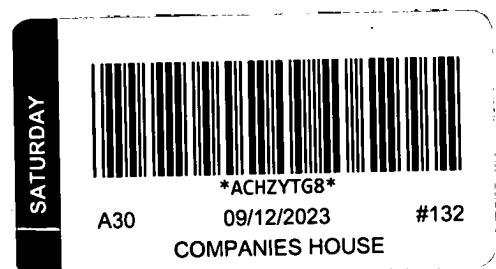


Registration number: 02627558

# Peerless Europe Limited

Annual Report and Consolidated Financial Statements  
for the Year Ended 31 December 2022

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



# Peerless Europe Limited

## Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report post June 2016	5 to 8
Consolidated Profit and Loss Account	9
Consolidated Statement of Comprehensive Income	10
Consolidated Balance Sheet	11
Balance Sheet	12
Consolidated Statement of Changes in Equity	13
Statement of Changes in Equity	14
Consolidated Statement of Cash Flows	15
Statement of Cash Flows	16
Notes to the Financial Statements	17 to 34

## **Peerless Europe Limited**

### **Company Information**

<b>Directors</b>	D A Barker J L Turner E Sinha P K Johansson Ms Joycelynn Watkins-Asiyanbi
<b>Company secretary</b>	J L Turner
<b>Registered office</b>	3rd Floor, Endeavour House Coopers End Road London Stansted Airport Stansted Essex CM24 1SJ
<b>Solicitors</b>	Ashton Legal 81 Guildhall Street Bury St Edmunds Suffolk IP33 1PZ
<b>Auditors</b>	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 2022

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

#### Principal activity

The principal activity of the Group is the manufacture, 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. The industries the Group serves include petrochemical processing, general industrial, midstream oil & gas and produce water treatment along with a wide range of other industries

#### Fair review of the business

The report covers the twelve months ended 31 December 2022.

During 2022, Group turnover was £28.426m (£24.447m for 2021). The gross margin decreased to 20.4%, a 5% decrease over the previously reported period. The company recognised a benefit of £1.001m (2021: £0.239m) due to currency fluctuations. EBITDA for the group was £2.458m (2021: £3.560m)

In 2022, the company acquired the entire shares of Western Air Ducts (UK) Limited, a company involved in the manufacture and supply of air ducts.

#### Operations Overview

The Group's operations management team has distinct industry expertise coupled with strong leadership skills in a customer-first mindset.

Within our Group we have monthly business reviews to ensure we are serving customers, achieving our operating plan, and executing strategic growth initiatives. These reviews include, but are not limited to quotation reviews, project management reviews, financial and KPI analysis (YoY review for Orders, Revenue and EBITDA, Variance Analysis on forecast versus actual versus annual budget), safety and customer feedback. In these reviews, we focus on metrics such as quality, customer satisfaction, on-time delivery, lead-times, price, inflation, project margins, backlog, and above all, safety.

#### Principal risks and uncertainties

Within the business there are a number of normal commercial risks which may affect the performance of the Group. These risks are subject to regular review and, where appropriate, 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. The Group 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 Group aims to mitigate the risk by transacting in the same currencies throughout each contract wherever possible.

Approved and authorised by the Board on 5/12/23 and signed on its behalf by:

  
E Sinha  
Director

## Peerless Europe Limited

### Directors' Report for the Year Ended 31 December 2022

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

#### Directors of the group

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

M K Eckl (ceased 14 August 2022)

D A Barker

J L Turner - Company secretary and director

E Sinha

P K Johansson (appointed 15 August 2022)

The following director was appointed after the year end:

Ms Joycelynn Watkins-Asiyanbi (appointed 17 July 2023)

#### Important non adjusting events after the financial period

CECO Environmental completed the acquisition of Malvar Engineering Limited on 9 January 2023.

Malvar Engineering Limited is a subsidiary of Peerless Europe Limited. Malvar Engineering Limited has two subsidiaries:

- Arkanum Management Limited
- Wakefield Acoustics Limited

Wakefield Acoustics Limited is the main trading company within the group. The addition to CECO's Thermal Acoustics business platform advances CECO's leadership position within the industrial silencing and noise attenuation segment by adding a range of solutions and access to new geographic markets and industrial segments.

