.	The company is aware its community needs differs and to this end, the company has empowered employees to be more involved in community programmes, with the business providing donations and support.
Be open and honest	In all things the company does, to act in a transparent manner being socially responsible corporate citizens that act ethically above anything else,	In all things the company does, to act in a transparent manner being socially responsible corporate citizens that act ethically above anything else,	In all things the company does, to act in a transparent manner being socially responsible corporate citizens that act ethically above anything else,
Deliver what we promise	Briggs strives to develop long term relationships with its customers, which can only be achieved as the company continues to deliver what the customer wants, on time and to the quality expected.	The suppliers the company utilises are an essential part of the company's delivery commitment, as such the company ensures suppliers are paid to terms once all conditions of supply are met.	Briggs is aware of its social contract with its communities, and will deliver on this through the company's recruitment process and the work it does within the community.

Directors' report
for the year ended 31 December 2022 (continued)

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; 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 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.

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.

Directors confirmation

The directors confirm that in the case of each director in office at the date the directors' report is approved:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Independent auditors

A resolution to reappoint Grant Thornton LLP as auditors to the company will be proposed at the Annual General Meeting.

Signed on behalf of the board

N Beddoe
Chief Financial Officer
30 June 2023

Independent auditor's report to the members of Briggs of Burton Plc

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of Briggs of Burton Plc (the 'company') for the year ended 31 December 2022, which comprises the Profit and loss account, Statement of comprehensive income, Balance sheet, Statement of changes in equity and Notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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.

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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the company's business model including effects arising from macro-economic uncertainties such as Covid-19 and the cost of living crisis, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period.

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.

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.

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is 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.

Independent auditors' report to the members of Briggs of Burton Plc (continued)

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 set out on page 10, 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.

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.

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

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

- The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:
- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting frameworks (FRS 101 and Companies Act 2006).
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

- We enquired of management and those charged with governance, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We corroborated the results of our enquires to relevant supporting documentation.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- Audit procedures performed by the engagement team included:
    - evaluation of the programmes and controls established to address the risks related to irregularities and fraud;
    - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
    - identifying and testing related party transactions.
- Assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
    - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation;
    - knowledge of the industry in which the client operates;
    - understanding of the legal and regulatory requirements specific to the Company including:
        - the provisions of the applicable legislation;
        - the applicable statutory provisions.
- We did not identify any matters in relating to non-compliance with laws and regulations or fraud.

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.

Grant Thornton UK LLP

Matthew Buckingham BSc ACA

Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

30 June 2023

Profit and loss account

for the year ended 31 December 2022

	Note	2022 £'000	2021 £'000
Revenue	4	**74,521**	43,889
Cost of sales		**(56,969)**	(35,048)
Gross profit		**17,552**	8,841
Distribution costs		**(1,611)**	(2,788)
Administrative expenses		**(11,120)**	(3,700)
Other operating income	5	**529**	393
Operating profit	6	**5,350**	2,746
Dividends received		**596**	-
Net interest and similar expenses	8	**65**	(56)
Profit on ordinary activities before taxation		**6,011**	2,690
Tax on profit on ordinary activities	9	**(1,334)**	(565)
Profit for the financial year		**4,677**	2,125

All activities are in respect of continuing operations.

There is no material difference between the profit on ordinary activities before taxation and the profit for the financial year stated above and their historical cost equivalents.

Statement of comprehensive income

for the year ended 31 December 2022

	2022 £'000	2021 £'000
Profit for the financial year	**4,677**	2,215
Cash flow hedges	**(843)**	7
Deferred taxation	**235**	-
Total comprehensive income	**4,069**	2,132

Balance sheet
as at 31 December 2022

	Note	2022 £'000	2021 £'000
Fixed assets			
Tangible fixed assets	10	**2,153**	1,888
Right of use assets	11	**1,886**	1,634
Investments	12	**3,800**	3,800
Current assets			
Stocks	13	**278**	408
Debtors	14	**71,858**	30,125
Cash at bank and in hand		**2,203**	10,101
		74,339	40,634
Creditors: amounts falling due within one year	15	**(67,521)**	(32,476)
Net current assets		**6,818**	8,158
Total assets less current liabilities		**14,657**	15,480
Creditors-amounts falling due after more than one year	16	**(1,465)**	(1,358)
Provisions	17	**(1,949)**	(2,110)
Net assets		**11,243**	12,012
Capital and reserves			
Called up share capital	18	**50**	23
Share premium account		**128**	128
Capital redemption reserve		**100**	100
Retained earnings		**10,965**	11,761
Total equity		**11,243**	12,012

