

Registered number
8884769

EDS HV Management Limited
Registered number: 8884769

Annual Report and Financial Statements

for the year ended
31 December 2021

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EDS HV Management Limited

Strategic Report

The Directors present their report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company is the provision of high voltage safety operation and maintenance services.

Results for the year

The trading results for the period and the company financial position at the end of the period are shown in the financial statements on pages 8 to 21. The profit for the period after taxation was £691,992 (2020 as restated: £690,032). Revenue increased year on year due to a bounce back from the effect of Covid-19 in 2020, and also the addition of three long-term contracts (all over 10 years).

Key performance indicators

The Directors have considered the issue of key performance indicators (KPI's) as a measure of performance and have concluded that profit before taxation is the most appropriate measure.

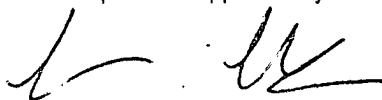
Risks and uncertainties

The main risks facing the company are market conditions, and an increased threat from competitors in a growing marketplace. Risks are mitigated by increasing our sales offering, improving our staff packages and creating a talent pool of resources.

Going concern

As explained in note 1, the directors are of the opinion that the company has sufficient financial resources to continue trading for at least 12 months from the date of this report.

This report was approved by the board on 6 September 2022 and signed on its behalf.



G Corbetta
Director

EDS HV Management Limited
Registered number: 8884769
Directors' Report

Directors

The following persons served as directors during the year:

G Corbetta
J H J Marsh
P Speirs (appointed 1 September 2022)

Secretary

J H J Marsh (resigned 1 September 2022)
P Speirs (appointed 1 September 2022)

Auditors

KPMG LLP
1 St. Peter's Square
Manchester
M2 3AE

Bankers

Barclays Bank Plc
Leicester
Leicestershire
LE87 2BB

Registered office

Fisher House
PO Box 4
Barrow-In-Furness
England
LA14 1HR

Statement of Compliance

To comply with the Companies Act 2006, the Company has detailed in the Strategic report, a review of the development and performance of the business during the year including key financial performance indicators, and a description of the principal risks and uncertainties facing the Company.

Treasury policies

The company's treasury management operates under approved treasury policies and guidelines covering funding and management of foreign currency exposure and interest rate risk. Its purpose is to manage the financial risks of the business effectively and to secure finance at a minimum cost. Activities are covered by guidelines, exposure limits, controls and a system of authority authorised by the board of the company's ultimate holding company, James Fisher and Sons plc.

The company manages its cash to ensure maximum benefit is gained whilst ensuring security of investment sources. Any surplus funds are placed with institutions with strong credit ratings.

Political contributions

The company made no political contributions in the year (2020: £nil).

Auditor

During 2021, KPMG were appointed as statutory auditors of the Company. Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

EDS HV Management Limited
Registered number: 8884769
Directors' Report

Post balance sheet event

There were no significant post balance sheet events.

Dividends

The dividends paid during the year amounted to £400,000 (2020: Nil).

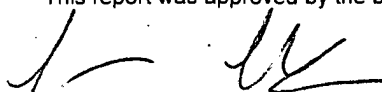
Disclosure of information to the auditor

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 they ought to have taken as a Director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Directors' Indemnity

The Directors benefited from qualifying third party indemnity provisions in place during the financial year and at the date of this report.

This report was approved by the board on 6 September 2022 and signed on its behalf.



G Corbetta

Director

EDS HV Management Limited
Registered number: 8884769

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDS HV MANAGEMENT LIMITED

Opinion

We have audited the financial statements of EDS HV Management Limited ("the Company") for the year ended 31 December 2021 which comprise the Profit and Loss Account and Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and related notes, including the significant accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the Company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Company or to cease its operations, and as they have concluded that the Company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

In our evaluation of the directors' conclusions, we considered the inherent risks to the Company's business model and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

Our conclusions based on this work:

- we consider that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate;
- we have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for the going concern period.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Company will continue in operation.

Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. Our risk assessment procedures included:

- Enquiring of directors and local management as to the Company's high-level policies and procedures to prevent and detect fraud, including the internal audit function, and the Company's channel for "whistleblowing", as well as whether they have knowledge of any actual, suspected or alleged fraud.
- Reading Board meeting minutes.
- Considering remuneration incentive schemes and performance targets for management.
- Using analytical procedures to identify any unusual or unexpected relationships.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDS HV MANAGEMENT LIMITED

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, in particular:

- The risk that management may be in a position to make inappropriate accounting entries; and
- The risk that variable revenue consideration is recognised incorrectly or in the wrong period.

We did not identify any additional fraud risks.

We performed procedures including:

- Identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. These included unusual cash pairings; and
- Considering the contract terms and reviewing historical evidence to determine the recognition of variable consideration under IFRS 15.