#### 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 and authorised by the Board on 5/12/23 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 group and the company and of the profit or loss of the group 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 group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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**

#### **Qualified 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 2022, 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, except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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 2022 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 qualified opinion**

The audit report in respect of the subsidiary; Western Air Ducts (UK) Limited has been qualified. A qualified opinion was issued by their auditors due to them not being appointed until March 2023, as such they were not able to observe the counting of physical stock at the year end date.

They were unable to satisfy themselves by alternative means concerning the stock quantities held at 30 November 2021, which are included in the prior year balance sheet and opening stock in the current year profit and loss account at £144,235 by other audit procedures. They were also unable to attend the stock count for the year ended 31 December 2022, which included the closing stock within the balance sheet at £334,742. Consequently they were unable to determine whether any adjustment to this amount was necessary. We have concluded that where the other information refers to the inventory balance or related balances such as cost of sales and gross profit, it may be materially misstated for the same reason.

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 qualified 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.

## **Peerless Europe Limited**

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

#### **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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, 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.

#### **Matters on which we are required to report by exception**

Except for the matter described in the basis for qualified opinion section of our report, 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 Director's Report 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:

- 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 obtained all the information and explanations that we considered necessary for the purpose of our audit.
- we were unable to determine whether adequate accounting records have been kept.

#### **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.



## **Peerless Europe Limited**

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

#### **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.

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.

## Peerless Europe Limited

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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: 8 December 2023

## Peerless Europe Limited

### Consolidated Profit and Loss Account for the Year Ended 31 December 2022

		(As restated)	
	Note	2022 £	2021 £
Turnover	3	28,426,023	24,446,654
Cost of sales		<u>(22,627,716)</u>	<u>(18,202,171)</u>
Gross profit		5,798,307	6,244,483
Administrative expenses		<u>(4,807,020)</u>	<u>(3,728,994)</u>
Operating profit	4	<u>991,287</u>	<u>2,515,489</u>
Exceptional items	5	-	(4,522)
Other interest receivable and similar income	6	52,402	50,425
Interest payable and similar expenses	7	<u>(88,898)</u>	<u>(77,259)</u>
		<u>(36,496)</u>	<u>(31,356)</u>
Profit before tax		954,791	2,484,133
Tax on profit	11	<u>(613,683)</u>	<u>(615,209)</u>
Profit for the financial year		<u>341,108</u>	<u>1,868,924</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>341,108</u>	<u>1,868,924</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 2022

	(As restated)	
	2022	2021
	£	£
Profit for the year	<u>341,108</u>	<u>1,868,924</u>
Total comprehensive income for the year	<u><u>341,108</u></u>	<u><u>1,868,924</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u><u>341,108</u></u>	<u><u>1,868,924</u></u>

The notes on pages 17 to 34 form an integral part of these financial statements.

**Peerless Europe Limited**  
**(Registration number: 02627558)**  
**Consolidated Balance Sheet as at 31 December 2022**

			(As restated)
	Note	2022 £	2021 £
<b>Fixed assets</b>			
Intangible assets	12	14,672,728	8,657,179
Tangible assets	13	140,503	32,845
Investments	14	<u>36,555</u>	<u>36,555</u>
		<u>14,849,786</u>	<u>8,726,579</u>
<b>Current assets</b>			
Stocks	15	538,916	94,207
Debtors	16	26,608,947	18,966,045
Cash at bank and in hand		<u>5,078,818</u>	<u>4,974,444</u>
		32,226,681	24,034,696
<b>Creditors: Amounts falling due within one year</b>	18	<u>(22,832,293)</u>	<u>(16,247,133)</u>
<b>Net current assets</b>		<u>9,394,388</u>	<u>7,787,563</u>
<b>Total assets less current liabilities</b>		24,244,174	16,514,142
<b>Creditors: Amounts falling due after more than one year</b>	18	(11,682,583)	(4,460,258)
<b>Provisions for liabilities</b>	19	<u>(288,552)</u>	<u>(121,953)</u>
<b>Net assets</b>		<u><u>12,273,039</u></u>	<u><u>11,931,931</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	7,468,261	7,468,261
Other reserves		503,172	503,172
Retained earnings		<u>4,301,606</u>	<u>3,960,498</u>
Equity attributable to owners of the company		<u>12,273,039</u>	<u>11,931,931</u>
Shareholders' funds		<u><u>12,273,039</u></u>	<u><u>11,931,931</u></u>

