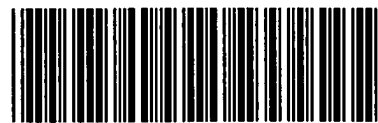


Company registration number 02605319 (England and Wales)

FICHTNER CONSULTING ENGINEERS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

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FICHTNER CONSULTING ENGINEERS LIMITED

COMPANY INFORMATION

Directors	Dr E J Weatherby Mr P M Eddy Mr S M Othen Mr D S Abernethy Mr R J Hawcutt Mrs E L Edgley Mr T Herzig Mr M Wilfer
Secretary	Mrs E L Edgley
Company number	02605319
Registered office	Kingsgate Wellington Road North Stockport Cheshire SK4 1LW
Auditor	Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW

FICHTNER CONSULTING ENGINEERS LIMITED

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FICHTNER CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Fair review of the business

During 2022 our turnover increased to £23,450,205 due to a healthy increase in sales and busy market sectors. Our staff numbers continue to grow at a steady rate as planned, to provide sustainable growth. Sales were very good with significant roles on a number of new construction projects, both energy from waste and thermal power projects which give us a good level of base load revenue for the next three years. Renewables, in particular solar, has been very busy with new solar farms being planned. Diversification into new business sectors continues at a faster pace than we had predicted, but most work remains at the feasibility/development stage. There is a growing focus on biofuels, carbon capture, hydrogen, pumped storage and other low carbon technology.

We continue to invest in internal training and improvements to many of our systems such as IT and quality. In particular, cyber security has been a focus due to the increased risk of attacks. We have a low level of bad debt and our focus on reducing overspend on projects has improved the running of the business. The branch offices in Belfast and Dublin are now fully established and have been a key source of new work. In the year we have also opened an office in Glasgow to make it easier to manage projects in Scotland. We have been carbon neutral since 2019 by reducing our carbon footprint and buying offsets to compensate unavoidable carbon dioxide emissions from heating and travel. We also have a very active electric vehicle leasing scheme to reduce carbon miles.

We are very positive with regards to 2023. Several construction projects are proceeding well with some others close to commencement. We are supporting a number of opportunities for future energy developments in the energy transition sector where our business is becoming increasingly focussed. Our strategy remains to continue to diversify into new business sectors, with a focus on zero carbon sectors, which require our core skills to allow us to continue our organic growth.

On behalf of the board



Dr E J Weatherby
Director

14 February 2023

FICHTNER CONSULTING ENGINEERS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company in the year under review was that of technical consultants to the process, power, renewables and industrial sectors.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £3,746,305. The directors do not recommend payment of a final dividend.

Directors

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

Dr E J Weatherby
Mr P M Eddy
Mr S M Othen
Mr D S Abernethy
Mr R J Hawcutt
Mrs E L Edgley
Mr T Herzig
Mr M Wilfer

Auditor

In accordance with the company's articles, a resolution proposing that Simpson Wood Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



Dr E J Weatherby
Director

14 February 2023

FICHTNER CONSULTING ENGINEERS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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;
- 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.

FICHTNER CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED

Opinion

We have audited the financial statements of Fichtner Consulting Engineers Limited (the 'company') for the year ended 31 December 2022 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

FICHTNER CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS 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 or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

FICHTNER CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining and understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

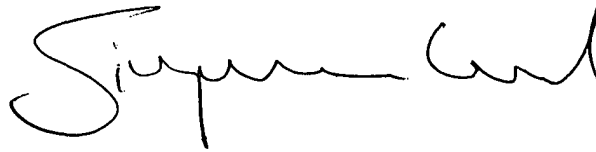
FICHTNER CONSULTING ENGINEERS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED

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.



