

Peerless Europe Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2020

Lambert Chapman LLP
Statutory Auditors
3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB



Peerless Europe Limited

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Peerless Europe Limited

Company Information

Directors	M K Eckl
	D A Barker
	J L Turner
	E Sinha
Company secretary	J L Turner
Registered office	3rd Floor, Endeavour House Coopers End Road London Stansted Airport Stansted Essex CM24 1SJ
Solicitors	Ashton Legal 81 Guildhall Street Bury St Edmunds Suffolk IP33 1PZ
Auditors	Lambert Chapman LLP Statutory Auditors 3 Warners Mill Silks Way Braintree Essex CM7 3GB

Peerless Europe Limited

Strategic Report for the Year Ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Principal activity

The principal activity of the group is the design and supply of a wide range of compact, high efficiency separation, filtration and silencing equipment and providing cost-effective solutions for industrial customers faced with air pollution control issues.

Fair review of the business

The report covers the twelve months ended 31 December 2020.

During the year, Peerless Europe Limited acquired 100% of Environmental Integrated Solutions Limited.

During 2020, Group turnover was £19,456k (£15,427k for 2019). The gross margin increased to 26.61%, a 5.23% increase over the previously reported period.

The decrease on the total overhead of Peerless Europe Limited was due to the transfer of UAE related expenses from the Dubai branch of Peerless Europe Limited branch to the legal entity established in the UAE. Employee cost and rents were charged to the said entity starting in January 2020.

The Group recognised a benefit of £98k due to currency fluctuations. Whilst the GBP did fluctuate a bit in 2020, the overall impact was minimal.

The Company employs a range of indicators to monitor performance monthly, quarterly and year on year. Core indicators of sales, margins, profitability and financial stability are periodically augmented by KPIs specific to improvement projects.

Principal risks and uncertainties

Within the business there are a number of normal commercial risks which may affect the performance of the Company. These risks are subject to regular review and, where required, processes are established to minimise the level of exposure.

Operating expenses - these are continually monitored. A budget is prepared annually and forecasts are prepared monthly. Revenue and expenses are reviewed each month against forecast.

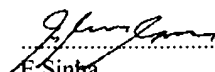
Working capital - this is part of the annual budget and monthly forecasts. Contractual terms are monitored closely to ensure invoices are billed and collected per the terms and conditions agreed to. Peerless Europe is effective at matching contractual terms from customers with the terms given to subcontractors to manage cash flow.

Financial risk - credit risk is addressed by carrying out regular credit checks of our customers with a reputable credit risk agency.

Currency risk - the growing level of trade with overseas companies leads to an increased risk from currency movements. The company aims to mitigate the risk by transacting in the same currencies throughout each contract wherever possible.

Impact of the United Kingdom's exit from the EU - the UK left the EU on 31 January 2020 and the Brexit transition period ended on 31 December 2020 with a Trade and Co-operation Agreement (TCA) in place between the UK and EU. We have been assessing the potential impact (increased cost of capital, foreign exchange rate exposures, supply chain continuity, taxation and changes in custom duty) on the company of Brexit and UK's future global relationships and have not identified any significant risk to our business.

Approved by the Board on 22/12/2021 and signed on its behalf by:


E Sinha
Director

Peerless Europe Limited

Directors' Report for the Year Ended 31 December 2020

The directors present their report and the consolidated financial statements for the year ended 31 December 2020.

Directors of the group

The directors who held office during the year were as follows:

M K Eckl

D A Barker

J L Turner - Company secretary and director

D R Sadlowski (resigned 6 July 2020)

M H Padden (resigned 15 September 2020)

E Sinha (appointed 15 September 2020)

Branches outside the United Kingdom

The company has a branch which operates in Dubai.

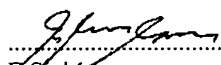
Disclosure of information to the auditor

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

Reappointment of auditors

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of Lambert Chapman LLP as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board on 22/12/2021 and signed on its behalf by:


.....
E Sinha
Director

Peerless Europe Limited

Statement of Directors' Responsibilities

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

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

Peerless Europe Limited

Independent Auditor's Report to the Members of Peerless Europe Limited

Opinion

We have audited the financial statements of Peerless Europe Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2020, which comprise the Consolidated Profit and Loss Account, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Peerless Europe Limited

Independent Auditor's Report to the Members of Peerless Europe Limited

Matters on which we are required to report by exception

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities [set out on page 4], 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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:

- 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 from our knowledge and experience of the sector within which the company operates;
- 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, including the Companies Act 2006, taxation legislation, employment laws and health and safety legislation;
- 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.

