Strategic Report, Directors' Report and

Audited Financial Statements for the Year Ended 30 December 2022

for

MW High Tech Projects UK Limited

THURSDAY
ACCI1P7L
A19 21/09/2023 #69
COMPANIES HOUSE

Contents of the Financial Statements for the Year Ended 30 December 2022

	Page
Company Information	1
Strategic Report	2
Directors' Report	4
Statement of Directors' Responsibilities	6
Report of the Independent Auditors	7
Income Statement	11
Other Comprehensive Income	12
Balance Sheet	13
Statement of Changes in Equity	15
Notes to the Financial Statements	16

MW High Tech Projects UK Limited

Company Information
for the Year Ended 30 December 2022

DIRECTORS:	A Barrett R J Meakin
REGISTERED OFFICE:	Unit C1, Methuen South Methuen Park Bath Road Chippenham Wiltshire SN14 0GT
REGISTERED NUMBER:	05179071 (England and Wales)
AUDITORS:	Moore Chartered Accountants and Statutory Auditor 30 Gay Street Bath BA1 2PA

Strategic Report
for the Year Ended 30 December 2022

The directors present their strategic report for the year ended 30 December 2022.

BUSINESS REVIEW AND FUTURE PROSPECTS
As discussed in the Director's Report, the company has been reviewing the overall mid to long term strategy, and with the legacy projects due to complete, the focus will be on increasing the pipeline of future work. The Company will implement a highly selective bidding process to secure leading positions in our core markets, and additionally reduce the risk profile for the company.

This strategy will focus on utilising the highly governed and regulated delivery frameworks, processes, and integrated management systems, that the company already has in place. In addition, the company will draw on its experiences and lessons learnt over the last few years and build on this to achieve success in its future work.

The results for the year are set out in the Income Statement and Other Comprehensive Income on pages 11 and 12.

Over the past 12 months, the company has made significant progress on the construction completion of all its current projects, and notably the Energy from Waste ("EfW") plants, which are now entering the final commissioning stages. The management have continued to support the operational close out of these projects, with the full backing and support of the ultimate parent company.

Due to our strong business relationships with our Nuclear clients, we have reported operational profits on the existing contracts, and secured further orders during the year.

With the legacy projects due to complete during 2023, the company can focus on increasing the pipeline of future work, with the full financial backing and support of the ultimate parent company, M+W Group GmbH.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has several projects that need to be completed and the principle risks and uncertainties for the Company arising from these projects are similar to those risks associated with other companies operating within the same business environment.

The mitigation strategies and the Risk Management Initiative have been reviewed and it was felt that these risks have not changed from the prior year. These risks include:

- Changes to economic conditions and government policy;
- Breach of health, safety and environmental laws, regulations and standards;
- Commercial counterparty competence and solvency;
- Retaining key personnel to successfully complete the projects;
- Information technology and security;
- Taxation, interest rate and foreign exchange risk.

The Company's activities expose it to various financial risks, market risk (foreign exchange risk) and credit risk.

BY ORDER OF THE BOARD:

....

Director - RJ MEAKIN

Date: 20th September 2023

Directors' Report
for the Year Ended 30 December 2022

The directors present their Directors' report and financial statements for the year ended 30 December 2022.

Whilst the year was another challenging one for M+W in the UK, the Energy from Waste ("EfW") contracts are now nearing completion. These projects are in the final stages of commissioning and expected to close out in 2023. As a direct result of this, the company has taken the decision to review the bidding strategy and focus on the future pipeline.

PRINCIPAL ACTIVITY

During the year, the principle activities of the Company were the design and project management of clean room, technical, manufacturing, research facilities and energy from waste plants. These activities included building construction, mechanical and electrical equipment installation, piping construction and facility management.

The company is wholly committed and has continued to focus on closing out its existing projects and developing the sales funnel activities.

DIVIDENDS

The directors do not recommend the payment of a dividend (2021: £nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 31 December 2021 to the date of this report.