Approved and authorised by the Board on 5/12/23 and signed on its behalf by:

  
E Sinha  
Director

**Peerless Europe Limited**  
**(Registration number: 02627558)**  
**Balance Sheet as at 31 December 2022**

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	13	7,058	16,334
Investments	14	<u>22,749,513</u>	<u>13,914,703</u>
		<u>22,756,571</u>	<u>13,931,037</u>
<b>Current assets</b>			
Stocks	15	204,174	94,207
Debtors	16	12,268,003	12,383,017
Cash at bank and in hand		<u>3,134,535</u>	<u>2,155,548</u>
		15,606,712	14,632,772
<b>Creditors: Amounts falling due within one year</b>	18	<u>(15,853,265)</u>	<u>(13,673,137)</u>
<b>Net current (liabilities)/assets</b>		<u>(246,553)</u>	<u>959,635</u>
<b>Total assets less current liabilities</b>		22,510,018	14,890,672
<b>Creditors: Amounts falling due after more than one year</b>	18	(11,682,583)	(4,460,258)
<b>Provisions for liabilities</b>	19	<u>(258,160)</u>	<u>(118,575)</u>
<b>Net assets</b>		<u>10,569,275</u>	<u>10,311,839</u>
<b>Capital and reserves</b>			
Called up share capital	21	7,468,261	7,468,261
Other reserves		503,172	503,172
Retained earnings		<u>2,597,842</u>	<u>2,340,406</u>
<b>Shareholders' funds</b>		<u>10,569,275</u>	<u>10,311,839</u>

The company made a profit after tax for the financial year of £257,436 (2021 - profit of £543,425).

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 5/12/23 and signed on its behalf by:

  
E Sinha  
Director

**Peerless Europe Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 31 December 2022**  
**Equity attributable to the parent company**

	Share capital	Non-distributable reserve	Retained earnings	Total	Total equity
	£	£	£	£	£
At 1 January 2022	7,468,261	503,172	3,960,498	11,931,931	11,931,931
Profit for the year	-	-	341,108	341,108	341,108
At 31 December 2022	7,468,261	503,172	4,301,606	12,273,039	12,273,039
	Share capital	Non-distributable reserve	Retained earnings	Total	Total equity
	£	£	£	£	£
At 1 January 2021	7,468,261	503,172	2,091,574	10,063,007	10,063,007
Profit for the year	-	-	1,868,924	1,868,924	1,868,924
At 31 December 2021 (As restated)	7,468,261	503,172	3,960,498	11,931,931	11,931,931

The notes on pages 17 to 34 form an integral part of these financial statements.  
Page 13

**Peerless Europe Limited**

**Statement of Changes in Equity for the Year Ended 31 December 2022**

	<b>Share capital</b>	<b>Non-distributable reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	7,468,261	503,172	2,340,406	10,311,839
Profit for the year	-	-	257,436	257,436
At 31 December 2022	<u>7,468,261</u>	<u>503,172</u>	<u>2,597,842</u>	<u>10,569,275</u>
	<b>Share capital</b>	<b>Non-distributable reserve</b>	<b>Retained earnings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2021	7,468,261	503,172	1,796,981	9,768,414
Profit for the year	-	-	543,425	543,425
At 31 December 2021	<u>7,468,261</u>	<u>503,172</u>	<u>2,340,406</u>	<u>10,311,839</u>

The notes on pages 17 to 34 form an integral part of these financial statements.  
Page 14