Peerless Europe Limited

Independent Auditor's Report to the Members of Peerless Europe Limited

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an 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, suspected 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;
- enquiring of management as to actual and potential litigation and claims.

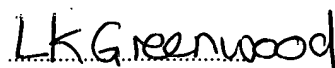
There are inherent limitations in our audit procedures described above. The more removed the laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance 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: 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.



Lisa Greenwood FCCA (Senior Statutory Auditor)
For and on behalf of Lambert Chapman LLP, Statutory Auditor

3 Warners Mill
Silks Way
Braintree
Essex
CM7 3GB

Date: 22.12.2024

Peerless Europe Limited

Consolidated Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	3	19,456,290	15,427,210
Cost of sales		<u>(14,279,320)</u>	<u>(12,128,372)</u>
Gross profit		5,176,970	3,298,838
Administrative expenses		<u>(3,142,051)</u>	<u>(2,968,627)</u>
Operating profit	4	<u>2,034,919</u>	<u>330,211</u>
Exceptional items	5	(730,557)	-
Income from shares in group undertakings		3,211,798	-
Other interest receivable and similar income	6	57,295	28,556
Interest payable and similar expenses	7	<u>(57,078)</u>	<u>(4,796)</u>
		<u>2,481,458</u>	<u>23,760</u>
Profit before tax		4,516,377	353,971
Tax on profit	11	<u>(439,004)</u>	<u>(155,417)</u>
Profit for the financial year		<u>4,077,373</u>	<u>198,554</u>
Profit/(loss) attributable to:			
Owners of the company		<u>4,077,373</u>	<u>198,554</u>

The group has no recognised gains or losses for the year other than the results above.

Peerless Europe Limited

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020 £	2019 £
Profit for the year	<u>4,077,373</u>	<u>198,554</u>
Total comprehensive income for the year	<u>4,077,373</u>	<u>198,554</u>
Total comprehensive income attributable to:		
Owners of the company	<u>4,077,373</u>	<u>198,554</u>

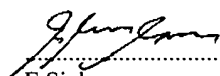
Peerless Europe Limited

(Registration number: 02627558)

Consolidated Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	12	9,685,755	-
Tangible assets	13	53,536	16,002
Investments	14	36,555	-
		<u>9,775,846</u>	<u>16,002</u>
Current assets			
Stocks	15	639,102	80,904
Debtors	16	13,287,862	14,567,852
Cash at bank and in hand		4,504,276	1,608,488
		<u>18,431,240</u>	<u>16,257,244</u>
Creditors: Amounts falling due within one year	18	<u>(9,998,370)</u>	<u>(9,531,170)</u>
Net current assets		<u>8,432,870</u>	<u>6,726,074</u>
Total assets less current liabilities		<u>18,208,716</u>	<u>6,742,076</u>
Creditors: Amounts falling due after more than one year	18	<u>(7,917,123)</u>	<u>(599,459)</u>
Provisions for liabilities	19	<u>(228,586)</u>	<u>(156,983)</u>
Net assets		<u>10,063,007</u>	<u>5,985,634</u>
Capital and reserves			
Called up share capital	21	7,468,261	7,468,261
Other reserves		503,172	503,172
Profit and loss account		2,091,574	(1,985,799)
Equity attributable to owners of the company		<u>10,063,007</u>	<u>5,985,634</u>
Shareholders' funds		<u>10,063,007</u>	<u>5,985,634</u>

Approved and authorised by the Board on 22/12/2021 and signed on its behalf by:


 E Sinha
 Director

Peerless Europe Limited

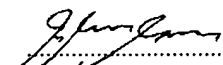
(Registration number: 02627558)
Balance Sheet as at 31 December 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	34,145	16,002
Investments	14	13,792,113	-
		<u>13,826,258</u>	<u>16,002</u>
Current assets			
Stocks	15	99,634	80,904
Debtors	16	12,171,368	14,567,852
Cash at bank and in hand		2,418,791	1,608,488
		<u>14,689,793</u>	<u>16,257,244</u>
Creditors: Amounts falling due within one year	18	<u>(10,605,042)</u>	<u>(9,531,170)</u>
Net current assets		<u>4,084,751</u>	<u>6,726,074</u>
Total assets less current liabilities		17,911,009	6,742,076
Creditors: Amounts falling due after more than one year	18	(7,917,123)	(599,459)
Provisions for liabilities	19	<u>(225,472)</u>	<u>(156,983)</u>
Net assets		<u>9,768,414</u>	<u>5,985,634</u>
Capital and reserves			
Called up share capital	21	7,468,261	7,468,261
Other reserves		503,172	503,172
Profit and loss account		<u>1,796,981</u>	<u>(1,985,799)</u>
Shareholders' funds		<u>9,768,414</u>	<u>5,985,634</u>