Identifying and responding to risks of material misstatement related to compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general commercial and sector experience and through discussion with the directors and other management (as required by auditing standards), and discussed with the directors and other management the policies and procedures regarding compliance with laws and regulations.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Company is subject to laws and regulations that directly affect the financial statements including financial reporting legislation (including related companies legislation), distributable profits legislation and taxation legislation and we assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation or the loss of the Company's license to operate. We identified the following areas as those most likely to have such an effect: health and safety, data protection laws, anti-bribery and employment law recognising the nature of the Company's activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. Therefore, if a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EDS HV MANAGEMENT LIMITED

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

H Johnston

Hannah Johnston (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

07 Sept 2022

EDS HV Management Limited
Profit and Loss Account and Other Comprehensive Income
for the year ended 31 December 2021

	Notes	2021 £	2020 restated £
Turnover	3	7,760,092	6,975,423
Cost of sales		(5,836,763)	(4,985,886)
Gross profit		<u>1,923,329</u>	<u>1,989,537</u>
Administrative expenses		(1,106,558)	(1,118,663)
Other operating income	6	5,000	10,000
Operating profit	5	<u>821,771</u>	<u>880,874</u>
Loss on sale of fixed assets		-	(1,750)
Interest receivable	9	8,803	7,186
Interest payable	10	(8,437)	(24,734)
Profit on ordinary activities before taxation		<u>822,137</u>	<u>861,576</u>
Tax on profit on ordinary activities	11	(130,145)	(171,544)
Profit for the financial year		<u>691,992</u>	<u>690,032</u>

The results for the year are derived from continuing operations.

There was no other comprehensive income for the year other than the profit for the financial year (2020: £Nil).

The accompanying notes on pages 11 to 21 form part of these financial statements.

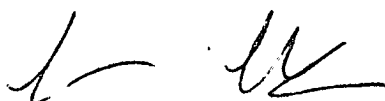
2020 balances have been restated to reflect a change in revenue recognition. Note 4 explains in more detail.

EDS HV Management Limited
Balance Sheet
as at 31 December 2021

	Notes	31 December 2021 £	31 December 2020 restated £
Fixed assets			
Intangible assets	12	184,298	162,571
Tangible assets	13	1,108,094	447,136
Investments	14	-	1
		<u>1,292,392</u>	<u>609,708</u>
Current assets			
Stocks	15	12,036	12,059
Debtors (£707,768 due in greater than one year (2020: £nil)).	16	2,958,015	1,766,928
Cash at bank and in hand		<u>495,471</u>	<u>1,405,882</u>
		<u>3,465,522</u>	<u>3,184,869</u>
Creditors: amounts falling due within one year	17	(1,612,107)	(1,376,696)
Net current assets		<u>1,853,415</u>	<u>1,808,173</u>
Total assets less current liabilities		<u>3,145,807</u>	<u>2,417,881</u>
Creditors: amounts falling due after more than one year	18	(464,521)	(41,705)
Provisions for liabilities			
Deferred taxation	19	(60,883)	(47,765)
Net assets		<u>2,620,403</u>	<u>2,328,411</u>
Capital and reserves			
Called up share capital	20	3	3
Profit and loss account	22	2,620,400	2,328,408
Total equity		<u>2,620,403</u>	<u>2,328,411</u>

The accompanying notes on pages 11 to 21 form part of these financial statements.

2020 balances have been restated to reflect a change in revenue recognition. Note 4 explains in more detail.



G Corbetta
 Director
 Approved by the board on

6 September 2022
 Company registration No. 8884769

EDS HV Management Limited
Statement of Changes in Equity
for the year ended 31 December 2021

	Share capital	Profit and loss account	Total
	£	£	£
At 1 January 2020	3	1,638,376	1,638,379
Profit for the financial year	-	896,582	896,582
At 31 December 2020 per previous accounts	<u>3</u>	<u>2,534,958</u>	<u>2,534,961</u>
Prior Year Adjustment (note 4)	-	(206,550)	(206,550)
Restated balance at 31 December 2020	<u>3</u>	<u>2,328,408</u>	<u>2,328,411</u>
At 1 January 2021	3	2,328,408	2,328,411
Profit for the financial year	-	691,992	691,992
Dividends	-	(400,000)	(400,000)
At 31 December 2021	<u>3</u>	<u>2,620,400</u>	<u>2,620,403</u>

EDS HV Management Limited
Notes to the Accounts
for the year ended 31 December 2021

1 Summary of significant accounting policies

The financial statements are presented in Sterling.

EDS HV Management Limited is a private company limited by shares and incorporated in England.