Mark Fielding FCA
Senior Statutory Auditor
For and on behalf of Simpson Wood Limited

14 February 2023

Chartered Accountants
Statutory Auditor

Bank Chambers
Market Street
Huddersfield
HD1 2EW

FICHTNER CONSULTING ENGINEERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	23,450,205	20,086,363
Cost of sales		(2,281,675)	(1,589,678)
Gross profit		21,168,530	18,496,685
Administrative expenses		(15,873,247)	(13,854,992)
Other operating income		262,886	333,632
Operating profit	4	5,558,169	4,975,325
Interest receivable and similar income	8	28,865	5,572
Change in fair value of fixed asset investments	9	(565,033)	176,403
Profit before taxation		5,022,001	5,157,300
Tax on profit	10	(933,488)	(1,050,341)
Profit for the financial year		4,088,513	4,106,959

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

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	£	£
Profit for the year	4,088,513	4,106,959
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,088,513</u>	<u>4,106,959</u>

FICHTNER CONSULTING ENGINEERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	12	102,333		136,367	
Investments	13	2,525,067		3,097,087	
		<u>2,627,400</u>		<u>3,233,454</u>	
Current assets					
Stocks	15	874,747		735,077	
Debtors	16	3,946,039		3,787,273	
Cash at bank and in hand		8,092,545		6,305,492	
		<u>12,913,331</u>		<u>10,827,842</u>	
Creditors: amounts falling due within one year	17	(6,644,391)		(5,356,164)	
Net current assets		<u>6,268,940</u>		<u>5,471,678</u>	
Total assets less current liabilities		<u>8,896,340</u>		<u>8,705,132</u>	
Provisions for liabilities					
Deferred tax liability	18	15,000		166,000	
		<u>(15,000)</u>		<u>(166,000)</u>	
Net assets		<u>8,881,340</u>		<u>8,539,132</u>	
Capital and reserves					
Called up share capital	20	315,000		315,000	
Share premium account		97,500		97,500	
Profit and loss reserves		8,468,840		8,126,632	
Total equity		<u>8,881,340</u>		<u>8,539,132</u>	

The financial statements were approved by the board of directors and authorised for issue on 14 February 2023 and are signed on its behalf by:



Dr E J Weatherby
Director

Company Registration No. 02605319

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2021		315,000	97,500	9,340,731	9,753,231
Year ended 31 December 2021:					
Profit and total comprehensive income for the year		-	-	4,106,959	4,106,959
Dividends	11	-	-	(5,321,058)	(5,321,058)
Balance at 31 December 2021		315,000	97,500	8,126,632	8,539,132
Year ended 31 December 2022:					
Profit and total comprehensive income for the year		-	-	4,088,513	4,088,513
Dividends	11	-	-	(3,746,305)	(3,746,305)
Balance at 31 December 2022		315,000	97,500	8,468,840	8,881,340

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Cash flows from operating activities					
Cash generated from operations	24	6,849,598		3,902,122	
Income taxes paid		(1,351,584)		(841,544)	
Net cash inflow from operating activities		<u>5,498,014</u>		<u>3,060,578</u>	
Investing activities					
Purchase of tangible fixed assets		(508)		(17,092)	
Proceeds from disposal of investments		6,987		(483,719)	
Interest received		19,265		5,159	
Dividends received		9,600		413	
Net cash generated from/(used in) investing activities			<u>35,344</u>		<u>(495,239)</u>
Financing activities					
Dividends paid		(3,746,305)		(5,321,058)	
Net cash used in financing activities			<u>(3,746,305)</u>		<u>(5,321,058)</u>
Net increase/(decrease) in cash and cash equivalents			<u>1,787,053</u>		<u>(2,755,719)</u>
Cash and cash equivalents at beginning of year		6,305,492		9,061,211	
Cash and cash equivalents at end of year		<u>8,092,545</u>		<u>6,305,492</u>	

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Fichtner Consulting Engineers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kingsgate, Wellington Road North, Stockport, Cheshire, SK4 1LW.