The company made a profit after tax for the financial year of £3,782,780 (2019 - profit of £198,554).

The company is exempt from presenting its individual Profit and Loss Account under section 408 of the Companies Act 2006.

Approved and authorised by the Board on 22/12/2021 and signed on its behalf by:


E Sinha
Director

Peerless Europe Limited

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2020
Equity attributable to the parent company

	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2020	7,468,261	503,172	(1,985,799)	5,985,634	5,985,634
Profit for the year	-	-	4,077,373	4,077,373	4,077,373
Total comprehensive income	-	-	4,077,373	4,077,373	4,077,373
At 31 December 2020	7,468,261	503,172	2,091,574	10,063,007	10,063,007
	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £	Total equity £
At 1 January 2019	7,468,261	503,172	(2,184,353)	5,787,080	5,787,080
Profit for the year	-	-	198,554	198,554	198,554
Total comprehensive income	-	-	198,554	198,554	198,554
At 31 December 2019	7,468,261	503,172	(1,985,799)	5,985,634	5,985,634

The notes on pages 16 to 29 form an integral part of these financial statements.

Peerless Europe Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 January 2020	7,468,261	503,172	(1,985,799)	5,985,634
Profit for the year	-	-	3,782,780	3,782,780
Total comprehensive income	-	-	3,782,780	3,782,780
At 31 December 2020	<u>7,468,261</u>	<u>503,172</u>	<u>1,796,981</u>	<u>9,768,414</u>
	Share capital £	Non-distributable reserve £	Profit and loss account £	Total £
At 1 January 2019	7,468,261	503,172	(2,184,353)	5,787,080
Profit for the year	-	-	198,554	198,554
Total comprehensive income	-	-	198,554	198,554
At 31 December 2019	<u>7,468,261</u>	<u>503,172</u>	<u>(1,985,799)</u>	<u>5,985,634</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Peerless Europe Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year after tax		4,077,373	198,554
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	626,535	12,396
Increase in provisions		68,902	30,925
Exceptional items	5	730,557	-
Income tax expense	11	439,004	155,417
Foreign exchange difference on inter-company loan		58,536	-
Capital distribution upon liquidation of subsidiary		(3,211,798)	-
		<u>2,789,109</u>	<u>397,292</u>
Working capital adjustments			
(Increase)/decrease in stocks	15	(297,344)	61,229
Decrease in debtors	16	4,532,009	2,024,331
Decrease in creditors	18	(3,591,561)	(430,792)
Cash generated from operations		<u>3,432,213</u>	<u>2,052,060</u>
Income taxes paid	11	(1,409,757)	(303,373)
Net cash flow from operating activities		<u>2,022,456</u>	<u>1,748,687</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(42,682)	(5,361)
Acquisition of subsidiary (net of cash acquired)	12	(5,742,636)	-
Repayment of loan		208	-
Net cash flows from investing activities		<u>(5,785,110)</u>	<u>(5,361)</u>
Cash flows from financing activities			
Repayment of other borrowing		-	599,459
New loan to CECO		(1,258,681)	(1,351,352)
Loan from CECO		7,917,123	-
Net cash flows from financing activities		<u>6,658,442</u>	<u>(751,893)</u>
Net increase in cash and cash equivalents		<u>2,895,788</u>	<u>991,433</u>
Cash and cash equivalents at 1 January		<u>1,608,488</u>	<u>617,055</u>
Cash and cash equivalents at 31 December		<u>4,504,276</u>	<u>1,608,488</u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Peerless Europe Limited