The financial statements on pages 14 to 34 were approved by the board of directors on 30 June 2023 and were signed on its behalf by:

RJ Buxton

Chief Executive Officer

Statement of changes in equity

for the year ended 31 December 2022

	Called Up Share Capital £'000	Capital Redemption Reserve £'000	Share Premium Account £'000	Retained Earnings £'000	Total Equity £'000
As at 1 January 2021	23	100	128	9,629	9,880
Profit for the year	-	-	-	2,125	2,125
Other comprehensive income	-	-	-	7	7
Total comprehensive income in the year				2,132	2,132
As at 31 December 2021	**23**	**100**	**128**	**11,761**	**12,012**
New share capital subscribed	**27**	-	-	-	**27**
Dividend paid	-	-	-	**(4,865)**	**(4,865)**
Profit for the year	-	-	-	**4,677**	**4,677**
Other comprehensive income	-	-	-	**(608)**	**(608)**
Total comprehensive income in the year	**27**	-	-	**(796)**	**(769)**
As at 31 December 2022	**50**	**100**	**128**	**10,965**	**11,243**

1. General information

Briggs of Burton plc (the "company") manufacture and sell equipment for the brewing, beverage, food, pharmaceutical and biofuel industries, together with providing project management services to the same market and the sale of process control systems. Briggs of Burton plc is a public company limited by shares incorporated, domiciled and registered in England and Wales. The address of its registered office is Briggs House, Trent Works, Burton on Trent, Staffordshire DE14 2LH.

2. Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Briggs of Burton Plc have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

The preparation of financial statements in conformity with FRS 101 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 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: Disclosures'.
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities).
- Paragraph 38 of IAS 1, 'Presentation of financial statements' – comparative information requirements in respect of:
    - Paragraph 79(a)(iv) of IAS 1;
    - Paragraph 73(e) of IAS 16, 'Property, plant and equipment'; and
- The following paragraphs of IAS 1, 'Presentation of financial statements':
    - 10(d) (statement of cash flows);
    - 16 (statement of compliance with all IFRS);
    - 38A (requirement for minimum of two primary statements, including cash flow statements);
    - 38B–D (additional comparative information);
    - 111 (statement of cash flows information); and
    - 134–136 (capital management disclosures).
- IAS 7, 'Statement of cash flows'
- Paragraphs 30 and 31 of IAS 8, 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective).
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation).
- The requirements in IAS 24, 'Related party disclosures', to disclose related party transactions entered into between two or more members of a company.
- The requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66.

There were a number of narrow scope amendments to existing standards which were effective from 1 January 2022. None of these had a material impact on the company.

Briggs of Burton Plc

Notes to the financial statements (continued)

2.1.1 Going concern

The company meets its day-to-day working capital requirements through its cash reserves and banking facilities. The current economic conditions continue to create uncertainty over the level of demand for the company's products and services. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash reserves and banking facilities. After making enquiries, the directors have a reasonable expectation that the company has adequate resources, including existing banking facilities, to continue in operational existence for the foreseeable future which is considered to be a period of at least one year from the signature date of these financial statements. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.1.2 Consolidation

The ultimate parent company is China International Marine Containers (Group) Ltd (CIMC) a company incorporated in China.

The smallest company in which the results of the company are consolidated is that headed by CIMC Enric Holdings Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong stock exchange. The largest company in which the results of the company are consolidated is the ultimate parent entity incorporated in China. Therefore, the company is exempt, by virtue of section 401 of the Companies Act 2006, from the requirement to prepare consolidated financial statements. Copies of these accounts are available on the website of CIMC (www.cimc.com/en).

These financial statements are separate financial statements.

