

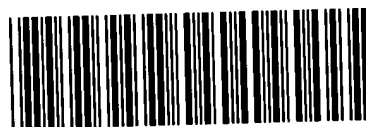
Company Registration No. 02334308 (England and Wales)

**DUTTON
MOORE**

Chartered Accountants
& Business Advisers

C SPENCER LIMITED
FINANCIAL STATEMENTS AND REPORTS
FOR THE YEAR ENDED 31 MARCH 2021

TUESDAY



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24/08/2021

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COMPANIES HOUSE

C SPENCER LIMITED

COMPANY INFORMATION

Directors

C. Spencer
N. Spencer
G. Thornton
L. H. Grierson
Y. Moir
M. J. Renshaw
A. Beach

Company number

02334308

**Registered office and
business address**

1 Humber Quays
Wellington Street West
Hull
East Yorkshire
HU1 2BN

Auditors

Dutton Moore
Aldgate House
1-4 Market Place
Hull
HU1 1RS

C SPENCER LIMITED

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C SPENCER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Principal activity

The principal activity of the company is the provision of multi disciplinary engineering services.

Results overview and dividends

The profit on ordinary activities before taxation for the year is £0.5m (2020: £2.2m). No interim dividend was paid during the year (2020: nil). No final dividend is proposed (2020: nil).

The profit after tax for the year is £0.5m (2020: £2.2m).

Business review

Reported turnover for the year is £42m (2020: £63m).

The directors aim to maintain the company's core values of quality, safety and client satisfaction whilst delivering engineering solutions tailored to our clients' requirements.

The company enjoys partnering arrangements to deliver agreed packages of work with certain clients and actively tenders for other projects. This approach and the Board's focus on sector diversification ensures that the company is not solely reliant on limited clients in a single market.

Current trading and prospects

The Board continues to focus its energies into delivering work across its core markets of Rail, Materials Handling, Energy, Infrastructure, Specialist Engineering Services and Design Management.

Works on the ground during the year ended 31 March 2021 led to a delivered turnover of £42m compared to £63m delivered turnover in the previous year ended 31 March 2020.

The company enters the new financial year to 31 March 2022 with secured work in hand of £53m and a pipeline of £188m from which to draw its opportunities. The company is trading satisfactorily, as at the date of this report, and the directors are confident that this will continue.

C SPENCER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Review of key performance indicators

The directors monitor the following key indicators of performance:

	2021	2020
Employees and environmental		
Accident frequency rate (RIDDOR)	0.00	0.00
Percentage of working time lost due to sickness	1.2%	1.3%
Environmental orders	Nil	Nil
Order frequency		
Tenders won	12	19
Strike rate (tenders won/total tenders)	37.5%	46.0%
Financial indicators		
Turnover per employee	£175,000	£260,000
Gross profit %	15.4%	14.9%
Overhead/sales %	17.3%	11.6%
Asset turnover (turnover/total assets less cash and bank balances)	1.2	2.0
Net current assets/sales %	7.9%	2.3%
Net working capital/sales %	5.0%	(0.06%)
Shareholders' funds	£6,767,000	£6,241,000

Cash flows and business investment

The net cash outflow for the year was £(0.3m) (2020: inflow £0.7m) and is analysed on page 17. The company had positive bank balances totalling £1.3m and an overdraft of £4.4m at 31 March 2021, compared to positive bank balances of £1.5m and an overdraft of £4.3m at 31 March 2020. Total capital expenditure was £0.4m (2020: £0.4m).

Cash inflow was driven through the year by contract profitability.

The directors consider carefully the expected cash impact of all new contracts and capital asset acquisitions before the company formally enters into the commitment.

The company continues to enjoy high levels of repeat business through its existing blue chip client base but has also continued to strengthen this client roster by adding further blue chip customers to its client base.

Business and risk management

The Board has responsibility for the company's system of internal control and for reviewing its effectiveness in safeguarding shareholders' investments and the company's assets. The role of management is to implement Board policies on risk and control which are designed to manage rather than eliminate the risk of failure to achieve business objectives.

The principal risks and challenges are reviewed by the Board at each of its scheduled meetings in order to assess whether the overall risk profile of the company is being maintained at an appropriate level. Additionally the company's auditors report to the Board any material risks identified during the annual audit.

Also the company maintains appropriate insurance cover that is reviewed each year with its insurance brokers.

C SPENCER LIMITED

STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

Risks

The main risks of the company, as identified by the Board are:-

i. Pursuit of appropriate strategies

Control measures include continuous monitoring of the markets in which the company operates, regular management strategic reviews, setting of budgets that represent implementation of strategies, monitoring of reported results and forecasts and holding 'lessons learned' workshops with senior staff.

ii. Contract risk

Control measures include a detailed, regular review of the risks associated with all contracts throughout the tender stage. Where contracts are of large value additional external advice is sought by the company, prior to entering into contract, to explore all risks associated with delivery of the project.

iii. Retaining and recruiting the right staff

Control measures include development of a pay and benefits package benchmarked against external comparators and investment in learning and development, including an intensive induction programme for all new management employees.

iv. Meeting the expectations of customers, on time

Control measures include structuring of the company's customer delivery activities in line with customer classifications and core technical competences, maintaining an in-house design capability and increasing emphasis on demonstrable commitment to quality/risk management through certification and compliance with recognised standards such as ISO 9000/2000 (Quality), OHSAS 18001 (Health and Safety) and ISO 14001 (Environmental).