A Barrett
R J Meakin

FINANCIAL INSTRUMENTS

The Company's financial instruments comprise cash balances, payables and receivables that arise from its operations. The Company has no third-party debt, and it obtains financial support as and when required from its ultimate parent company, M+W Group GmbH, by way of loans. The Company's activities expose it to various financial risks, market risk (foreign exchange risk), and credit risk.

POLITICAL DONATIONS AND EXPENDITURE

Neither the Company nor any of its subsidiaries made and political contributions nor incurred and political expenditure during the year (2021 £Nil)

MW High Tech Projects UK Limited

Directors' Report
for the Year Ended 30 December 2022

MATERIAL UNCERTAINTY
During previous financial years, there has been an on-going legal claim relating to specific projects and associated sub-contractors. Included within provisions is our best estimate of the potential costs to the Company in relation to the claim. However, there is a material uncertainty as to what the final amount of costs to complete would be. The ability of the parent undertaking to provide support has been confirmed and is not contingent on the result of the legal case.

With reference to the prejudicial exemption in IAS 37, the company will not disclose any further information about the assumptions for these provisions. The disclosure of such information is believed to be detrimental to the company in connection with this ongoing claim.

Going concern
Consistent with previous years, the company is fully committed to completing all its existing contracts, including project completion, hand-over, commissioning and defects period. The company continues to meet all its contractual liabilities and still continues to receive the full backing and support from its ultimate operational parent, M+W Group GmbH, by way of a cash framework agreement, where funding is provided as and when required.

At the time of signing these accounts, the directors have received further confirmation of the continued support from the ultimate operational parent in light of the legal case referred to in the material uncertainty paragraph above and as such do not see any significant doubt as to the Company's ability to continue to trade and meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
The directors who held office at the date of approval of this directors report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he/she ought to have taken as a director to make himself/herself aware of any relevant audit information and establish that the Company's auditor is aware of that information.

AUDITORS
The auditors, Moore, will be proposed for re-appointment at the forthcoming Annual General Meeting.

BY ORDER OF THE BOARD:

....
Director - RJ MEAKIN

Date: 20th September 2023

Statement of Directors' Responsibilities
for the Year Ended 30 December 2022

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Report of the Independent Auditors to the Members of
MW High Tech Projects UK Limited

Opinion

We have audited the financial statements of MW High Tech Projects UK Limited (the 'company') for the year ended 30 December 2022 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 December 2022 and of its loss 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Emphasis of matter

We draw attention to Note 2 to the financial statements which describes a provision made for potential costs from an on-going legal claim. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Directors' Report and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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 necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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

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

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK Financial Reporting Standards and UK taxation legislation.

We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.

We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.

Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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

Report of the Independent Auditors to the Members of
MW High Tech Projects UK Limited

Use of our report

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

Mark Powell (Senior Statutory Auditor)
for and on behalf of Moore
Chartered Accountants and Statutory Auditor
30 Gay Street
Bath
BA1 2PA

Date: 20/9/2023

MW High Tech Projects UK Limited

Income Statement
for the Year Ended 30 December 2022

	Notes	30.12.22 £'000	30.12.21 £'000
TURNOVER	4	1,566	13,425
Cost of sales		23,779	15,800
GROSS LOSS		(22,213)	(2,375)
Administrative expenses		2,579	3,772
		(24,792)	(6,147)
Other operating income	5	1,088	6,730
OPERATING (LOSS)/PROFIT		(23,704)	583
Interest payable and similar expenses	7	127	118
(LOSS)/PROFIT BEFORE TAXATION	8	(23,831)	465
Tax on (loss)/profit	10	207	963
LOSS FOR THE FINANCIAL YEAR		(24,038)	(498)

The notes form part of these financial statements

MW High Tech Projects UK Limited

Other Comprehensive Income
for the Year Ended 30 December 2022

	Notes	30.12.22 £'000	30.12.21 £'000
LOSS FOR THE YEAR		(24,038)	(498)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(24,038)	(498)

The notes form part of these financial statements

MW High Tech Projects UK Limited (Registered number: 05179071)