2.1.3 Rounding of amounts

All amounts in the financial statements and notes have been rounded off to the nearest thousand Sterling Pound, unless otherwise stated.

2.2 Tangible fixed assets

Tangible fixed assets are stated in the balance sheet at their historic purchase cost less accumulated depreciation. Cost comprises direct expenditure and, in the case of internally constructed assets, attributable overheads. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over their expected useful economic lives as follows:

Leasehold improvements:	The shorter of the useful economic life or the remainder of the lease period
Plant and machinery:	3-10 years
Fixtures and fittings:	4-10 years

Impairment charges are recorded when the amount of any fixed asset is not considered recoverable in either existing use or from a sale of the asset.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit and loss account and included in administrative expenses.

2.3 Fixed asset investments

Fixed asset investments are stated at cost less accumulated impairment losses. The company assesses, at each reporting date, whether there is an indication that an investment may be impaired. If any indication of impairment exists, the company compares the carrying value of the investment to the discounted, forecast future cash flows expected to be generated by the investment. If those discounted cash flows are lower than the carrying value of the investment, an impairment loss is recorded.

2.4 Financial assets

The company classifies its financial assets in the following categories:

- Amortised cost.
- Fair value through profit or loss (FVTPL)
- Fair value through other comprehensive income (FVOCI)

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

a Financial asset at amortised cost

The company classifies its financial assets at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under net impairment losses on financial and contract assets.

b Financial assets at fair value through profit or loss

Financial assets that are held within a different business model other than 'hold to collect' or 'hold to collect and sell' and are categorised as fair value through profit or loss. The assets are subsequently measured at fair value with gains or losses recognised in profit or loss and presented net within other (expenses)/income in the period they arise. Fair values are determined by reference to active market or using valuation techniques where no active market exists.

The following financial assets are classified at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost (see note 2.4(a) above).
- Equity investments that are held for trading, and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI.

c Financial assets at fair value through other comprehensive income (FVOCI) comprise:

- Equity securities which are not held for trading, and which the company has irrevocably elected at initial recognition to recognise in this category. These are strategic investments and the company considers this classification to be more relevant.
- Debt securities where the contractual cash flows are solely principal, and interest and the objective of the company's business model is achieved both by collecting contractual cash flows and selling financial assets.

Where the entity has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the company's right to receive payments is established.

2.5 Impairment of financial assets

The company assesses on a forward-looking basis the expected credit loss associated with its financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
For trade receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.7 Trade and other receivables

Trade and other receivables are amounts due from customers for items sold or services provided in the ordinary course of business.
Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The company holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method.
The company applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables and contract assets.
To measure the expected credit losses, trade receivables and contract assets are grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The company has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in creditors: amounts falling due within one year.

2.9 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.
Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.
Creditors are presented as amounts falling due within one year unless payments is not due within 12 months after the reporting period.

2.10 Provisions

Provisions are recognised where: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and the amount has been estimated reliably. Provisions are not recognised for future operating losses.
Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations is small.
Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.11 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

2.12 Revenue

Turnover is all attributable to the company's principal activity and relates to a single class of business and is stated net of value added tax or discounts offered to customers.

Revenue from long term contracts

The company engages in long term contracts which span more than one accounting period. The company accounts for revenue on these contracts using the percentage of completion (POC) basis. For each long-term contract, the company estimates the level of profit expected by comparing the agreed contract price to the forecast material costs and labour costs recognised at a standard to absorb a level of overhead. Contract costs are recorded in the profit and loss account as incurred and revenue is recognised to generate a margin in line with that estimated over the duration of the contract. The level of contract profitability is reviewed each period and where changes in profit are forecast, the revenue recognised is adjusted to reflect the updated profit estimate. Where profits cannot be estimated on a contract with reasonable certainty, costs and revenues are recognised on a break-even basis until such point as profits can be recognised with certainty. In the event that a contract loss is forecast, that loss is recognised in full and the remaining contract costs and revenues are recognised on a break-even basis.