In addition to the above the company continues to work on being an employer of choice for both staff and our clients through a developed system of customer feedback reporting and the achievement of accreditation to standard ISO 11001 on Collaborative Working in January 2015.

v. Maintenance of sufficient liquidity

Control measures include preparing and monitoring forecasts of cash-flow on a regular basis, effective management of the investment in working capital, use of an Early Warning process on contracts in progress to highlight to management deviations from plan that could lead to the need for extra resources, monitoring debt and liquid funds and maintaining adequate financing facilities with the company's bankers and other finance providers.

vi. Business failure of a major customer or supplier

Control measures include giving consideration to creditworthiness of potential clients and suppliers before tender submission, ensuring that supply risk is spread wherever possible by not having a single source supplier for any key material or service, negotiating appropriate payment terms with both customers and suppliers and taking references and guarantees of performance where appropriate.

Uncertainties

There remains uncertainty about the speed and magnitude of the recovery of the UK economy from the impact of Covid-19.

The company draws its customer and supplier base from across different geographical areas and industries and has resources available to meet the requirements of secured work. The Board also consults widely and takes advice from external experts to guide its decision-making. The Board also recognises the need to maintain 'cutting edge' management information systems and continues to invest in developing the company's information technology systems and expanding their use within the company.

The directors consider that the company is well placed to manage its business risks.

C SPENCER LIMITED

STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

S172 statement

i. Market sectors and future pipeline

The company continues to focus on its core strength of delivering challenging engineering projects for its customers, utilising its in-house design and construction capability across a number of sectors.

Whilst there has been a considerable disruption in activity in 2020/21 as a result of the Covid-19 pandemic and the resultant three national lockdowns, general market activity is expected to recover in all sectors. The government's committed spending authority in transportation, particularly the rail sector and the enhancement of existing and new rail infrastructure and maintenance facilities to receive new rolling stock, provide significant future construction opportunities for the company.

The structural repair, refurbishment and maintenance of bridges also provides a strong future pipeline of opportunities in a sector where the company has earned an excellent reputation for providing innovative access solutions that provide competitive advantage.

The renewable energy and nuclear sectors continue to require engineering, material handling and storage solutions and the company continues to provide services to develop and deliver projects for its clients in these sectors.

The company's subsidiary, Slipform Engineering Ltd, has also established itself as a premium specialist contractor providing slipform concrete services for a number of clients. It has developed its own slipforming system and secured a patent in the UK, Europe and other strategic countries for its unique process that delivers significant programme and cost savings for shaft and concrete core construction. It is undertaking concrete core construction for a number of high-rise structures throughout the UK and the Board expects significant growth as its market presence develops.

Over the past 12 months the Board has assessed the opportunities and the company's performance in each of the market sectors and has set a strategy that seeks to enhance and grow its presence through the identification and delivery of projects that match its capabilities with clients that value high levels of service and innovation.

The company is restructuring its service delivery to align its internal capabilities to each of its market sectors in order to gain stronger relationships with stakeholders, to increase market awareness and profile and, in turn, to generate more work opportunities. The Board is seeking to ensure that the company's services are fully aligned with its understanding of the clients strategic needs, enabling the company to continue to grow and develop through repeat business with key clients, rather than through individual, general project opportunities. The Board has been actively engaged in shaping the restructure and leading client contact.

In keeping with this philosophy, the company will continue to develop its in house capability to provide engineering leadership and direct delivery capability where it believes this provides competitive advantage and brings added value to its client base.

The company also draws on a number of key specialist suppliers and will seek to form closer relationships, in line with this strategy, to deliver greater value for its clients through collaborative working.

The company undertakes regular customer contact to obtain confidential feedback from its clients on its performance throughout the period of a project. The Board uses this feedback to take appropriate action where needed, with client approval, to ensure that the level of service provided meets expectations.

C SPENCER LIMITED

STRATEGIC REPORT (CONTINUED) **FOR THE YEAR ENDED 31 MARCH 2021**

ii. Making a positive environmental impact

The company makes its employees aware, through its policies, website and direct communications, of everyone's responsibility to the environment and the communities in which it operates.

Its philosophy is to make a positive impact on the environment and community as a result of delivering its services.

On individual projects the company supports local initiatives in conjunction with its clients, encouraging employees and suppliers to play a full part in keeping communities informed of the work it is carrying out on the client's behalf and seeking opportunities positively to impact these groups.