1.1 Accounting convention

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

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

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

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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

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

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for the work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the total outcome of a contract cannot be estimated reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

1.5 Tangible fixed assets

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

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

Leasehold improvements	in accordance with the property
Fixtures and fittings	10% - 20% reducing balance

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 credited or charged to profit or loss.

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Impairment of fixed assets

At each reporting period 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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

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

1.7 Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

1.8 Cash at bank and in hand

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

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

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

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

Basic financial assets

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

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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 profit or loss.

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 profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

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

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

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

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

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

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

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.12 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 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.

1.14 Retirement benefits

The company operates a defined contribution pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

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

1.16 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.

1.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The monetary items of the overseas branch have been translated into sterling from their functional currency at the rate of exchange ruling at the balance sheet date. The results of the overseas branches are translated at an average rate.

1.18 Significant judgements and estimates

In preparing the financial statements the Directors apply certain judgements and estimates in arriving at the valuation of work in progress and accrued expenses. These are applied on a consistent basis.

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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.

3 Turnover and other revenue

	2022 £	2021 £
Other revenue		
Interest income	19,265	5,159
Dividends received	9,600	413
Grants received	-	34,658
R&D tax credit	262,886	298,974

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	26,489	16,769
Government grants	-	(34,658)
Depreciation of owned tangible fixed assets	34,542	29,997
Operating lease charges	608,871	602,792

5 Auditor's remuneration

	2022 £	2021 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	8,435	8,035
For other services		
All other non-audit services	12,245	11,665

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Directors' remuneration

	2022 £	2021 £
Remuneration for qualifying services	875,067	849,903
Company pension contributions to defined contribution schemes	77,268	77,715
	<u>952,335</u>	<u>927,618</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 6 (2021 - 6).

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

	2022 £	2021 £
Remuneration for qualifying services	221,009	211,618
Company pension contributions to defined contribution schemes	10,000	10,000
	<u>231,009</u>	<u>221,618</u>

7 Employees

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

	2022 Number	2021 Number
Technical, management and sales	127	118
Administration	17	17
Total	<u>144</u>	<u>135</u>

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	11,101,030	10,266,702
Social security costs	1,473,454	1,298,962
Pension costs	607,414	510,759
	<u>13,181,898</u>	<u>12,076,423</u>

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Interest receivable and similar income

	2022 £	2021 £
Interest income		
Interest on bank deposits	12,250	1,898
Other interest income	7,015	3,261
Total interest revenue	19,265	5,159
Other income from investments		
Dividends received	9,600	413
Total income	28,865	5,572

9 Change in fair value of fixed asset investments

	2022 £	2021 £
Loss on disposal of investments held at fair value	(278,467)	(538,411)
Increase in value of investments held at fair value	(286,566)	714,814
	(565,033)	176,403

10 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	1,080,901	896,426
Adjustments in respect of prior periods	3,587	80,915
Total current tax	1,084,488	977,341
Deferred tax		
Origination and reversal of timing differences	(151,000)	73,000
Total tax charge	933,488	1,050,341

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

10 Taxation

(Continued)

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

	2022 £	2021 £
Profit before taxation	5,022,001	5,157,300
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	954,180	979,887
Tax effect of expenses that are not deductible in determining taxable profit	122,280	109,183
Tax effect of income not taxable in determining taxable profit	(50,688)	(192,698)
Adjustments in respect of prior years	53,536	80,915
Depreciation in excess of capital allowances	5,180	54
Deferred tax movement	(151,000)	73,000
Taxation charge for the year	933,488	1,050,341

11 Dividends

	2022 £	2021 £
Interim paid	3,746,305	5,321,058

12 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	609,524	501,720	1,111,244
Additions	-	508	508
At 31 December 2022	609,524	502,228	1,111,752
Depreciation and impairment			
At 1 January 2022	499,733	475,144	974,877
Depreciation charged in the year	26,464	8,078	34,542
At 31 December 2022	526,197	483,222	1,009,419
Carrying amount			
At 31 December 2022	83,327	19,006	102,333
At 31 December 2021	109,791	26,576	136,367

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

13 Fixed asset investments

	2022 £	2021 £
Listed investments	2,525,067	3,097,087

Fixed asset investments revalued

Financial assets are measured at quoted market price in an active market.