Statement of Cash Flows for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Profit for the year after tax		3,782,780	198,554
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	24,539	12,396
Exceptional items	5	730,557	-
Increase in provisions		68,489	30,925
Income tax expense	11	238,806	155,417
Foreign exchange difference on inter-company loan		58,536	-
Capital distribution upon liquidation of subsidiary		<u>(3,211,798)</u>	<u>-</u>
		1,691,909	397,292
Working capital adjustments			
(Increase)/decrease in stocks	15	(18,730)	61,229
Decrease in debtors	16	3,871,060	2,024,331
Decrease in creditors	18	<u>(1,809,087)</u>	<u>(430,792)</u>
Cash generated from operations		3,735,152	2,052,060
Income taxes paid	11	<u>(371,189)</u>	<u>(303,373)</u>
Net cash flow from operating activities		<u>3,363,963</u>	<u>1,748,687</u>
Cash flows from investing activities			
Acquisition of subsidiary	14	(12,715,113)	-
Acquisitions of tangible assets		<u>(42,682)</u>	<u>(5,361)</u>
Net cash flows from investing activities		<u>(12,757,795)</u>	<u>(5,361)</u>
Cash flows from financing activities			
Loan from CECO		7,917,123	599,459
New loan to CECO		(1,258,681)	(1,351,352)
Loan to/(from) subsidiary company		<u>3,545,693</u>	<u>-</u>
Net cash flows from financing activities		<u>10,204,135</u>	<u>(751,893)</u>
Net increase in cash and cash equivalents		810,303	991,433
Cash and cash equivalents at 1 January		<u>1,608,488</u>	<u>617,055</u>
Cash and cash equivalents at 31 December		<u><u>2,418,791</u></u>	<u><u>1,608,488</u></u>

The notes on pages 16 to 29 form an integral part of these financial statements.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital, incorporated in England.

The address of its registered office is:

3rd Floor, Endeavour House, Coopers End Road, London Stansted Airport, Stansted, Essex, CM24 1SJ.

The principal place of business is:

3rd Floor, Endeavour House, Coopers End Road, London Stansted Airport, Stansted, Essex, CM24 1SJ.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention.

These financial statements are presented in Sterling (£), which is the company's functional currency.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2020.

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

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Going concern

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

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Judgements

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.

Key sources of estimation uncertainty

The directors consider amounts recoverable on long term contracts as a key area of estimation uncertainty. The value of work recoverable is assessed internally on a regular basis and is reviewed for accuracy and completeness.

Revenue is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred as a proportion of total estimated costs for a contract. This method of revenue recognition creates work in progress and deferred income balances to ensure the appropriate amount of revenue is recognised in the year..

The accounts include a warranty provision which is based upon the anticipated costs that may be incurred on contracts which are still within the applicable warranty period. The carrying amount is £225,472 (2019 -£156,983).

Revenue recognition

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

Contract revenue recognition

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimate reliably. The stage of completion is calculated by comparing costs incurred, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Costs calculated on long-term contracts are shown on the Balance Sheet within creditors and are recognised by reference to the stage of completion of the contract at the Balance Sheet date.

Foreign currency transactions and balances

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Tax

Current tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

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.

Deferred tax is calculated at the tax rate 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.

Tangible assets

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

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.

Depreciation

Depreciation is charged so as to write off the cost or valuation of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Furniture, fittings and office equipment	Straight line over 3 years, straight line over 5 years and 15% reducing balance method
Plant and equipment	15% reducing balance method.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Straight line method over 10 years

Investments

All investment assets acquired by the company are initially recognised at cost and adjusted for fair value where the fair value can be reliably determined.

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.

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.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Debtors

Trade debtors are amounts due from customers for products sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is appropriate evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. There is a group-wide policy to provide for trade debts based on varying percentages of the amounts due depending upon the age of the balances concerned.

Inventories

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell, after making allowances for obsolete and slow moving items.

Stock relates to work in progress. Work in progress is recognised by reference to the costs incurred to date when the costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, as a proportion of total estimated costs. Where the outcome cannot be estimated reliably, work in progress is recognised only to the extent of the expenses recognised that it is probable will be recovered.

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

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Provisions

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event, it is probable that the group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2020	2019
	£	£
Sale of goods	<u>19,456,290</u>	<u>15,427,210</u>

The analysis of the group's turnover for the year by market is as follows:

	2020	2019
	£	£
UK	789,010	351,853
Europe	7,795,877	2,429,000
Rest of world	<u>10,871,403</u>	<u>12,646,357</u>
	<u>19,456,290</u>	<u>15,427,210</u>

4 Operating profit

Arrived at after charging/(crediting)

	2020	2019
	£	£
Depreciation expense	26,532	12,396
Amortisation expense	600,003	-
Foreign exchange gains	<u>(97,742)</u>	<u>(47,420)</u>

5 Exceptional item

Exceptional items relate to transactions with inter-company balances following the completion of the formal liquidation of Burgess Manning GmbH, a 100% owned subsidiary, on 22 September 2020.