The Board will continue to research and embrace the latest environmental developments in our industry in order to reduce its carbon impact and waste generation and in so doing explore how by-products of operations can be used to bring benefit to local communities.

Following employee nomination, the Board selects and then supports a main Charity of the Year through a number of fundraising events as well as affording employees the opportunity to undertake volunteering for individual charitable causes.

iii. Sustainability - building for the future

The Board recognises the positive impact and opportunities that innovation and technology present and has a programme of investment for the continued development of its IT systems to service its future needs.

This development is directed to the creation of operating and information systems that support the transparent approach the company advocates with its clients and suppliers, many of whom favour "open book" working arrangements. These provide shared access to correspondence, cost and project management tools to promote collaborative working.

Data capture and analysis to consider past performance, enable accurate reporting and inform decision making is a core focus for the system design.

This web based infrastructure supports the needs of the business in its site based operations and has demonstrated its ability to provide business resilience during the Covid-19 pandemic by facilitating remote/home working.

Future development of this system will make more functions accessible through on line applications, generating greater efficiencies for both clients and suppliers and building future resilience against Covid-19 or similar impacts.

iv. Skills and competency

The company offers appropriate training and development to its workforce at all levels, ensuring that individuals maintain relevant competences for their particular specialism.

The company's IT systems have been developed to assist in the recording and assurance of competencies and certification and it continues to generate internally produced safety training modules, visual media and on line tutorials to enable on line learning and development which is reinforced by line face to face support.

Personal development reviews are undertaken annually to ensure personal alignment with business targets whilst also ensuring personal career goals are embraced through the identification of opportunities for personal growth and development as well as providing educational support to those employees who seek to add wider academic or professional qualifications to their personal skills armoury.

The company is a founder and active major sponsor of Ron Dearing University Technical College. It engages fully with the college, providing annual placements for students through the summer break and offering several apprenticeships each year to build the company's future talent pool.

C SPENCER LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

v. Gender gap

The construction industry in which the company operates is known historically for its male dominance and the company has worked hard to promote equal opportunity. By actively promoting Women in Engineering the company has increased the percentage of female employees to 25% (up by 2% over the past 3 years). The company has three women Board members from a total of seven, two of whom hold key executive roles within the business and expects to continue to recruit high calibre female talent as part of its expansion.

vi. Covid-19 impact

In common with many other businesses the company, since March 2020, has been challenged by dealing with the profound effects of Coronavirus on project activities and working routines.

The company's advanced IT infrastructure has maintained connectivity between employees, clients, stakeholders and suppliers and enabled agility in the implementation of measures and additional control methods required to establish a safe working environment whilst also enabling production activities to continue, albeit in a restricted capacity in some instances.

The company considers its rigorous approach to the implementation of these systems and the flexibility demonstrated in continuing to successfully deliver critical infrastructure projects on time during the Covid-19 crisis period has significantly enhanced its reputation amongst its clients and provides a platform from which this developing situation can be managed positively.

The initial national lockdown caused considerable restrictions in site operations with many Scottish sites remaining closed for up to 4 months. As a business we were very successful in making all our sites Covid-19 safe, however client issues in opening up sites and commencing new works had a major impact on work volumes in the first 9 months of the year. It was only in the last quarter of the year that the business saw output levels return to more normal levels.

The Board has also negotiated a further £4m term loan facility with its bankers, taking advantage of the government CLBILS scheme, in order to facilitate future working capital liquidity as the company continues to trade out of the disruptive impacts the pandemic has caused to clients and the company's processes and working practices.

Post balance sheet events

Following a successful adjudication, C Spencer Limited secured £3.8m contract settlement for unpaid works undertaken. Monies were received 14 April 2021 giving the business a major boost in funds enhancing working capital reserves and overall liquidity. The successful outcome of this legal action should release a further £1.25m of cash which is currently held under our bonding facility.

By order of the board



C. Spencer
Director
27 July 2021

1 Humber Quays
Wellington Street West
Hull
East Yorkshire
HU1 2BN

C SPENCER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and the audited financial statements for the year ended 31 March 2021.

Directors

The following directors have held office since 1 April 2020:

C. Spencer
N. Spencer
G. Thornton
L. H. Grierson
Y. Moir
M. J. Renshaw
A. Beach

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, asset finance agreements, CLBILS loan and other loans. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's working capital.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans the interest rate on one is fixed and the other two are at fixed rates plus bank base rate with repayments being fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

In respect of asset finance agreements, the interest rate and monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Employee policy

The directors recognise that employees are the most important resource within the company and actively promote good working practices to maximise both performance and job satisfaction.

The directors have developed processes to ensure good communication is maintained with all areas of the business. Considerable investment has been made to develop the company Intranet which is the main conduit for news and information within the company. Feedback on all aspects of the company's operations is actively sought through formal and informal channels, including a periodic staff opinion survey and Intranet Forums.

The directors encourage all staff to achieve personal and professional improvement. A central Training Plan identifies generic training for each staff discipline with the objective of preparing staff for the next stage of career development. Requests for additional specific training are reviewed on an individual basis and support is given to employees wishing to gain relevant recognised external qualifications. Annual staff reviews allow all aspects of performance and development to be discussed.