EDS HV Management Limited (the "Company") is a company incorporated and domiciled in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK ("Adopted IFRS"), 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, James Fisher and Sons plc includes the Company in its consolidated financial statements. The consolidated financial statements of James Fisher and Sons plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Fisher House, PO Box 4, Barrow in Furness, Cumbria, LA14 1HR.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- A Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- Disclosures in respect of transactions with wholly owned subsidiaries;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of James Fisher and Sons plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IFRS 13 Fair Value Measurement and the disclosures required by IFRS 7 Financial Instrument Disclosures.

The principle accounting policies, which have been applied consistently throughout the year and the preceeding period, are set out below.

Going Concern

As set out in the Directors' Report on page 2, the company is a subsidiary of James Fisher and Sons plc (the 'Group').

We note profit before tax of £822,137 and net current assets of £1,853,415 as at 31 December 2021. These financial statements have been prepared on a going concern basis which the Directors consider appropriate for the following reasons.

The company is party to the Group banking arrangements, with EDS HV Management Ltd being a named party on the banking documents and providing a cross-guarantee for certain Group facilities. Consequently, in assessing the going concern of EDS HV Management Ltd, the Directors also consider the financial situation of the Group as a whole.

The Directors of the ultimate parent Company, James Fisher and Sons plc have prepared cashflow forecasts for a period of at least 12 months from the date of approval of these financial statements taking into account the impacts of wider macro-economic environment. The base case was prepared under conservative assumptions that no disposals of non-core businesses would materialise in the assessment period and any expiring facilities would not be renewed. The Group continues to work on rationalisation of its business portfolio and expects to renew the expiring facilities. The base case which demonstrated the Company would have headroom against facilities and comply with covenants. A number of severe but plausible downside scenarios were modelled compared to the base case forecast of profit and cash flow to assess headroom against facilities and covenant compliance for at least the next 12 months.

These scenarios included reducing operating profit by 30% and reducing cash receipts by £10m in 2022 and £20m in 2023. A combination of these scenarios was considered as the downside case which showed headroom and no breach of covenants.

Further mitigating actions could also be taken in such scenarios should they be required.

The Directors of James Fisher and Sons plc have indicated their intention to make available such funds as are needed by EDS HV Management Ltd to meet its liabilities as they fall due and that it does not intend to seek repayment of the intercompany amounts due at the balance sheet date, which amounted to £15,633 both for at least 12 months from the date of approval of these financial statements.

EDS HV Management Limited
Notes to the Accounts
for the year ended 31 December 2021

As with any company placing reliance on other Group entities for financial support, the Directors acknowledge that there can be no certainty this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Taking the above into account, the Directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue

IFRS 15 'Revenue from contracts with customer' became effective on 1 January 2018.

Revenue, after excluding trade discounts and value added tax, represents the provision of goods and services by the Company in the normal course of business. Revenue is recognised as control of the goods and services is transferred to the customer, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of the transfer of control will vary depending on the terms of the sales agreement, the evaluation of the specific risks associated with the performance of the contract (for example design, construction and testing) or generally accepted practice where there are no specific arrangements in the contract.

Performance obligations

Upon approval by the parties to a contract, the contract is assessed to identify each promise to transfer either a distinct good or service or a series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Goods and services are distinct and accounted for as separate performance obligations in the contract if the customer can benefit from them either on their own or together with other resources that are readily available to the customer and they are separately identifiable in the contract.

Transaction price

At the start of the contract, the total transaction price is estimated as the amount of consideration to which the company expects to be entitled in exchange for transferring the promised goods and services to the customer, excluding sales taxes. Variable consideration, such as price escalation and performance bonuses, is included based on the expected value or most likely amount only to the extent that it is highly probable that there will not be a reversal in the amount of cumulative revenue recognised. Bonuses relating to factors outside of the entity's control are only recognised when it's highly probable the target will be achieved. The transaction price does not include estimates of consideration resulting from contract modifications, such as change orders, until they have been approved by the parties to the contract. The total transaction price is allocated to the performance obligations identified in the contract in proportion to their relative stand-alone selling prices where appropriate. Given the bespoke nature of many of the Company's products and services, which are designed and/or manufactured under contract to the customer's individual specifications, there are typically no observable stand-alone selling prices. In such cases, stand-alone selling prices are typically estimated based on expected costs plus contract margin consistent with the Company's pricing principles.

Revenue and profit recognition

Revenue is recognised as performance obligations are satisfied as control of the goods and services is transferred to the customer. For each performance obligation within a contract, the company determines whether it is satisfied over time or at a point in time. Performance obligations are satisfied over time if one of the following criteria is satisfied:

- the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs;
- the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Company's performance does not create an asset with an alternative use to the Company and it has an enforceable right to payment for performance completed to date.