**Peerless Europe Limited**

**Consolidated Statement of Cash Flows for the Year Ended 31 December 2022**

	(As restated)	
	2022	2021
	£	£
<b>Cash flows from operating activities</b>		
Profit for the year after tax	341,108	1,868,924
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	1,470,035	1,049,267
Increase / (Decrease) in provisions	166,599	(106,633)
Profit on disposal of tangible assets	(3,650)	-
Exceptional items	-	4,522
Income tax expense	613,683	615,209
	<u>2,587,775</u>	<u>3,431,289</u>
Working capital adjustments		
(Increase)/decrease in stocks	(444,709)	544,895
(Increase) in debtors	(7,707,067)	(5,675,181)
Increase in creditors	6,264,431	5,989,368
	<u>700,430</u>	<u>4,290,371</u>
Cash generated from operations		
Income taxes paid	(228,789)	(363,338)
Net cash flow from operating activities	<u>471,641</u>	<u>3,927,033</u>
<b>Cash flows from investing activities</b>		
Acquisitions of tangible assets	(185,746)	-
Proceeds from sale of tangible assets	11,001	-
Acquisition of subsidiary (net of cash acquired)	(7,414,847)	-
Net cash flows from investing activities	<u>(7,589,592)</u>	<u>-</u>
<b>Cash flows from financing activities</b>		
Loan advances	9,006,705	-
Loan repayments	(1,784,380)	(3,456,865)
Net cash flows from financing activities	<u>7,222,325</u>	<u>(3,456,865)</u>
Net increase in cash and cash equivalents	104,374	470,168
Cash and cash equivalents at 1 January	4,974,444	4,504,276
Cash and cash equivalents at 31 December	<u>5,078,818</u>	<u>4,974,444</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

## Peerless Europe Limited

### Statement of Cash Flows for the Year Ended 31 December 2022

	2022 £	2021 £
<b>Cash flows from operating activities</b>		
Profit for the year	257,436	543,425
Adjustments to cash flows from non-cash items		
Depreciation and amortisation	14,207	17,811
Exceptional items	-	4,522
Increase / (Decrease) in provisions	139,585	(106,897)
Income tax expense	95,032	44,176
	<u>506,260</u>	<u>503,037</u>
Working capital adjustments		
(Increase)/decrease in stocks	(109,967)	5,427
Decrease/(increase) in trade debtors	50,849	(202,751)
Increase in trade creditors	2,180,128	5,926,058
	<u>2,627,270</u>	<u>6,231,771</u>
Cash generated from operations	2,627,270	6,231,771
Income taxes paid	(30,867)	(53,074)
	<u>2,596,403</u>	<u>6,178,697</u>
<b>Cash flows from investing activities</b>		
Acquisition of subsidiaries	(8,834,810)	-
Acquisitions of tangible assets	(4,932)	-
Proceeds from sale of tangible assets	1	-
	<u>(8,839,741)</u>	<u>-</u>
Net cash flows from investing activities	(8,839,741)	-
<b>Cash flows from financing activities</b>		
Loan repayments	(1,784,380)	(3,456,865)
Loan advances	9,006,705	(2,985,075)
	<u>7,222,325</u>	<u>(6,441,940)</u>
Net cash flows from financing activities	7,222,325	(6,441,940)
Net increase/(decrease) in cash and cash equivalents	978,987	(263,243)
Cash and cash equivalents at 1 January	2,155,548	2,418,791
Cash and cash equivalents at 31 December	<u>3,134,535</u>	<u>2,155,548</u>

The notes on pages 17 to 34 form an integral part of these financial statements.

## **Peerless Europe Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **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 United Kingdom and Republic of Ireland and the Companies Act 2006'.

##### **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 2022.

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.

## **Peerless Europe Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **Prior period errors**

The Consolidated Profit and Loss Account for the year ended 31 December 2021 has been restated. An exchange gain of £504,033 has been reposted between turnover and administrative expenses, where exchange gain/losses are accounted for. This adjustment was made in the financial statements of the subsidiary company; Environmental Integrated Solutions Limited. The impact is a reduction in turnover and administrative expenses compared to those previously reported. This has no impact on the Balance Sheet position as at 31 December 2021.