The company is an equal opportunities employer. Applications for employment and opportunities for promotion are considered equally regardless of age, race, sex, creed or disability.

C SPENCER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Environment, sustainability and health and safety

The company recognises that its activities as a multi-disciplinary engineering contractor can have an impact on the environment arising from the consumption of raw materials and energy; transport and emissions to air, land and water. The company continues to be committed to sustainability and is pleased to report that it has been accredited to BS 1493 and has committed to continuous reduction of its carbon footprint. Protecting and enhancing the environment by preventing pollution is regarded as an integral component of the business operations and the company works in a way to ensure this is not compromised. The directors consider the health and safety of employees, clients and suppliers to be a critical business issue. The company is, therefore, fully committed to the successful management of health and safety, the objective of which is to ensure a safe and accident free environment for all employees, suppliers and members of the public.

Statement of directors' responsibilities

The directors are responsible for preparing the strategic report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

In addition to the general duties of directors specified in section 170 to 177 of the Act, the directors are responsible for ensuring that the company complies with laws and regulations applicable to its activities, and for establishing arrangements designed to prevent any non-compliance with laws and regulations and to detect any that occur.

Political and charitable contributions

Donations to UK charities amounted to nil (2020: £3,000). The company made no political donations during the year (2020 : nil).

Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

C SPENCER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

Carbon and energy report

i. Introduction

The company monitors and seeks to continually reduce energy usage and related carbon emissions as part of its commitment to sustainability and environmental performance. This report covers the usage for the year ended 31 March 2021.

ii. Efficiency achievements

Energy saving improvements

The installation of LED fittings to all areas of the Humber Quays office was finished during the year, completing the LED lighting conversions to the head office, associated three-level car park and external plaza areas.

Fuel saving improvements

Electric charging points installed at Humber Quays in the previous financial year, have proven to be beneficial with an increasing number of employees choosing to charge plug-in hybrid e-vehicles whilst using the car park. The company car list now contains a large number of fully electric vehicles. This has resulted in several being delivered and in use before the end of 2020/21 with more on order.

iii. Energy usage (premises)

Recorded consumption for premises for the year ended 31 March 2021:

	2021		2020	
	KWh	tCO2e	KWh	tCO2e
Total usage	993,943	216	1,312,053	294

iv. Energy usage (transport)

Recorded consumption for company vehicles, construction site transport and site accommodation for the year ended 31 March 2021:

	2021		2020	
	KWh	tCO2e	KWh	tCO2e
Total usage	5,449,689	1,368	4,950,123	1,260

Fuel usage is extremely variable and dependent upon the company's work profile in terms of number of contracts, their locations, staffing levels and commute distances.

C SPENCER LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

v. Emissions data

Emissions data for the year ended 31 March 2021:

	2021 tC02e	2020 tC02e
Emissions from combustion of fuel and operation of facilities (scope 1)	1,452	1,396
Emissions from purchase of electricity for own use (scope 2, location-based)	132	158
Total scope 1 and scope 2 emissions	1,584	1,554
	kWh	kWh
Energy consumption used to calculate above emissions	6,443,632	6,262,176
	tC02e	tC02e
Tonnes of C02e per £100,000 of revenue	3.77	2.45

Methodology used is UK Government's GHG Conversion Factors for Company Reporting 2020

The Covid-19 pandemic has led to a major use of Zoom as a method of conducting both internal and external meetings resulting in a considerable saving in travel by staff ensuring national lockdown rules are complied with. This change in working practices has had a major impact in minimising the carbon footprint of the business.

On behalf of the board


C. Spencer
Director
27 July 2021

1 Humber Quays
Wellington Street West
Hull
East Yorkshire
HU1 2BN

C SPENCER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF C SPENCER LIMITED

Opinion

We have audited the financial statements of C Spencer Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the balance sheet, 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

C SPENCER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF C SPENCER LIMITED

Matters on which we are required to report by exception

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 and the directors' report.

We have nothing to report in respect of the following matters where 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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the 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.

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the sectors in which it operates. The company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation. We determined that the most significant laws and regulations were FRS 102, the Companies Act 2006 and taxation legislation. In addition, we considered other laws and regulations which may be fundamental to the company's ability to operate, namely health and safety, employment law and the various licences and certificates needed by the company to carry out its multi disciplinary engineering services. We assessed the extent of compliance with these laws and regulations as part of our audit procedures which included discussions with management.
- The susceptibility of the company's financial statements to misstatement, including fraud, was assessed. The audit team discussed how and where fraud might occur in the financial statements. We identified and assessed the design effectiveness of controls that had been put in place to prevent and detect fraud. Other audit procedures carried out included the assessment of the appropriateness of journal entries, whether any accounting estimates indicated any potential bias and the extent of compliance with relevant laws and regulations.

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 has been properly planned and performed in accordance with auditing standards (ISAs (UK)).