£281,127 relates to the impairment of the inter-company balance with Peerless Manufacturing Co. transferred from Burgess Manning GmbH to Peerless Europe Limited as part of the capital distribution relating to the liquidation. In the opinion of the Directors, this balance will not be recoverable.

£449,430 relates to the write down of the inter-company balance with Burgess Manning GmbH as reflected within the Peerless Europe Limited accounting records as at the date of the formal liquidation.

The formal liquidation included the reassignment of group balances in Burgess Manning GmbH to Peerless Europe Limited, as well as the distribution of other assets. The excess distribution, after the deduction of share capital, was £3,211,798 and is reflected within the Profit & Loss Account as 'Income from shares in group undertakings'.

6 Other interest receivable and similar income

	2020	2019
	£	£
Interest income from group companies	44,333	28,556
Bank interest received	<u>12,962</u>	<u>-</u>
	<u>57,295</u>	<u>28,556</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

7 Interest payable and similar expenses

	2020 £	2019 £
Interest expense on other finance liabilities	3,235	-
Interest payable on loans from group undertakings	53,843	4,796
	<u>57,078</u>	<u>4,796</u>

8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2020 £	2019 £
Wages and salaries	1,118,074	1,497,598
Social security costs	132,415	67,313
Other short-term employee benefits	26,956	8,338
Pension costs, defined contribution scheme	65,596	57,760
Redundancy costs	43,071	-
Other employee expense	158,667	704,281
	<u>1,544,779</u>	<u>2,335,290</u>

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

	2020 No.	2019 No.
Proposals	6	6
Administration and support	1	5
Projects and engineering	-	18
Management	2	-
Sales	3	5
Project managers	7	-
Recharged	-	3
Purchasing	1	2
	<u>20</u>	<u>39</u>

9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	214,846	216,732
Contributions paid to money purchase schemes	14,777	15,108
	<u>229,623</u>	<u>231,840</u>

In respect of the highest paid director:

	2020 £	2019 £
Remuneration	193,826	216,732
Company contributions to money purchase pension schemes	14,777	15,108

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

10 Auditors' remuneration

	2020 £	2019 £
Audit of these financial statements	<u>40,129</u>	<u>29,160</u>

11 Taxation

Tax charged/(credited) in the income statement

	2020 £	2019 £
Current taxation		
UK corporation tax	438,591	155,051
UK corporation tax adjustment to prior periods	<u>-</u>	<u>366</u>
	438,591	155,417
Deferred taxation		
Arising from origination and reversal of timing differences	<u>413</u>	<u>-</u>
Tax expense in the income statement	<u>439,004</u>	<u>155,417</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2019 - the same as the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>4,516,377</u>	<u>353,971</u>
Corporation tax at standard rate	858,112	67,255
Income not taxable for tax purposes	(610,242)	-
Effect of expense not deductible in determining taxable profit (tax loss)	141,681	627
Remeasurement of deferred tax for changes in tax rates	(19,056)	(542)
Deferred tax not recognised	16,749	-
Deferred tax credit from unrecognised temporary difference from a prior period	-	(4,610)
Increase in UK and foreign current tax from adjustment for prior periods	-	366
Tax increase from effect of capital allowances and depreciation	118,171	-
Foreign PE exemption	(56,660)	92,321
Tax decrease from effect of adjustment in research and development tax credit	<u>(9,751)</u>	<u>-</u>
Total tax charge	<u>439,004</u>	<u>155,417</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2020	
Accelerated capital allowances	<u>3,114</u>

12 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
Additions acquired separately	<u>10,285,758</u>	<u>10,285,758</u>
At 31 December 2020	<u>10,285,758</u>	<u>10,285,758</u>
Amortisation		
At 1 January 2020	<u>600,003</u>	<u>600,003</u>
At 31 December 2020	<u>600,003</u>	<u>600,003</u>
Carrying amount		
At 31 December 2020	<u>9,685,755</u>	<u>9,685,755</u>