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 January 2022	3,097,087
Valuation changes	(286,566)
Income reinvested	(6,248)
Fund charges	(17,514)
Disposals	(261,692)
At 31 December 2022	2,525,067
Carrying amount	
At 31 December 2022	2,525,067
At 31 December 2021	3,097,087

14 Financial instruments

	2022 £	2021 £
Carrying amount of financial assets		
Instruments measured at fair value through profit or loss	2,525,067	3,097,087

Financial assets are measured at quoted market price in an active market.

15 Stocks

	2022 £	2021 £
Contract work in progress	874,747	735,077

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

16 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	3,219,381	3,135,698
Corporation tax recoverable	142,387	-
Amounts owed by group undertakings	42,805	134,300
Prepayments and accrued income	541,466	517,275
	<u>3,946,039</u>	<u>3,787,273</u>

17 Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	50,442	67,422
Corporation tax	-	124,709
Other taxation and social security	1,159,733	910,563
Other creditors	704,673	416,725
Accruals and deferred income	4,729,543	3,836,745
	<u>6,644,391</u>	<u>5,356,164</u>

18 Deferred taxation

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

	Liabilities 2022	Liabilities 2021
	£	£
Balances:		
Accelerated capital allowances	9,000	16,000
Revaluations	6,000	150,000
	<u>15,000</u>	<u>166,000</u>
Movements in the year:		2022
		£
Liability at 1 January 2022		166,000
Credit to profit or loss		(151,000)
Liability at 31 December 2022		<u>15,000</u>

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

19 Retirement benefit schemes

	2022	2021
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	607,414	510,759

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date the company had a commitment in respect of payments to the defined contribution pension scheme of £74,814 (2021 - £46,084).

20 Share capital

	2022	2021	2022	2021
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	315,000	315,000	315,000	315,000

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

21 Related party transactions

Transactions with related parties

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

	Sales		Purchases	
	2022	2021	2022	2021
	£	£	£	£
Entities with control, joint control or significant influence over the company	270,956	287,280	260,344	74,066
Fellow subsidiaries	33,794	163,248	94,569	5,069
	<u>270,956</u>	<u>287,280</u>	<u>260,344</u>	<u>74,066</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due to related parties		
Fichtner Employee Benefit Trust - A shareholder of the entity	583,480	370,460
	<u>583,480</u>	<u>370,460</u>

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	42,805	134,300
	<u>42,805</u>	<u>134,300</u>

22 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:

	2022	2021
	£	£
Within one year	359,320	311,096
Between two and five years	614,500	799,845
	<u>973,820</u>	<u>1,110,941</u>

23 Ultimate controlling party

The ultimate controlling party is Fichtner GmbH & Co KG.

This is a company incorporated in Germany.

FICHTNER CONSULTING ENGINEERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

24 Cash generated from operations

	2022 £	2021 £
Profit for the year after tax	4,088,513	4,106,959
Adjustments for:		
Taxation charged	933,488	1,050,341
Investment income	(28,865)	(5,572)
Depreciation and impairment of tangible fixed assets	34,542	29,997
Other gains and losses	565,033	(176,403)
Movements in working capital:		
Increase in stocks	(139,670)	(114,849)
Increase in debtors	(16,379)	(628,024)
Increase/(decrease) in creditors	1,412,936	(360,327)
Cash generated from operations	<u>6,849,598</u>	<u>3,902,122</u>

25 Analysis of changes in net funds

	1 January 2022 £	Cash flows £	31 December 2022 £
Cash at bank and in hand	<u>6,305,492</u>	<u>1,787,053</u>	<u>8,092,545</u>