C SPENCER LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF C SPENCER LIMITED

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

Jonathan Waters BA FCA (Senior Statutory Auditor)
For and on behalf of Dutton Moore

27 July 2021

Chartered Accountants
Statutory Auditor

Aldgate House
1-4 Market Place
Hull
HU1 1RS

C SPENCER LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £000's	2020 £000's
Turnover	3	42,034	63,454
Cost of sales		(35,576)	(54,015)
Gross profit		6,458	9,439
Administrative expenses		(7,264)	(7,352)
Other operating income		1,248	143
Operating profit	4	442	2,230
Interest receivable and similar income	9	490	370
Interest payable and similar expenses	10	(406)	(434)
Profit before taxation		526	2,166
Tax on profit	11	-	-
Profit for the financial year		526	2,166
Other comprehensive income		-	-
Total comprehensive income for the year		526	2,166

The profit and loss account has been prepared on the basis that all operations are continuing operations.

C SPENCER LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

		2021	2020
	Notes	£000's	£000's
Fixed assets			
Tangible assets	12	6,331	6,276
Investments	13	51	51
		<u>6,382</u>	<u>6,327</u>
Current assets			
Stocks	15	2,852	3,174
Debtors falling due within one year	16	20,560	18,732
Debtors falling due after one year	16	4,571	3,352
Cash at bank and in hand		1,251	1,488
		<u>29,234</u>	<u>26,746</u>
Creditors: amounts falling due within one year	17	<u>(25,901)</u>	<u>(25,297)</u>
Net current assets		3,333	1,449
Total assets less current liabilities		<u>9,715</u>	<u>7,776</u>
Creditors: amounts falling due after more than one year	18	(2,948)	(1,535)
Provisions for liabilities	21	-	-
Net assets		<u><u>6,767</u></u>	<u><u>6,241</u></u>
Capital and reserves			
Called up share capital	23	50	50
Revaluation reserve	24	1,828	1,828
Profit and loss reserve	24	4,889	4,363
Total equity		<u><u>6,767</u></u>	<u><u>6,241</u></u>

The financial statements were approved by the board of directors and authorised for issue on 27 July 2021 and are signed on its behalf by:



C. Spencer
Director

Company Registration No. 02334308

C SPENCER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Share capital £000's	Revaluation reserve £000's	Profit and loss reserve £000's	Total £000's
Balance at 1 April 2019	50	1,828	2,197	4,075
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 March 2020: Profit and total comprehensive income for the year	-	-	2,166	2,166
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2020	50	1,828	4,363	6,241
	<hr/>	<hr/>	<hr/>	<hr/>
Year ended 31 March 2021: Profit and total comprehensive income for the year	-	-	526	526
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at 31 March 2021	50	1,828	4,889	6,767
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

C SPENCER LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

		2021		2020	
	Note	£000's	£000's	£000's	£000's
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	31		(1,075)		1,818
Interest paid			(406)		(434)
			<u> </u>		<u> </u>
Net cash (outflow)/inflow from operating activities			(1,481)		1,384
Investing activities					
Purchase of tangible fixed assets		(424)		(146)	
Proceeds on disposal of tangible fixed assets		15		20	
Interest received		490		370	
		<u> </u>		<u> </u>	
Net cash generated from investing activities			81		244
Financing activities					
New loan		4,000		1,250	
Loan repayment		(2,797)		(2,000)	
Payment of finance leases obligations		(115)		(160)	
		<u> </u>		<u> </u>	
Net cash generated from/(used in) financing activities			1,088		(910)
			<u> </u>		<u> </u>
Net (decrease)/increase in cash and cash equivalents			(312)		718
Cash and cash equivalents at beginning of year			(2,787)		(3,505)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			(3,099)		(2,787)
			<u> </u>		<u> </u>
Relating to:					
Cash at bank and in hand			1,251		1,488
Bank overdrafts included in creditors payable within one year			(4,350)		(4,275)
			<u> </u>		<u> </u>

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

C Spencer Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Humber Quays, Wellington Street West, Hull, East Yorkshire, HU1 2BN.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000's

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and certain financial instruments at fair value.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Coronavirus (Covid-19) is affecting all companies at the current time but the directors have taken action to mitigate the effects. The directors consider that the going concern basis of accounting should be used in preparing the financial statements.

1.3 Turnover

Turnover represents the value, excluding value added tax, of work performed during the period.

Contracts are classified as long or short term. The amount of profit attainable to the stage of completion of a contract is recognised on a prudent basis when the outcome can be foreseen with reasonable certainty. Provision is made for losses as soon as they are foreseen. On long-term contracts profits are recognised, if appropriate, once the contract reaches 50% completion. On short-term contracts, profits are recognised, where appropriate, once the contract reaches 20% completion. The portion of profits recognised is discounted by a factor to recognise the uncertainties inherent until the contract achieves final completion.