13 Tangible assets

Group

	Furniture, fittings and office equipment £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2020	371,793	30,092	401,885
Additions	<u>42,682</u>	<u>-</u>	<u>42,682</u>
At 31 December 2020	<u>414,475</u>	<u>30,092</u>	<u>444,567</u>
Depreciation			
At 1 January 2020	337,688	25,376	363,064
Charge for the year	<u>27,260</u>	<u>707</u>	<u>27,967</u>
At 31 December 2020	<u>364,948</u>	<u>26,083</u>	<u>391,031</u>
Carrying amount			
At 31 December 2020	<u>49,527</u>	<u>4,009</u>	<u>53,536</u>
At 31 December 2019	<u>16,002</u>	<u>-</u>	<u>16,002</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Company

	Furniture, fittings and office equipment £	Total £
Cost or valuation		
At 1 January 2020	325,526	325,526
Additions	<u>42,682</u>	<u>42,682</u>
At 31 December 2020	<u>368,208</u>	<u>368,208</u>
Depreciation		
At 1 January 2020	309,524	309,524
Charge for the year	<u>24,539</u>	<u>24,539</u>
At 31 December 2020	<u>334,063</u>	<u>334,063</u>
Carrying amount		
At 31 December 2020	<u>34,145</u>	<u>34,145</u>
At 31 December 2019	<u>16,002</u>	<u>16,002</u>

14 Investments

Group

Other investments

The market value of the unlisted investments at 31 December 2020 was £36,555 (2019 - £36,555).

Company

	2020 £	2019 £
Investments in subsidiaries	<u>13,792,113</u>	<u>-</u>
Subsidiaries		£
Cost or valuation		
Additions		<u>13,792,113</u>
Provision		
Carrying amount		
At 31 December 2020		<u>13,792,113</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2020	2019
Subsidiary undertakings				
Environmental Integrated Solutions Limited	Trinity Point, New Road, Halesowen, West Midlands, B63 3HY	Ordinary	100%	0%

Subsidiary undertakings

Environmental Integrated Solutions Limited

The principal activity of Environmental Integrated Solutions Limited is the supply of solutions for air pollution control issues.

15 Stocks

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Work in progress	555,959	17,579	16,491	17,579
Other inventories	83,143	63,325	83,143	63,325
	<u>639,102</u>	<u>80,904</u>	<u>99,634</u>	<u>80,904</u>

16 Debtors

	Note	Group		Company	
		2020	2019	2020	2019
		£	£	£	£
Trade debtors		3,564,069	3,307,244	2,641,472	3,307,244
Amounts owed by related parties	24	2,758,339	1,788,942	2,758,339	1,788,942
Other debtors		210,704	40,331	36,790	40,331
Prepayments		1,298,470	602,987	1,279,861	602,987
Gross amounts due from customers for contract work		5,387,314	8,828,348	5,387,314	8,828,348
Income tax asset	11	68,966	-	67,592	-
		<u>13,287,862</u>	<u>14,567,852</u>	<u>12,171,368</u>	<u>14,567,852</u>
Less non-current portion		<u>(2,565,627)</u>	<u>(1,351,352)</u>	<u>(2,565,627)</u>	<u>(1,351,352)</u>
		<u>10,722,235</u>	<u>13,216,500</u>	<u>9,605,741</u>	<u>13,216,500</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Details of non-current trade and other debtors

Group and Company

£2,565,627 (2019 - £1,351,351) of amounts owed by related parties is classified as non current. There are two loans provided to a group company amounting to \$1,685,374 and \$1,750,000 which are due for repayment on 27 November 2022 and 23 June 2024 respectively.

17 Cash and cash equivalents

	Group		Company	
	2020	2019	2020	2019
	£	£	£	£
Cash on hand	-	4,096	-	4,096
Cash at bank	4,504,276	1,604,392	2,418,791	1,604,392
	<u>4,504,276</u>	<u>1,608,488</u>	<u>2,418,791</u>	<u>1,608,488</u>

18 Creditors

		Group		Company	
	Note	2020	2019	2020	2019
		£	£	£	£
Due within one year					
Trade creditors		1,871,459	1,317,071	1,362,200	1,317,071
Amounts due to related parties	24	848,124	1,828,301	4,393,817	1,828,301
Social security and other taxes		66,927	17,995	41,083	17,995
Gross amounts due to customers for contract work		2,482,814	-	334,668	-
Accruals		4,729,046	6,303,012	4,473,274	6,303,012
Corporation tax	11	-	64,791	-	64,791
		<u>9,998,370</u>	<u>9,531,170</u>	<u>10,605,042</u>	<u>9,531,170</u>
Due after one year					
Loans and borrowings	22	<u>7,917,123</u>	<u>599,459</u>	<u>7,917,123</u>	<u>599,459</u>