Where contracts include retentions, payable to the company upon completion of certain events or the passage of time, an estimate of the likely amounts receivable is made and the amounts due to the company are included within turnover and trade debtors (where invoiced) or amounts recoverable under contracts (where they are yet to be invoiced).

Revenue generated at a point in time

Where the company generates revenue from activities taking place at a point in time, for example sale of spare parts or provision of services, revenue is recognised on despatch of goods or when the service has been completed.

2.13 Employee benefits

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

2.14 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the date of the transactions. At each balance sheet date monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transactions and non-monetary items measured at fair value are measured using the exchange rate when the fair value was determined.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered to hedge certain foreign currency risks which are recognised within comprehensive income.

2.15 Derivative financial instruments and hedging activities

The company applies hedge accounting for transactions entered to manage the cash flow exposures of firm commitments of revenues and expenses. Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement when the hedge relationship ends. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised, or the hedging instrument is terminated.

2.16 Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. The directors evaluate periodically 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.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised, or the deferred income tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.17 Leases

The company leases its main office and various manufacturing and office equipment. Rental contracts are typically made for fixed periods of 6 months to 8 years but may have extension options.
Contracts may contain both lease and non-lease components. The company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the company is a lessee and for which it has major leases, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.
Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor.
Leased assets may not be used as security for borrowing purposes.

Leases are recognised as a right-of-use asset and a corresponding liability at the date at which the leased asset is available for use by the company.
Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the company under residual value guarantees;
- The exercise price of a purchase option if the company is reasonably certain to exercise that option; and
- Payments of penalties for terminating the lease, if the lease term reflects the company exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.
The lease payments are discounted using the interest rate implicit in the lease.
If that rate cannot be readily determined, which is generally the case for leases in the company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The company is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.
Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs; and
- Restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.
Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT equipment and small items of office furniture and equipment.

3. Critical accounting and judgements

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:

a) Revenue and profit recognition on contracts

The company measures the revenues and profits to be recorded on each customer contract by reference to the stage of completion on the contract compared to the latest estimation of total costs to complete and total revenues to be received from the contract. These estimates also include the potential for any warranty, retention or other such claims that could reasonably be made against the company based upon the information available to management and the board of directors and discussions with customers.

Any material changes either to the revenues expected, the costs expected to be incurred in order to complete the contract or the outcome of any discussions on warranties, retentions or other such claims could have an impact on the profits recorded during the current or preceding financial years. These impacts could be both favourable and unfavourable.

The board of directors and management have reviewed the stage of completion and expected total costs and revenues for each contract (including the likelihood of warranty, retention or other such claims) as at the balance sheet date and also prior to signing these financial statements and they believe that the amounts recorded within these financial statements reflect their best estimate of the likely outcomes on each contract.

b) Investments

Impairment reviews are conducted annually based upon five year forecasted profitability of the cash generating unit discounted back to its present value. Forecasts are based upon management estimate of productive hours and material throughput taking into consideration current capacity and the existing sales pipeline extrapolated over the five period.

4. Revenue

Revenue relates to the company's sole class of business, its principal activity, and the analysis of the company's revenue by destination is as follows:

Revenue by destination	2022 £'000	2021 £'000
United Kingdom	**19,935**	14,161
Other	**54,586**	29,728
	74,521	43,889

Revenue by type	2022 £'000	2021 £'000
Revenue generated by long-term contracting activity	**72,813**	42,405
Revenue generated from point in time sales	**1,708**	1,484
	74,521	43,889

Assets and liabilities related to contracts with customers:
The company has recognised the following assets and liabilities related to contracts with customers:

	2022 £'000	2021 £'000	2020 £'000
Current contract assets related to project contracts	**35,287**	13,014	7,006
Contract liabilities and provisions related to project contracts	**41,059**	10,969	3,817

a) Significant changes in contract assets and liabilities

Contract assets arise when the level of expenditure incurred by the company in respect of a specific contract exceeds the level of invoices raised. Contract liabilities arise when the level of sales invoices raised by the company in respect of a specific contract exceed the level of expenditure incurred. The contract balances reported at the year end date are reflective of the nature and timing of those contracts in the company's portfolio at that date and is not necessarily a reflection of the quantum of projects on hand. Factors which impact the reported contract assets and liabilities include:

- Receipt of deposits from customers in advance of work being performed by the company;
- Payment of deposits to suppliers by the company in advance of goods being received;
- Impact of currency movements in contracts where sales and purchases are in foreign currencies, especially US$.

b) Revenue recognised in relation to contract liabilities

	2022 £'000	2021 £'000
Revenue recognised in the reporting period related to brought forward contract liabilities	**9,539**	3,332
Revenue recognised in the reporting period from performance obligations satisfied in previous periods	-	-

5. Other operating income

	2022 £'000	2021 £'000
RDEC Tax credit	**450**	350
Other income	**79**	43
	529	393

6. Operating profit

Operating profit is stated after charging:

	2022 £'000	2021 £'000
Wages and salaries	**10,428**	8,250
Social security costs	**1,099**	882
Other pension costs	**446**	325
Staff costs	**11,973**	9,457
Stocks included within cost of sales	**49,777**	28,279
Depreciation of tangible fixed assets	**437**	170
Depreciation of right of use assets	**399**	205
Audit fees payable to company's auditors (see note below)	**140**	130
Non audit fees payable to company's auditors (see note below)	**-**	40

Note – fees payable in 2021 relate to the previous auditor, PriceWaterhouseCoopers.

7. Employees and directors

The average number of persons employed by the company (including directors) during the financial year, analysed by category, were as follows:

	2022 Number	2021 Number
Administrative	**58**	43
Engineering and manufacturing	**158**	136
	216	179

The compensation paid or payable to directors is shown below:

	2022 £'000	2021 £'000
Aggregate emoluments, including benefits in kind	**541**	565
Pension contributions	**43**	41
	584	606

Pension contributions were made to a defined contribution scheme in respect of 4 directors (2021: 4).

The compensation paid or payable to the highest paid director is shown below:

	2022 £'000	2021 £'000
Aggregate emoluments, including benefits in kind	**146**	159
Pension contributions	**12**	12
	158	171

The total employee costs for the company are shown in note 6.

8. Net interest and similar expenses

Finance and other income	2022 £'000	2021 £'000
Bank interest	160	4
Loan interest	17	71
	177	75

Finance expenses	2022 £'000	2021 £'000
Lease liabilities	(56)	(38)
Loan Interest	(56)	(93)
	(112)	(131)

Net interest and similar expenses	2022 £'000	2021 £'000
Finance and other income	177	75
Finance expenses	(112)	(131)
	65	(56)

9. Tax on profit on ordinary activities

Tax expense included in profit and loss	2022 £'000	2021 £'000
Current tax		
UK corporation tax on profit and loss	**899**	366
Adjustment in respect of previous periods	**-**	(21)
Total current tax charge	**899**	345
Deferred tax		
Origination and reversal of temporary differences	**142**	154
Overseas profits taxable in a future period	**293**	-
Adjustment in respect of previous periods	**-**	1
Impact of change in tax rate	**-**	65
Total deferred tax charge	**435**	220
Total tax charge	**1,334**	565

The tax charge for the financial year differs from the relevant standard rate of corporation in the UK of 19% (2021: 19%). The differences are explained below:

	2022 £'000	2021 £'000
Profit before tax	**6,011**	2,690
Profit multiplied by the standard rate of tax in the UK of 19% (2021: 19%)	**1,142**	511
Effect of:		
Expenses not deductible for tax purposes	**31**	14
Dividends and other non taxable income	**(132)**	
Benefit of research and development tax credits	**-**	(5)
Tax rate changes	**-**	65
Overseas profits taxable in a future period	**293**	-
Adjustment in respect of previous periods	**-**	(20)
Total current tax charge	**1,334**	565

Factors affecting future tax changes

The fiscal event of 23 September 2022 cancelled the planned increase in the headline rate of corporation tax from 19% to 25% that had been planned from 1 April 2023. However that has now been overturned and the increase will go ahead as planned as confirmed in the Autumn statement in November 2022. The proposal to increase the rate to 25% has been substantively enacted at the company's balance sheet date, therefore its effects have been included in these financial statements.