The turnover for contracts reflects the value of work done, less any amounts recognised in previous years. Contract work in progress is stated at costs incurred, less those transferred to the profit and loss account, after deducting foreseeable losses and payments on account not matched with turnover.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. The company elected under FRS 102 to use a previous GAAP revaluation of freehold property as its deemed cost.

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Buildings	2% per annum on cost
Leasehold property	Over the term of the lease
Plant and equipment	20% per annum on written down value
Computer equipment	50% per annum on written down value
Office equipment	20% per annum on written down value
Motor vehicles	25% per annum on written down value

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss account. A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply.

1.7 Stocks

Stocks are stated at the lower of cost and estimated net realisable value.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

Financial assets and liabilities are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets

Financial assets are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

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

Financial assets, other than those held at fair value through the profit and loss account, are assessed for indicators of impairment at each reporting end date. 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 asset's original effective interest rate. The impairment loss is recognised in the profit and loss account. 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 the profit and loss account.

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Financial liabilities that are not classified as financial instruments are recorded at transaction cost. All changes to transaction cost are recognised in the profit and loss account.

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax is provided in full on all material timing differences which are expected to reverse and result in an obligation to pay more tax. A deferred tax asset is regarded as recoverable and recognised when it is likely that there will be taxable profits from which the future reversal of the underlying timing differences can be deducted. Rates applied are consistent with current UK corporation tax legislation.

1.12 Employee benefits

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

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.14 Leases

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

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

Rentals payable under operating leases, including any lease incentives received, are charged to the profit and loss account on a straight line basis over the term of the relevant lease.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.16 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to Profit and Loss Account.

1.17 Related party transactions

Advantage has been taken under FRS 102 section 33.1A of the exemption available to groups of companies not to disclose transactions and balances involving group entities.

1.18 Group accounts

The company has taken the exemption under Section 400 of the Companies Act 2006 from the obligation to prepare group accounts.

2 Judgements and key sources of estimation uncertainty

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

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

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021 £000's	2020 £000's
Turnover analysed by class of business		
Rendering of services	42,034	63,454

	2021 £000's	2020 £000's
Other significant revenue		
Interest income	490	370
Grants received	930	-

	2021 £000's	2020 £000's
Turnover analysed by geographical market		
United Kingdom	42,034	63,454

4 Operating profit

	2021 £000's	2020 £000's
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	3	-
Government grants	(930)	-
Depreciation of owned tangible fixed assets	299	239
Depreciation of tangible fixed assets held under finance leases	24	96
Loss on disposal of tangible fixed assets	31	1
Operating lease charges	267	341

5 Auditor's remuneration

	2021 £000's	2020 £000's
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	74	58
For other services		
All other non-audit services	4	3

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

6 Directors' remuneration

	2021 £000's	2020 £000's
Remuneration for qualifying services	851	750
Company pension contributions to defined contribution schemes	8	13
	<u>859</u>	<u>763</u>

The key management personnel are considered to be the directors.

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2020 - 7).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	183	194
Company pension contributions to defined contribution schemes	2	2
	<u>185</u>	<u>196</u>

7 Employees

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

	2021 Number	2020 Number
Administration and construction management	191	201
Construction	49	43
	<u>240</u>	<u>244</u>

Their aggregate remuneration comprised:

	2021 £000's	2020 £000's
Wages and salaries	9,787	10,371
Social security costs	1,101	1,171
Pension costs	184	242
	<u>11,072</u>	<u>11,784</u>

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

8 Retirement benefit schemes

	2021 £000's	2020 £000's
Defined contribution schemes		
Charge to profit and loss account	184	242

The company operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the company in independently administered funds.

9 Interest receivable and similar income

	2021 £000's	2020 £000's
Other interest	490	370

10 Interest payable and similar expenses

	2021 £000's	2020 £000's
Bank interest	224	193
Interest on finance leases	14	18
Other interest	168	223
	406	434

11 Taxation

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2021 £000's	2020 £000's
Profit before taxation	526	2,166
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	100	412
Tax effect of expenses that are not deductible in determining taxable profit	12	6
Permanent capital allowances in excess of depreciation	(41)	-
Depreciation in excess of capital allowances	-	12
Unutilised tax losses brought forward	(985)	(1,415)
Unutilised tax losses carried forward	1,527	985
Research and development claim	(613)	-
Tax expense for the year	-	-

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Tangible fixed assets

	Land and buildings £000's	Plant and equipment £000's	Office equipment £000's	Motor vehicles £000's	Total £000's
Cost					
At 1 April 2020	6,168	1,326	1,483	1,098	10,075
Additions	-	207	20	197	424
Disposals	(27)	(116)	(815)	(204)	(1,162)
Transfers	-	(107)	48	59	-
At 31 March 2021	6,141	1,310	736	1,150	9,337
Depreciation and impairment					
At 1 April 2020	661	1,033	1,387	718	3,799
Depreciation charged in the year	99	72	35	117	323
Eliminated in respect of disposals	(26)	(103)	(807)	(180)	(1,116)
Transfers	-	(48)	35	13	-
At 31 March 2021	734	954	650	668	3,006
Carrying amount					
At 31 March 2021	5,407	356	86	482	6,331
At 31 March 2020	5,507	293	96	380	6,276

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases.