Balance Sheet
30 December 2022

	Notes	30.12.22 £'000	30.12.22 £'000	30.12.21 £'000	30.12.21 £'000
FIXED ASSETS					
Intangible assets	11		-		-
Tangible assets	12		-		1
			-		1
CURRENT ASSETS					
Debtors	13	980		1,746	
Contract assets	4	4,000		6,010	
Cash in hand	14	375		874	
		5,355		8,630	
CREDITORS					
Amounts falling due within one year	15	107,205		30,169	
NET CURRENT LIABILITIES			(101,850)		(21,539)
TOTAL ASSETS LESS CURRENT LIABILITIES			(101,850)		(21,538)
CREDITORS					
Amounts falling due after more than one year	16		(67)		(226)
PROVISIONS FOR LIABILITIES	19		(18,885)		(75,000)
NET LIABILITIES			(120,802)		(96,764)
CAPITAL AND RESERVES					
Called up share capital	20		100		100
Share premium	21		2,601		2,601
Capital contribution reserve	21		203,418		203,418
Retained earnings	21		(326,921)		(302,883)
SHAREHOLDERS' FUNDS			(120,802)		(96,764)

The notes form part of these financial statements

continued...

Balance Sheet - continued
30 December 2022

The financial statements were approved by the Board of Directors and authorised for issue on ..20th September 2023.......... and were signed on its behalf by:

....
Director - RJ MEAKIN

The notes form part of these financial statements

MW High Tech Projects UK Limited

Statement of Changes in Equity
for the Year Ended 30 December 2022

	Called up share capital £'000	Retained earnings £'000	Share premium £'000	Capital contribution reserve £'000	Total equity £'000
Balance at 31 December 2020	100	(302,385)	2,601	150,793	(148,891)
Changes in equity					
Deficit for the year	-	(498)	-	-	(498)
Total comprehensive income	-	(498)	-	-	(498)
Capital contribution from parent	-	-	-	52,625	52,625
Balance at 30 December 2021	100	(302,883)	2,601	203,418	(96,764)
Changes in equity					
Deficit for the year	-	(24,038)	-	-	(24,038)
Total comprehensive income	-	(24,038)	-	-	(24,038)
Balance at 30 December 2022	100	(326,921)	2,601	203,418	(120,802)

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

MW High Tech Projects UK Limited is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU, but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's ultimate parent undertaking, M+W Group GmbH includes the Company in its consolidated financial statements. The consolidated financial statements of M+W Group GmbH are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from M+W Group GmbH, Löwentorbogen 9B, 70376 Stuttgart, Germany.

Material uncertainty

During previous financial years, there has been an on-going legal claim relating to specific projects and associated sub-contractors. Included within provisions is our best estimate of the potential costs to the Company in relation to the claim. However, there is a material uncertainty as to what the final amount of costs to complete would be. The ability of the parent undertaking to provide support has been confirmed and is not contingent on the result of the legal case.

With reference to the prejudicial exemption in IAS 37, the company will not disclose any further information about the assumptions for these provisions. The disclosure of such information is believed to be detrimental to the company in connection with this ongoing claim.

Going concern

Consistent with previous years, the company is fully committed to completing all of its existing contracts, including project completion, hand-over, commissioning and defects period. The company continues to meet all of its contractual liabilities and still continues to receive the full backing and support from its ultimate operational parent, M+W Group GmbH, by way of a cash framework agreement, where funding is provided as and when required.

At the time of signing these accounts, the directors have received further confirmation of the continued support from the ultimate operational parent in light of the legal case referred to in the material uncertainty paragraph above and as such do not see any significant doubt as to the Company's ability to continue to trade and meet its liabilities as they fall due for a period of at least 12 months from the date of signing these financial statements.

FRS 101 - Reduced disclosure exemptions

continued...