Deferred taxation	2022 £'000	2021 £'000
Provision at the start of the financial year	**259**	39
Deferred tax recognised in profit and loss	**435**	220
Deferred tax recognised in OCI	**(235)**	-
Provision at the end of the financial year	**459**	259

Analysis of deferred taxation	2022 £'000	2021 £'000
Timing differences in respect of:		
Accelerated capital allowances	**426**	279
Overseas profits taxable in future periods	**293**	-
Short term timing differences	**(25)**	(20)
Derivative movements recorded in OCI	**(235)**	-
	459	259

10. Tangible fixed assets

	Leasehold improvements £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
At 31 December 2021				
Cost	1,459	1,928	39	3,426
Accumulated depreciation and impairment	(733)	(772)	(33)	(1,538)
Net book amount	726	1,156	6	1,888
Year ended 31 December 2022				
Opening net book amount	726	1,156	6	1,888
Additions	209	495	-	704
Disposals	-	(27)	-	(27)
Depreciation charge for the year	(103)	(332)	(2)	(437)
Depreciation eliminated on disposal	-	25	-	25
Closing net book amount	**832**	**1,317**	**4**	**2,153**
At 31 December 2022				
Cost	1,668	2,396	39	4,103
Accumulated depreciation and impairment	(836)	(1,079)	(35)	(1,950)
Closing net book amount	**832**	**1,317**	**4**	**2,153**

Assets under construction (AUC) costs of £335,000 (2001: £679,000) were incurred in the year, these costs are included within leasehold improvements £199,000 (2001: £679,000) and plant and machinery £136,000 (2001: £nil).

11. Right of use assets

Amount recognised in the balance sheet	2022 £'000	2021 £'000
Right of use assets		
Buildings	1,564	1,274
Software	322	360
	1,886	1,634

Lease liabilities		
Amounts falling due within one year	403	279
Amounts falling due after more than one year	1,465	1,358
	1,868	1,637

Amount recognised in profit and loss	2022 £'000	2021 £'000
Depreciation charge on right of use assets		
Buildings	300	197
Software	99	8
	399	205

Other lease expenses		
Interest	56	38
Expenses related to short term leases (included within administrative expenses)	66	-
	122	38

Future minimum lease payments	2022 £'000	2021 £'000
Not later than one year	453	321
Later than one year and not later than five years	1,546	1,215
Later than five years	-	231
Total gross payments	1,999	1,767
Impact of finance expenses	(131)	(130)
Carrying amount of liability	1,868	1,637

Total cash outflow for leases	2022 £'000	2021 £'000
Cash paid	417	238

Notes to the financial statements (continued)

12. Investments

	£'000
Cost as at 1 January 2022 and 31 December 2022	3,823
Impairment at 31 December 2021 and 31 December 2022	(23)
Net Book value at 31 December 2021 and 31 December 2022	3,800

Name of undertaking	Country of Incorporation	Description of shares held	Proportion of nominal value of shares held	Principal activity
Direct holdings:				
Briggs of Burton Inc **Address**:1163 Pittsford-Victor Road, Suite 220, Pittsford NY 14534.	USA	Ordinary	100%	Sale of manufactured equipment and engineering services within the brewing and distilling industry.
McMillan (Coppersmiths & Fabricators) Limited **Address**: Mid Road Industrial Estate, Prestonpans, East Lothian, EH32 9JB.	Scotland	Ordinary	100%	Manufacture of equipment for the distilling industry.
Giusti Limited **Address**: Briggs House, Derby Street, Burton on Trent DE14 2LH.	England & Wales	Ordinary	100%	Dormant
Briggs Pension Trustees Limited **Address**: Briggs House, Derby Street, Burton on Trent DE14 2LH.	England & Wales	Ordinary	100%	Dormant
Burnett & Rolfe (Burton) Ltd **Address**: Briggs House, Derby Street, Burton on Trent DE14 2LH.	England & Wales	Ordinary	100%	Dormant

13. Stocks

	2022 £'000	2021 £'000
Raw materials and consumables	**256**	230
Work in progress	**22**	178
	278	408

Stocks are stated after provisions for impairment of £nil (2021: £nil). There were no impairment charges during the year (2021: £nil).