The consolidated Balance Sheet for the year ended 31 December 2021 has been restated. The accounts for Environmental Integrated Solutions Limited included gross amounts due from customers for contract work within work in progress, in the sum of £1,453,679. This has been restated and now shown within debtors. There is no impact on the current assets or net assets of the Balance Sheet for the year ended 31 December 2021.

#### **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 £258,160 (2021 £118,575).

Goodwill arising on the acquisition of entities has been amortised over an estimated expected useful life of ten years. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation. Amortisation is charged to the profit and loss account.. The carrying amount is £14,595,252 (2021 £8,657,179).

#### **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.

## **Peerless Europe Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **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 estimated reliably. The stage of completion is calculated by comparing costs incurred as a proportion of total costs for each project. 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 recognised by reference to the stage of completion of the contract at the Balance Sheet date.

Where costs are incurred on smaller works undertaken (such as maintenance and repair work) this is recognised within the financial statements as Work in Progress.

Profits on contracts are recognised when the Group is satisfied that the outcome of the contract can be assessed with reasonable certainty. When it is probable that total contract costs will exceed turnover, the expected total loss is recognised as an expense immediately.

The amount due from customers for contract work billed in the year is shown within trade debtors; amounts recognised as income but not yet billed is shown within gross amount due from customers for contract work in debtors.

Where customers have been invoiced amounts in excess of the amount recognised as income, the excess is shown within gross amount to customers for contract work within creditors.

#### **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.

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.

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 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

Furniture, fittings and office equipment

Plant and equipment

Motor vehicles

##### Depreciation method and rate

Straight line over 3 years, straight line over 5 years and 15% reducing balance method

Straight line over 7 years, 15% reducing balance method.

Straight line over 5 years

#### 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.

#### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### 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

Goodwill

Patents and trademarks

Development costs

##### Amortisation method and rate

Straight line method over 10 years

Straight line method over 10 years

Straight line method over 4 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 2022

#### Trade 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.

#### Stocks

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. Cost is determined using the first in, first out (FIFO) method.

Work in progress relates to contracts which are not dealt with under contract accounting. Work in progress is recognised in respect of smaller works undertaken (such as maintenance and repair work) by reference to the costs incurred to date on work yet to be invoiced at the Balance Sheet date.

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.

#### Trade 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.

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 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.

### 3 Turnover

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

	(As restated)	
	2022	2021
	£	£
Sale of goods	<u>28,426,023</u>	<u>24,446,654</u>

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

	(As restated)	
	2022	2021
	£	£
UK	9,459,694	2,714,670
Europe	10,508,226	9,799,764
Rest of world	<u>8,458,103</u>	<u>11,932,220</u>
	<u>28,426,023</u>	<u>24,446,654</u>

### 4 Operating profit

Arrived at after charging/(crediting)

	(As restated)	
	2022	2021
	£	£
Depreciation expense	70,737	20,691
Amortisation expense	1,399,298	1,028,576
Foreign exchange gains	(1,001,491)	(239,070)
Profit on disposal of property, plant and equipment	<u>(3,650)</u>	<u>-</u>

### 5 Exceptional item

Exceptional items in the accounts for the year ended 31 December 2021:

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. £4,522 relates to legal and professional fees for dealing with the liquidation process.



## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 6 Other interest receivable and similar income

	2022	2021
	£	£
Interest income from group companies	51,706	50,807
Bank interest received	696	338
Foreign exchange gains	-	(720)
	<u>52,402</u>	<u>50,425</u>

#### 7 Interest payable and similar expenses

	2022	2021
	£	£
Interest payable on loans from group undertakings	<u>88,898</u>	<u>77,259</u>

#### 8 Staff costs

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

	2022	2021
	£	£
Wages and salaries	1,899,661	1,173,719
Social security costs	379,911	143,144
Other short-term employee benefits	29,205	22,593
Pension costs, defined contribution scheme	464,818	74,263
Other employee expense	<u>160,722</u>	<u>141,020</u>
	<u>2,934,317</u>	<u>1,554,739</u>