2. **ACCOUNTING POLICIES - continued**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirements of paragraphs 62, B64(d), B64(e), B64(g), B64(h), B64(j) to B64(m), B64(n)(ii), B64(o)(ii), B64(p), B64(q)(ii), B66 and B67 of IFRS 3 Business Combinations;
- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held for Sale and Discontinued Operations;
- the requirements of paragraph 24(6) of IFRS 6 Exploration for and Evaluation of Mineral Resources;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of paragraphs 91 to 99 of IFRS 13 Fair Value Measurement;
- the requirements of paragraph 52 of IFRS 16 Leases;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
  - paragraph 118(e) of IAS 38 Intangible Assets;
  - paragraphs 76 and 79(d) of IAS 40 Investment Property; and
  - paragraph 50 of IAS 41 Agriculture;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group;
- the requirements of paragraphs 134(d) to 134(f) and 135(c) to 135(e) of IAS 36 Impairments of Assets.

continued...

2. **ACCOUNTING POLICIES - continued**

Revenue

Revenue represents the amounts (excluding value added tax) derived from the provision of goods and services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services.

Where a variation to the existing contract occurs, the Company assesses the nature of the variation and whether it represents a separate performance obligation required to be satisfied by the Company or whether it is a variation to the existing performance obligation.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust its transaction price for the time value of money.

Depending on the nature of the product or service delivered, and the timing of when control is passed to the customer, the Company will account for revenue over time and at a point in time. Where revenue is measured over time, the Company uses the input method to measure progress of delivery.

Revenue is recognised as follows:

- revenue from construction activities where single performance obligations have been identified are recognised over time using the input method to measure progress of delivery
- revenue from construction activities where multiple performance obligations have been identified are recognised using revenue milestones certified by the customers

No margin is recognised until the outcome of the contract can be estimated with reasonable certainty. Provision is made for all known or expected losses on individual contracts once such losses are foreseen.

Revenue in respect of variations to contracts is recognised when it is highly probable it will be agreed with the customer.

Construction contract debtors

Construction contract debtors represent the gross unbilled amount for contract work performed to date. They are measured at cost plus profit recognised to date less a provision for the foreseeable losses and less progress billings. Variations are included in contract revenue when they are reliably measurable and it is probable that the customer will approve the variation itself and the revenue arising from the variation. Claims are included in contract revenue only when they are reliably measurable and negotiations have reached an advanced stage such that it is probable that the customer will accept the claim. Cost includes all expenditure related directly to specific projects and an allocation of fixed and variable overheads incurred in the Company's contract activities based on normal operating capacity.

Construction contract debtors are presented as part of trade and other receivables in the balance sheet. If payments received from customers exceed the income recognised, then the difference is presented as deferred income in the balance sheet.

continued...

2. **ACCOUNTING POLICIES - continued**

Goodwill

All acquisitions of trade and assets are accounted for by applying the purchase method. Goodwill represents the difference between the cost of the acquisition and the net fair value those trade and assets acquired.

Goodwill is stated at cost less any accumulated impairment losses. Goodwill is allocated to cash-generating units and not amortised but tested annually for impairment.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	-	2% on cost
Plant and machinery	-	25% on cost
Office equipment	-	25% on cost

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets.

continued...

2. **ACCOUNTING POLICIES - continued**

Financial instruments

Classification of financial instruments issued by the Company

Following the adoption of IFRS 9, the financial instruments issued by the Company are treated as equity only to the extent that the meet the following two conditions:

(a) they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or liabilities with another party under conditions that are potentially unfavourable to the Company; and

(b) where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the Company's own shares, the amounts presented in these financial statements for called up share capital exclude amounts in relation to those shares.

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other receivables, cash and cash equivalents, loans and borrowings, and trade and other payables.

Trade and other receivables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other payables are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Investments in subsidiary undertakings are carried at cost less impairment.

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged (see below).

continued...

2. **ACCOUNTING POLICIES - continued**

Cash flow hedges

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in the hedging reserve. Any ineffective portion of the hedge is recognised immediately in the income statement.

If a hedge of a forecast transaction subsequently results in the recognition of a financial asset or a financial liability, the associated gains and losses that were recognised directly in equity are reclassified into profit or loss in the same period or periods during which the asset acquired or liability assumed affects profit or loss, i.e. when interest income or expense is recognised.