19 Provisions for liabilities

Group		Warranties	Deferred tax	Total
		£	£	£
At 1 January 2020		156,983	2,701	159,684
Additional provisions		-	413	413
Increase in warranty provision		<u>68,489</u>	<u>-</u>	<u>68,489</u>
At 31 December 2020		<u>225,472</u>	<u>3,114</u>	<u>228,586</u>

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Company

	Warranties £	Deferred tax £	Total £
At 1 January 2020	156,983	-	156,983
Increase (decrease) in existing provisions	<u>68,489</u>	<u>-</u>	<u>68,489</u>
At 31 December 2020	<u>225,472</u>	<u>-</u>	<u>225,472</u>

20 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £65,596 (2019 - £57,760).

21 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>7,468,261</u>	<u>7,468,261</u>	<u>7,468,261</u>	<u>7,468,261</u>

Rights, preferences and restrictions

The ordinary shares have the following rights, preferences and restrictions:

The shares shall be non-redeemable but shall hold full rights in respect of voting and has the rights of income and capital as further set out in the Articles of Association of the Company.

22 Loans and borrowings

	Group		Company	
	2020 £	2019 £	2020 £	2019 £
Non-current loans and borrowings				
Other borrowings	<u>7,917,123</u>	<u>599,459</u>	<u>7,917,123</u>	<u>599,459</u>

Debentures including Fixed Charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 18 July 2011.

Agreement regarding specific credit balances dated 29 June 2011 and 13 October 2011.

Counter Indemnity Omnibus dated 29 July 2011.

As at the Balance Sheet date, guarantees were held in favour of customers amounting to \$2,322,560 and €2,151,130.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

23 Obligations under leases and hire purchase contracts

Group

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	92,849	62,327
Later than one year and not later than five years	60,091	121,141
	<u>152,940</u>	<u>183,468</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £109,566 (2019 - £97,353).

Company

Operating leases

The total of future minimum lease payments is as follows:

	2020	2019
	£	£
Not later than one year	92,849	62,327
Later than one year and not later than five years	60,091	121,141
	<u>152,940</u>	<u>183,468</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £53,359 (2019 - £97,353).

24 Related party transactions

Company

The company has taken advantage of the exemptions available from disclosing transactions with other members of the group in accordance with FRS 102 section 33.1a.

Key management compensation

	2020	2019
	£	£
Salaries and other short term employee benefits	105,546	128,163
Pensions	14,777	15,108
	<u>120,323</u>	<u>143,271</u>

25 Parent and ultimate parent undertaking

The company's immediate parent is Peerless Mfg Co., incorporated in the USA.

These financial statements are available upon request from Corporate Secretary, Peerless Mfg. Co., 14651 North Dallas Pkwy, Suite 500, Dallas, Texas, TX 75254, USA.

The ultimate controlling party is CECO Environmental Corp, incorporated in the USA.

Peerless Europe Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

26 Non adjusting events after the financial period

The impact of COVID-19 on the company is summarised below:

Revenue

There will be a hit on the revenue for FY2021 due to slippage of revenues to Y2022 and further projects being kept on hold for Y2021.

SG&A

Most of the UAE-related expenses have been transferred to CECO Environmental Middle East DMCC, thus SG&A expenditure has decreased compared to previous years.

Contingency plans were put in place as follows:

- Travelling was put on hold due to restrictions on travel imposed by the UK Government;
- Recruitment of new staff was put on hold.

Second Lockdown

The second lockdown was predominately UK focused, we were already set up to work from home and so we have seen minimal impact from an operational perspective.

Oil & Gas Market

The oil and gas market slowed in 2020 as business and operators came to terms with the pandemic. In 2021, we have seen a backlog of projects kicking off as clients cannot wait any longer to restart. A full recovery will take much longer but, as the business diversified into power and water, we are well placed to weather the downturn in the oil and gas market.

Competitors

A number of our competitors are in pure oil and gas and they have had to go through restructuring as the market stalled for 6 months and continue to look slow for much of 2021.