	2021 £000's	2020 £000's
Motor vehicles	73	291

The company's freehold land and buildings are stated at a 2015 valuation. In the period ended 31 March 2016, the period of transition to FRS 102, the directors elected to use this previous GAAP valuation of freehold land and buildings as its deemed cost.

On a historical cost basis the net book value value of freehold land and buildings carried at a valuation is £3,398,000 (2020: £3,495,000) comprising cost of £4,072,000 (2020: £4,072,000) and related depreciation of £674,000 (2020: £577,000).

Included in the carrying value of land and buildings is leasehold property with a net book value of £9,000 (2020: £11,000) comprising cost of £235,000 (2020: £262,000) and accumulated depreciation of £227,000 (2020: £251,000).

13 Fixed asset investments

	Note	2021 £000's	2020 £000's
Investments in subsidiaries	14	51	51

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

13 Fixed asset investments

(Continued)

Movements in fixed asset investments

	Shares in group undertakings £000's
Cost	
At 1 April 2020 & 31 March 2021	51
Carrying amount	
At 31 March 2021	51
At 31 March 2020	51

14 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% held direct
Athena Project Services Limited	England	Dormant	Ordinary	100.00
Brawley Construction Limited	England	Dormant	Ordinary	50.00
Darkstar Energy Limited	England	Dormant	Ordinary	100.00
Slipform Engineering Ltd	England	Construction	Ordinary	51.00
Spencer Digital Services Ltd	England	Dormant	Ordinary	100.00
Spencer Engineering and Construction Ltd	England	Dormant	Ordinary	100.00
Spencer Power and Process Limited	England	Dormant	Ordinary	100.00
Spencer Professional Services Limited	England	Dormant	Ordinary	100.00
Spencer Rail Limited	England	Dormant	Ordinary	100.00
Spencer Resources Limited	England	Dormant	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above are as follows:

Name of undertaking	Profit/(loss) 2021 £000's	Capital and reserves 2021 £000's
Athena Project Services Limited	-	-
Brawley Construction Limited	-	100
Darkstar Energy Limited	-	-
Slipform Engineering Ltd	(297)	(458)
Spencer Digital Services Ltd	-	-
Spencer Engineering and Construction Ltd	-	-
Spencer Power and Process Limited	-	-
Spencer Professional Services Limited	-	-
Spencer Rail Limited	-	-
Spencer Resources Limited	-	-

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

15 Stocks

	2021 £000's	2020 £000's
Contract balances	2,852	3,174

16 Debtors

Amounts falling due within one year:	Note	2021 £000's	2020 £000's
Trade debtors		8,444	9,977
Gross amounts due from contract customers		8,484	4,576
Other debtors		3,461	4,012
Prepayments and accrued income		171	167
		20,560	18,732

Amounts falling due after one year:

Trade debtors		926	148
Other debtors	30	3,645	3,204
		4,571	3,352

Total debtors		25,131	22,084
----------------------	--	---------------	---------------

17 Creditors: amounts falling due within one year

	Note	2021 £000's	2020 £000's
Bank overdrafts	19	4,350	4,275
Other loans	19	2,009	2,250
Obligations under finance leases	20	29	113
Trade creditors		12,689	14,665
Taxation and social security		3,910	2,200
Other creditors		2,086	846
Accruals and deferred income		828	948
		25,901	25,297

Included in creditors amounts falling due within one year are secured creditors of £6,388,000 (2020: £6,638,000). The bank holds a debenture and charges over the company's assets. Finance lease obligations are secured on the assets to which they relate.

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

18 Creditors: amounts falling due after more than one year

	Notes	2021 £000's	2020 £000's
Other loans	19	2,944	1,500
Obligations under finance leases	20	4	35
		<u>2,948</u>	<u>1,535</u>

Included in creditors amounts falling due after more than one year are secured creditors of £2,948,000 (2020: £1,535,000).

19 Loans and overdrafts

	2021 £000's	2020 £000's
Bank overdraft	4,350	4,275
Other loans	4,953	3,750
	<u>9,303</u>	<u>8,025</u>
Payable within one year	6,359	6,525
Payable after one year	<u>2,944</u>	<u>1,500</u>

In the year ended 31 March 2018 the company received a secured loan of £4,500,000 which is repayable by annual instalments between 2020 and 2022 with interest payable at 5% per annum.

In the year ended 31 March 2020 the company received a secured loan of £1,250,000 from a Trust the beneficiaries of whom are directors of the company. The loan is repayable by annual instalments between 2021 and 2024 with interest payable at 5.25% per annum above base rate.

During the year the company received a secured loan of £4,000,000 which is repayable by quarterly instalments over 3 years after a 6 month payment holiday, with interest payable at 3.5% above base rate.