For cash flow hedges, other than those covered by the preceding two policy statements, the associated cumulative gain or loss is removed from equity and recognised in the income statement in the same period or periods during which the hedged forecast transaction affects profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Taxation
Tax on the profit or loss for the year comprises current and deferred tax. Tax us recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future, The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which a temporary difference can be utilised.

Research and development
Expenditure on research and development is recognised in the income statement as incurred.

 continued...

2. **ACCOUNTING POLICIES - continued**

Foreign currencies

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary assets and liabilities that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined.

The functional currency is £GBP

Employee benefit costs

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the income statement in the period to which they relate.

continued...

2. **ACCOUNTING POLICIES - continued**

Impairment including inventories and deferred tax assets
Financial assets (including receivables)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the assets original effective interest rate. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit and loss.

Non-financial assets

The carrying amount of the Company's non-financial assets, other that inventories and deferred tax assets, are reviews at each reporting date to determine whether there is any indication of impairment, If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset, The goodwill acquired in a business combination, for the purpose of impairment testing, is allocated to cash-generating units.

Impairment losses recognised in prior periods are assessed at each reporting date, for any indications that the loss has decreased or no longer exists. Am impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable than an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability. Provisions that relate to onerous contracts are not discounted.

continued...

3. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing these financial statements, the directors are required to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical results, experience and other factors that are believed to be reasonable measures. 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Certain critical accounting judgements in applying the company's accounting policies are described below:

Revenue recognition
The company has recognised construction contract debtors and the reconcilability is regularly reviewed for each contract, and specific provisions are recognised for balances considered to be irrecoverable. The value of these contracts is dependent on the amount of costs incurred in performing these projects, and in order to apply the Company's policy for recognition of revenue from such contracts that are partially complete at the reporting date, the directors must assess both the proportion of the contract that has been completed and the total value this represents

Provisions
Provisions are liabilities of uncertain timings or amount and therefore in making a reliable estimate of the value and timing of liabilities judgement is applied and re-evaluated at each reporting date. In respect of the onerous contract provisions, a thorough review of all contracts is undertaken and where the forecast total costs exceed the contract value, a provision for the expected overall loss is recognised as an expense in the P&L immediately. The identified onerous contracts are being monitored closely, and any changes in estimated costs will be reflected in the onerous contract provision. Refer to page 16 for further information.

4. TURNOVER

The turnover and loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

Revenue
Revenue and profit before tax all arose from the Company's principle activity. Of the revenue, £1,566,000 (2021: £13,425,000) arose in the UK and £Nil (2021: £Nil) arose in Europe.

Contract balances

	30.12.22	30.12.21	31.12.20
	£'000	£'000	£'000
Contract assets			
Current			
Contract assets	4,000	6,010	-

4. TURNOVER - continued

The contract assets primarily relate to the company's rights to consideration for work completed but not billed at the reporting date on contracts with customers. The contract assets are transferred to receivables when the rights become unconditional. The contract liabilities primarily relate to the advance consideration received from customers for contracts with customers.

The amount of revenue recognised in the current period from performance obligations satisfied (or partially satisfied) in previous periods was £40,000.

The amount of revenue recognised in the current period that was included in the contract liability balance at the beginning of the period was £nil.

Significant changes in contract assets and contract liabilities

	Contract assets £'000	Contract liabilities £'000
Decreases due to settlement of contract	(1,970)	-
Transfers from contract assets recognised at the beginning of the period to receivables	(40)	-
Increases due to consideration for work completed but not billed at the reporting date	-	-

Transaction price allocated to the remaining performance obligations

The following table includes revenue expected to be recognised in the future relating to performance obligations that are unsatisfied (or partially unsatisfied) at the reporting date.

2023 £'000	2024 £'000	2025 £'000
-	-	-

5. OTHER OPERATING INCOME

	30.12.22 £'000	30.12.21 £'000
R&D tax credits	1,088	3,872
Income from group entities	-	2,858
	1,088	6,730

continued...