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

	2022	2021
	No.	No.
Administration and support	2	1
Projects and engineering	16	5
Management	7	2
Sales	5	3
Project managers	<u>13</u>	<u>6</u>
	<u>43</u>	<u>17</u>

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022	2021
	£	£
Remuneration	163,256	121,635
Contributions paid to money purchase schemes	16,886	15,515
	<u>180,142</u>	<u>137,150</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2022	2021
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

#### 10 Auditors' remuneration

	2022	2021
	£	£
Audit of these financial statements	<u>66,200</u>	<u>48,950</u>

#### 11 Taxation

Tax charged/(credited) in the consolidated profit and loss account

	2022	2021
	£	£
<b>Current taxation</b>		
UK corporation tax	623,960	614,945
UK corporation tax adjustment to prior periods	(9,770)	-
	<u>614,190</u>	<u>614,945</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(507)	264
Tax expense in the income statement	<u>613,683</u>	<u>615,209</u>

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	<b>(As restated)</b>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before tax	<u>954,791</u>	<u>2,484,133</u>
Corporation tax at standard rate	181,410	471,985
Effect of revenues exempt from taxation	-	35,333
Effect of expense not deductible in determining taxable profit (tax loss)	144,157	(12,434)
UK deferred tax credit relating to changes in tax rates or laws	(667)	-
Deferred tax not recognised	507	264
Decrease in UK and foreign current tax from adjustment for prior periods	(9,770)	-
Tax increase from effect of capital allowances and depreciation	276,786	198,362
Foreign PE exemption	<u>21,260</u>	<u>(78,301)</u>
Total tax charge	<u>613,683</u>	<u>615,209</u>
<b>Deferred tax</b>		
<b>Group</b>		
Deferred tax assets and liabilities		
		<b>Liability</b>
<b>2022</b>		<b>£</b>
Accelerated capital allowances		<u>30,392</u>
		<u>30,392</u>
		<b>Liability</b>
<b>2021</b>		<b>£</b>
Accelerated capital allowances		4,128
Short term timing differences		<u>(750)</u>
		<u>3,378</u>

# Peerless Europe Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 12 Intangible assets

#### Group

	Goodwill £	Trademarks, patents and licenses £	Total £
<b>Cost or valuation</b>			
At 1 January 2022	10,285,758	-	10,285,758
Additions acquired separately	<u>7,414,432</u>	<u>415</u>	<u>7,414,847</u>
At 31 December 2022	<u>17,700,190</u>	<u>415</u>	<u>17,700,605</u>
<b>Amortisation</b>			
At 1 January 2022	1,628,579	-	1,628,579
Amortisation charge	<u>1,399,298</u>	<u>-</u>	<u>1,399,298</u>
At 31 December 2022	<u>3,027,877</u>	<u>-</u>	<u>3,027,877</u>
<b>Carrying amount</b>			
At 31 December 2022	<u>14,672,313</u>	<u>415</u>	<u>14,672,728</u>
At 31 December 2021	<u>8,657,179</u>	<u>-</u>	<u>8,657,179</u>

# Peerless Europe Limited

## Notes to the Financial Statements for the Year Ended 31 December 2022

### 13 Tangible assets

#### Group

	Furniture, fittings and office equipment £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 January 2022	414,475	-	30,092	444,567
Additions	32,161	134,576	19,009	185,746
Disposals	(1,620)	(18,250)	-	(19,870)
At 31 December 2022	445,016	116,326	49,101	610,443
<b>Depreciation</b>				
At 1 January 2022	385,069	-	26,653	411,722
Charge for the year	37,468	27,109	6,160	70,737
Eliminated on disposal	(1,619)	(10,900)	-	(12,519)
At 31 December 2022	420,918	16,209	32,813	469,940
<b>Carrying amount</b>				
At 31 December 2022	24,098	100,117	16,288	140,503
At 31 December 2021	29,406	-	3,439	32,845