14. Debtors

	2022 £'000	2021 £'000
Trade debtors	**25,498**	10,386
Amounts recoverable under contracts	**35,287**	13,014
Amounts owed by group undertakings	**1,508**	2,810
Loans owed by group undertakings	**-**	2,299
Prepayments	**2,217**	1,083
Corporation tax	**1,572**	381
Other debtors	**5,776**	152
	71,858	30,125

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

Loans owed by group undertakings are repayable on demand, interest is charged on the loan at a rate of 3 month IUQASOIA plus 2.00%.

Trade debtors are stated after provisions for impairment of £2,000 (December 2021: £2,000).

15. Creditors: amounts falling due within one year

	2022 £'000	2021 £'000
Trade creditors	**7,469**	3,809
Amounts owed to group undertakings	**16,712**	9,434
Loan owed to parent undertaking	**-**	4,641
Payments received on account	**39,701**	10,969
Lease liability	**403**	279
Derivative financial instruments	**959**	98
Other taxation and social security	**393**	1,497
Accruals	**1,884**	1,749
	67,521	32,476

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

Loan owed to parent undertaking is repayable on demand, interest is charged on the loan at a rate of 3 month LIBOR plus 2.00%.

Other taxation and social security includes £81,000 (2021: £81,000) in respect of unpaid pension contributions.

The accruals balance disclosed in the prior year financial statements was £3,600,000 and included contract related provisions of £1,851,000. The accruals balance been restated to £1,749,000 and the contract related provisions have been transferred to provisions (see note 17) as the directors consider this to be a more appropriate classification.

16. Creditors: amounts falling due after more than one year

	2022 £'000	2021 £'000
Lease liability	**1,465**	1,358

17. Provisions

	2022 £'000	2021 £'000
Contract provisions	**1,490**	1,851
Deferred taxation	**459**	259
	1,949	2,110

Movements in contract provisions

	£'000
Balance at 1 January 2022	1,851
Additions	1,034
Expenditure and release to profit and loss	(1,395)
Balance at 31 December 2022	1,490

Contract provisions comprise provisions for loss making contracts and the potential cost to cover exposures on contracts which have been substantially completed at the balance sheet date. The directors expect these provisions to be utilised within two years. In 2021, the contract provisions were included in accruals (see note 15).

Provisions for deferred taxations are disclosed in note 9.

18. Share Capital

Allotted, called up and fully paid		2022 £'000	2021 £'000
500,000 (2021: 500,000) ordinary shares of 10p (2021:10p) each		**50**	23
Of which:			
Called up and fully paid	500,000 (2021: 142,397)	50	14
Called up and partly paid	- (2021: 357,603)	-	9

On 21 December, the 357,603 ordinary shares of 10p each were paid up in full. At 31 December, the company had allotted 500,000 ordinary shares of 10p each which were fully paid.

19. Dividends

	2022 £'000	2021 £'000
Final dividend proposed and paid of £9.73 per ordinary share	**4,865**	-

20. Capital and other commitments

At 31 December 2022, the company had no capital commitments (2021: none).

21. Pensions

The company operates a defined contribution pension scheme. The company's contributions are charged directly to the profit and loss accounts are disclosed in note 6. The outstanding contributions at the year end are disclosed in note 15.

Notes to the financial statements (continued)

22. Related party transactions

During the year emoluments were paid to a person related to a director totalling £42,000 (2021: £42,000). The amounts paid were commensurate with other employees performing a similar role with a similar level of qualification and experience.

23. Controlling parties

In December 2022, the immediate parent undertaking changed from Briggs Holdings Limited to CIMC Enric Tank and Processing BV incorporated in The Netherlands. The ultimate parent company and controlling party is China International Marine Containers (Group) Ltd a company incorporated in China.

The smallest company in which the results of the company are consolidated is that headed by CIMC Enric Holdings Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong stock exchange. The largest company in which the results of the company are consolidated is that headed by the ultimate parent company, incorporated in China.

24. Events after the reporting period

There have been no events after the reporting period which require disclosure under the provisions of FRS101.