6. EMPLOYEES AND DIRECTORS

	30.12.22	30.12.21
	£'000	£'000
Wages and salaries	1,360	2,032
Social security costs	168	241
Other pension costs	92	119
	1,620	2,392

The average number of employees during the year was as follows:

	30.12.22	30.12.21
Management	2	3
Sales and services	9	17
	11	20

Director's remuneration

	30.12.22	30.12.21
	£000	£000
Directors emoluments	531	596
Company contributions to money purchase pension plans	39	46

The aggregate of emoluments of the highest paid director was £341,000 (2021: £259,000) and company pension contributions of £22,785 (2021: £20,100) were made to a money purchase scheme on their behalf.

An amount totalling £Nil (2021: £41,035) was paid as compensation for loss of office during the year. This included £nil (2021: £6,030) of contributions made to a money purchase scheme.

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	30.12.22	30.12.21
	£'000	£'000
Interest expense on loans to Group undertakings	162	-
Leasing	2	4
Net foreign exchange losses	(37)	114
	127	118

continued...

8. (LOSS)/PROFIT BEFORE TAXATION

The loss before taxation (2021 - profit before taxation) is stated after charging:

	30.12.22	30.12.21
	£'000	£'000
Cost of inventories recognised as expense	23,779	15,800
Depreciation - owned assets	1	28

9. AUDITORS' REMUNERATION

	30.12.22	30.12.21
	£'000	£'000
Fees payable to the company's auditors and their associates for the audit of the company's financial statements	28	31
Auditors' remuneration for non-audit work	9	9

10. TAXATION

Analysis of tax expense

	30.12.22	30.12.21
	£'000	£'000
Current tax:		
Tax	207	963
Total tax expense in income statement	207	963

Factors affecting the tax expense
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	30.12.22	30.12.21
	£'000	£'000
(Loss)/profit before income tax	(23,831)	465
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(4,528)	88
Effects of:		
Non deductible expenses	-	9
Current year/period losses for which no deferred tax has been recognised	4,528	-
Utilisation of tax losses not previously recognised	-	(97)
Tax deducted at source on research and development claim	207	963
Tax expense	207	963

continued...

10. **TAXATION - continued**

No deferred tax asset has been recognised in the balance sheet for the reported trading losses as the timing of the likely use of these losses against future taxable profit is uncertain.

11. **INTANGIBLE FIXED ASSETS**

	Goodwill £'000
COST	
At 31 December 2021 and 30 December 2022	4,262
AMORTISATION	
At 31 December 2021 and 30 December 2022	4,262
NET BOOK VALUE	
At 30 December 2022	-
At 30 December 2021	-

Goodwill of £330,000 arose in the financial year ended 31 December 2004 on the acquisition of the trade and assets of the facility engineering division of the Company.

On 2 January 2016, the trade and assets of Scientific Lesser Limited were transferred to the Company. As a result of the transfer, the excess of the investment held in Scientific Lesser Limited over its remaining net assets was transferred to Goodwill.

In accordance with IAS36 the goodwill has been reviewed for impairment by the directors and they consider that the balance is fully impaired as it has neither value in use or is it capable of being sold to a third party.

continued...

12. **TANGIBLE FIXED ASSETS**

	Freehold property £'000	Plant and machinery £'000	Office equipment £'000	Totals £'000
COST				
At 31 December 2021				
and 30 December 2022	10	49	1,634	1,693
DEPRECIATION				
At 31 December 2021	10	49	1,633	1,692
Charge for year	-	-	1	1
At 30 December 2022	10	49	1,634	1,693
NET BOOK VALUE				
At 30 December 2022	-	-	-	-
At 30 December 2021	-	-	1	1

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.12.22 £'000	30.12.21 £'000
Trade debtors	82	60
Amounts owed by group undertakings	13	509
Tax	300	300
VAT	508	810
Prepayments and accrued income	77	67
	980	1,746

At 30 December 2022, aggregate costs incurred under open construction contracts and recognised profits, net of recognised losses, amounted to £1,552,000 (2021: £13,425,000).