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### Company

	Furniture, fittings and office equipment £	Total £
<b>Cost or valuation</b>		
At 1 January 2022	368,208	368,208
Additions	4,932	4,932
Disposals	(1,620)	(1,620)
At 31 December 2022	<u>371,520</u>	<u>371,520</u>
<b>Depreciation</b>		
At 1 January 2022	351,874	351,874
Charge for the year	14,207	14,207
Eliminated on disposal	(1,619)	(1,619)
At 31 December 2022	<u>364,462</u>	<u>364,462</u>
<b>Carrying amount</b>		
At 31 December 2022	<u>7,058</u>	<u>7,058</u>
At 31 December 2021	<u>16,334</u>	<u>16,334</u>

#### 14 Investments

##### Group

##### Other investments

The market value of the unlisted investments at 31 December 2022 was £36,555 (2021 - £36,555).

#### Company

	2022 £	2021 £
Investments in subsidiaries	<u>22,749,513</u>	<u>13,914,703</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 January 2022		13,914,703
Additions		<u>8,834,810</u>
At 31 December 2022		<u>22,749,513</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 31 December 2022		<u>22,749,513</u>
At 31 December 2021		<u>13,914,703</u>

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 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	
			2022	2021
Subsidiary undertakings				
Environmental Integrated Solutions Limited	15 The Courtyard Buntsford Drive, Bromsgrove, Worcestershire, United Kingdom, B60 3DJ.	Ordinary	100%	100%
Western Air Ducts (UK) Limited	Environment House, Imperial Way, Commerce Park, Frome, Somerset, BA11 2FD England	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.

##### *Western Air Ducts (UK) Limited*

The principal activity of Western Air Ducts (UK) Limited is manufacture and supply of air ducts.

#### 15 Stocks

	Group (As restated)		Company	
	2022 £	2021 £	2022 £	2021 £
Work in progress	3,754	16,984	3,754	16,984
Other inventories	535,162	77,223	200,420	77,223
	<u>538,916</u>	<u>94,207</u>	<u>204,174</u>	<u>94,207</u>

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 16 Debtors

		Group (As restated)		Company	
		2022 £	2021 £	2022 £	2021 £
<b>Current</b>	<b>Note</b>				
Trade debtors		5,907,175	4,565,505	2,714,467	2,781,953
Amounts owed by related parties	25	12,755,113	6,105,232	2,281,407	3,100,250
Other debtors		548,934	616,720	275,046	297,505
Prepayments		1,036,859	901,823	929,193	880,223
Gross amounts due from customers for contract work		6,348,541	6,700,275	6,055,565	5,246,596
Income tax asset	11	12,325	76,490	12,325	76,490
		<u>26,608,947</u>	<u>18,966,045</u>	<u>12,268,003</u>	<u>12,383,017</u>

#### Details of non-current trade and other debtors

##### Group and Company

£1,448,676 (2021 - £1,305,970) of amounts owed by related parties is classified as non current. There is a loan provided to a group company amounting to \$1,750,000 which is due for repayment on 23 June 2024.

#### 17 Cash and cash equivalents

	Group		Company	
	2022 £	2021 £	2022 £	2021 £
Cash at bank	<u>5,078,818</u>	<u>4,974,444</u>	<u>3,134,535</u>	<u>2,155,548</u>

#### 18 Creditors

	Note	Group		Company	
		2022 £	2021 £	2022 £	2021 £
<b>Due within one year</b>					
Trade creditors		2,282,943	4,176,897	1,543,878	2,613,347
Amounts due to related parties	25	11,362,531	3,204,264	9,671,371	6,727,176
Social security and other taxes		79,797	39,497	19,873	14,097
Outstanding defined contribution pension costs		4,850	-	-	-
Gross amounts due to customers for contract work		80,912	196,879	71,402	196,879
Accruals		8,441,136	8,370,201	4,546,741	4,121,638
Corporation tax	11	580,124	259,395	-	-
		<u>22,832,293</u>	<u>16,247,133</u>	<u>15,853,265</u>	<u>13,673,137</u>



## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Due after one year</b>					
Loans and borrowings	22	<u>11,682,583</u>	<u>4,460,258</u>	<u>11,682,583</u>	<u>4,460,258</u>

#### 19 Provisions for liabilities

##### Group

	<b>Warranties</b>	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	118,575	3,378	121,953
Increase (decrease) in existing provisions	-	27,014	27,014
Increase in warranty provision	<u>139,585</u>	<u>-</u>	<u>139,585</u>
At 31 December 2022	<u>258,160</u>	<u>30,392</u>	<u>288,552</u>

##### Company

	<b>Warranties</b>	<b>Deferred tax</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2022	118,575	-	118,575
Additional provisions	<u>139,585</u>	<u>-</u>	<u>139,585</u>
At 31 December 2022	<u>258,160</u>	<u>-</u>	<u>258,160</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 £464,818 (2021 - £74,263).

Contributions totalling £4,850 (2021 - £Nil) were payable to the scheme at the end of the year and are included in creditors.

#### 21 Share capital

##### Allotted, called up and fully paid shares

	<b>2022</b>		<b>2021</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
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.

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 22 Loans and borrowings

	<b>Group</b>		<b>Company</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Non-current loans and borrowings</b>				
Other borrowings	<u>11,682,583</u>	<u>4,460,258</u>	<u>11,682,583</u>	<u>4,460,258</u>

Debentures including fixed and floating charge over all assets and undertaking both present and future dated 4 July and 18 July 2016.

As at the Balance Sheet date, guarantees were held in favour of customers amounting to \$2,769,562, €1,177,565 and £797,420.

#### 23 Obligations under leases and hire purchase contracts

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	402,587	59,535
Later than one year and not later than five years	<u>228,147</u>	<u>-</u>
	<u><u>630,734</u></u>	<u><u>59,535</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £111,940 (2021 - £58,173).

##### Company

##### Operating leases

The total of future minimum lease payments is as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Not later than one year	49,440	59,535
Later than one year and not later than five years	<u>4,120</u>	<u>-</u>
	<u><u>53,560</u></u>	<u><u>59,535</u></u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £49,440 (2021 - £58,173).

## Peerless Europe Limited

### Notes to the Financial Statements for the Year Ended 31 December 2022

#### 24 Analysis of changes in net debt

##### Group

	At 1 January 2022 £	Financing cash flows £	Acquisition of subsidiaries £	At 31 December 2022 £
<b>Cash and cash equivalents</b>				
Cash	4,974,444	104,374	-	5,078,818
<b>Borrowings</b>				
Long term borrowings	(4,460,258)	-	(7,222,325)	(11,682,583)
Short term borrowings	<u>(3,204,264)</u>	<u>(8,158,267)</u>	<u>-</u>	<u>(11,362,531)</u>
	<u>(7,664,522)</u>	<u>(8,158,267)</u>	<u>(7,222,325)</u>	<u>(23,045,114)</u>
	<u>(2,690,078)</u>	<u>(8,053,893)</u>	<u>(7,222,325)</u>	<u>(17,966,296)</u>

##### Company

	At 1 January 2022 £	Cash flows £	Acquisition of subsidiaries £	At 31 December 2022 £
<b>Cash and cash equivalents</b>				
Cash	2,155,548	978,987	-	3,134,535
<b>Borrowings</b>				
Long term borrowings	(4,460,258)	-	(7,222,325)	(11,682,583)
Short term borrowings	<u>(6,727,176)</u>	<u>(2,944,195)</u>	<u>-</u>	<u>(9,671,371)</u>
	<u>(11,187,434)</u>	<u>(2,944,195)</u>	<u>(7,222,325)</u>	<u>(21,353,954)</u>
	<u>(9,031,886)</u>	<u>(1,965,208)</u>	<u>(7,222,325)</u>	<u>(18,219,419)</u>

#### 25 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

	2022 £	2021 £
Salaries and other short term employee benefits	147,722	121,634
Pensions	<u>15,534</u>	<u>15,515</u>
	<u>163,256</u>	<u>137,149</u>

## **Peerless Europe Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2022**

#### **26 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.