20 Finance lease obligations

	2021 £000's	2020 £000's
Future minimum lease payments due under finance leases:		
Within one year	33	127
In two to five years	5	41
	<u>38</u>	<u>168</u>
Less: future finance charges	(5)	(20)
	<u>33</u>	<u>148</u>

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

21 Provisions for liabilities

	Note	2021 £000's	2020 £000's
Deferred tax liabilities	22	-	-

22 Deferred taxation

The following is the analysis of the deferred tax balances for financial reporting purposes:

	Liabilities 2021 £000's	Liabilities 2020 £000's
Balances:		
Freehold property	173	173
Tax losses	(173)	(173)
	<u>-</u>	<u>-</u>

	2021 £000's
Movements in the year:	
At 31 March 2021 and 31 March 2020	-

23 Share capital

	2021 £000's	2020 £000's
Ordinary share capital Issued and fully paid		
50,000 Ordinary shares of £1 each	50	50

24 Reserves

Revaluation reserve

This reserve represents the cumulative revaluation gains and losses on revaluation of land and buildings held as tangible assets.

Profit and loss reserve

This reserve represents cumulative retained profits and losses.

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

25 Financial commitments, guarantees and contingent liabilities

The company has given performance bonds and guarantees in the normal course of trading.

The bank holds a multilateral guarantee and set-off agreement in respect of the company and its group undertakings in respect of bank borrowings.

There are charges held over company assets.

Included within cash at bank and in hand is £1,250,000 (2020: £1,487,000) pledged as security for bonds on ongoing contracts. The cash is held by third parties and has restricted access.

26 Operating lease commitments

Lessee

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

	2021 £000's	2020 £000's
Within one year	57	78
Between two and five years	-	62
	<u>57</u>	<u>140</u>

27 Capital commitments

At 31 March 2021 the company had no contracted capital commitments.

28 Events after the reporting date

The company received £3,800,000 on 14 April 2021 following the successful conclusion of a legal action for an outstanding contractual claim.

29 Ultimate controlling party

The immediate and ultimate parent company is Spencer Engineering Group Limited, a company incorporated in England. Spencer Engineering Group Limited is the parent company of both the smallest and largest group into which the company's financial statements are consolidated.

The company is a wholly owned subsidiary of Spencer Engineering Group Limited. The company is ultimately controlled by Mr C. Spencer.

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

30 Related party transactions

During the year the company undertook the following transactions with non-wholly owned subsidiary undertakings: services received £18,000 (2020: £86,000); services provided £423,000 (2020: £816,000); and at 31 March 2021 the company was owed £951,000 (2020: £1,495,000) by these companies and owed £50,000 (2020: £50,000) to these companies.

During the year the company undertook the following transactions with related companies controlled by the directors: services provided £13,000 (2020: £10,000); and at 31 March 2021 the company was owed £402,000 (2020: £456,000) by the related companies and owed nil (2020: £3,000) to the related companies.

During the year the company undertook the following transaction with a company in which a director had an interest: interest receivable £490,000 (2020: £370,000). At 31 March 2021 the balance due from the related party was £3,645,000 (2020: £3,117,000). This balance comprised secured loans to the related company of £3,645,000 (2020: £3,204,000) (capital and accrued interest) and an amount due to the related party of nil (2020: £87,000). The loan is at an interest rate of 12.6% p.a. and is repayable after more than 5 years.

During the year the company undertook the following other related party transactions: the company made a loan repayment of £250,000 (2020: nil), paid loan interest of £73,000 (2020: £61,000) and paid £50,000 (2020: £50,000) for the provision of premises to a Trust the beneficiaries of whom are directors and at 31 March 2021 the company owed the Trust £1,000,000 (2020: £1,250,000); at the balance sheet date the company owed a director £2,035,000 (2020: £705,000) the loan being unsecured, interest free and repayable on demand; and the company paid £59,000 (2020: £49,000) in respect of marketing services to the daughter of a director.

31 Cash (absorbed by)/generated from operations

	2021 £000's	2020 £000's
Profit for the period after tax	526	2,166
Adjustments for:		
Finance costs	406	434
Investment income	(490)	(370)
Loss on disposal of tangible fixed assets	31	1
Depreciation and impairment of tangible fixed assets	323	335
Movements in working capital:		
Decrease/(increase) in stocks	322	(416)
(Increase)/decrease in debtors	(3,047)	2,665
Increase/(decrease) in creditors	854	(2,997)
Cash (absorbed by)/generated from operations	(1,075)	1,818

C SPENCER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

32 Analysis of changes in net debt

	1 April 2020	Cash flows	31 March 2021
	£000's	£000's	£000's
Cash at bank and in hand	1,488	(237)	1,251
Bank overdrafts	(4,275)	(75)	(4,350)
	(2,787)	(312)	(3,099)
Borrowings excluding overdrafts	(3,750)	(1,203)	(4,953)
Obligations under finance leases	(148)	115	(33)
	(6,685)	(1,400)	(8,085)