Advances for which related work has not started, and billings in excess of costs incurred and recognised profits are presented as payments received on account and amounted to £Nil (2021: £Nil).

At 30 December 2022 trade receivables included retentions of £Nil (2021: £Nil).

14. **CASH IN HAND**

	30.12.22 £'000	30.12.21 £'000
Cash and cash equivalents	375	874

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30.12.22	30.12.21
	£'000	£'000
Leases (see note 17)	160	158
Trade creditors	8,808	29,350
Amounts owed to group undertakings	98,106	209
Taxes and social security	6	302
Social security and other taxes	58	69
Other creditors	12	18
Accruals and deferred income	55	63
	107,205	30,169

During the year, the ultimate parent company, M+W Group GmbH, wrote off the net loan balance of £Nil (2021: £52,625,000) and has been included in equity as a capital contribution reserve.

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.12.22	30.12.21
	£'000	£'000
Leases (see note 17)	67	226

17. FINANCIAL LIABILITIES - BORROWINGS

	30.12.22	30.12.21
	£'000	£'000
Current:		
Leases (see note 18)	160	158
Non-current:		
Leases (see note 18)	67	226

Terms and debt repayment schedule

	1 year or less	1-2 years	Totals
	£'000	£'000	£'000
Leases	160	67	227

continued...

18. LEASING

Lease liabilities

Minimum lease payments fall due as follows:

	30.12.22	30.12.21
	£'000	£'000
Gross obligations repayable:		
Within one year	161	161
Between one and five years	67	228
	228	389
Finance charges repayable:		
Within one year	1	3
Between one and five years	-	2
	1	5
Net obligations repayable:		
Within one year	160	158
Between one and five years	67	226
	227	384

19. PROVISIONS FOR LIABILITIES

Onerous contracts	30.12.22	30.12.21
	£'000	£'000
Balance brought forward	75,000	75,000
Provided during the year	18,885	-
Amounts used during the year	(75,000)	-
Balance at 30 December	18,885	75,000

Further provisions have been made in the year for onerous contracts, which primarily related to costs to complete, but also included the ongoing lawsuit following contract termination in 2019.

With reference to the prejudicial exemption in IAS 37, the company will not disclose any further information about the assumptions for these provisions. The disclosure of such information is believed to be detrimental to the company in connection with this ongoing claim.

continued...

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	30.12.22 £'000	30.12.21 £'000
100,000	Ordinary	£1	100	100

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

21. RESERVES

	Retained earnings £'000	Share premium £'000	Capital contribution reserve £'000	Totals £'000
At 31 December 2021	(302,883)	2,601	203,418	(96,864)
Deficit for the year	(24,038)	-	-	(24,038)
At 30 December 2022	(326,921)	2,601	203,418	(120,902)

22. ULTIMATE PARENT COMPANY

M+W Germany GmbH (incorporated in Germany) is regarded by the directors as being the company's ultimate parent company.

The largest Group in which the results of the company are consolidated is that headed by M+W Group GmbH, incorporated in Germany. The consolidated accounts of this Company are available to the public and may be obtained from M+W Group GmbH, Löwentorbogen 9b, 30, 70376, Stuttgart, Germany

continued...

23. RELATED PARTY DISCLOSURES

	Sales during		Purchases during	
	30.12.22	30.12.21	30.12.22	30.12.21
	£'000	£'000	£'000	£'000
Exyte Northern Europe Limited	-	-	-	-
Exyte Energy Inc	-	-	-	-
	-	-	-	-

	Receivables outstanding		Payables outstanding	
	30.12.22	30.12.21	30.12.22	30.12.21
	£'000	£'000	£'000	£'000
Exyte Northern Europe Limited	-	7	-	74
Exyte Energy Inc	13	194	1	135
	13	201	1	209

Transactions between wholly owned subsidiaries have taken the exemption within FRS 101 and are not disclosed.