Contracts that satisfy the over time criteria primarily occur either because the customer simultaneously receives and consumes the benefits provided by the Company's performance as it performs (typically services or support contracts) or the Company's performance does not create an asset with an alternative use and it has an enforceable right to payment for performance completed to date (typically production contracts).

For each performance obligation to be recognised over time, the company typically recognises revenue using an input method, based on costs incurred in the year. Revenue and attributable margin are calculated by reference to reliable estimates of transaction price and total expected costs, after making suitable allowances for technical and other risks. Revenue and associated margin are therefore recognised progressively as costs are incurred. If the over time criteria for revenue recognition are not met, revenue is recognised at the point in time that control is transferred to the customer, which is usually when legal title passes to the customer and the business has the right to payment, for example, on delivery. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised immediately as an expense.

The Company has several long-term contracts where revenue is not recognised over time, but where distinct performance obligations are identified, a transaction price is allocated and revenue recognised at that time. Typically these elements form a significant part of the whole contract but there is also some revenue allocated continuously over time.

Government grants

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account on a systematic basis over the estimated useful economic lives of the assets to which they relate or over the periods in which the related costs for which the grants are intended to compensate are recognised as expenses. Amounts recognised in the profit and loss account are presented under the heading "Other Operating income".

Bid costs

All pre-contract bidding costs which are incurred irrespective of whether the contract is awarded relating to the design, manufacture or operation of assets or the provision of services are expensed when incurred.

EDS HV Management Limited
Notes to the Accounts
for the year ended 31 December 2021

Warranty costs

Provision is made for warranties offered with products where it is probable that an obligation to transfer economic benefits to the customer in future will arise. This provision is based on management's assessment of the previous history of claims and probability of future obligations arising on a product by product basis.

Financial instruments

Financial assets

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the company becomes a party to the contractual provisions of the instrument. A financial asset, other than a trade receivable without a significant financing component, or financial liability is initially measured at fair value plus transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Financial liabilities

Financial liabilities are classified as measured at amortised cost or 'Fair Value through the Profit and Loss' (FVTPL). A financial liability is classified as at FVTPL if it is classified as held for trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense, foreign exchange gains and losses, and any gain or loss on de-recognition are recognised in profit or loss.

Foreign currency

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. Exchange differences arising on settlement of monetary items or on the retranslation of monetary items at rates different from those at which they were initially recognised are taken to the profit & loss account. All exchange differences on assets and liabilities denominated in foreign currencies are taken to the income statement, other than investments in foreign operations and foreign currency borrowings used to hedge those investment, where exchange differences are taken to the translation reserve.

Intangible fixed assets

Intangible assets are stated at cost or fair value less any provision for impairment.

Intangible assets assessed as having finite lives are amortised over their estimated useful economic life and are assessed for impairment whenever there is an indication that they are impaired. Amortisation charges are on a straight line basis and recognised in the profit & loss account. Estimated useful lives are as follows:

Development costs	5 years or over the expected period of product sales, if less
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Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and any provision for impairment losses

Depreciation is provided to write-off the cost of property, plant and equipment to their residual value in equal annual instalments over their estimated useful lives, as follows:

Freehold property	40 years
Leasehold improvements	over the life of the lease
Plant and equipment	4 years
Motor vehicles	2-4 years
Computer equipment	3-4 years
Office equipment	6 years

No depreciation is charged on assets under construction

Impairment of tangible and intangible assets

At each reporting date the company assesses whether there are any indications that an asset has been impaired. If any indication exists, an estimate of the recoverable amount of the asset is made which is determined as the higher of its fair value less costs to sell and its value in use. These calculations are determined for an individual asset unless that asset does not generate cash inflows independently from other assets, in which case its value is determined as part of that group of assets. To assess the value in use, estimated future cash flows relating to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and risks specific to the asset. Where the carrying amount of the asset exceeds its recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. Impairment losses are recognised in the profit & loss account.

Research and development costs

Research expenditure is expensed in the profit & loss account as incurred. Expenditure on development which represents the application of research to the development of new products or processes is capitalised provided that specific projects are identifiable, technically feasible, and the company has sufficient resources to complete development. The useful life of projects meeting the criteria for capitalisation is determined on a project by project basis. Capitalised development expenditure is measured at cost and amortised over its expected useful life on a straight line basis. Other development costs are recognised in the profit & loss account as incurred.

If an event occurs after the recognition of an impairment that leads to a decrease in the amount of the impairment loss previously recognised the impairment loss is reversed. The reversal is recognised in the profit & loss account to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

EDS HV Management Limited
Notes to the Accounts
for the year ended 31 December 2021

Stock

Inventories are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition. Raw materials, consumables stores and finished goods for sale are stated at purchase cost on a first in first out basis. Work in progress and finished goods are stated at the cost of direct materials and labour plus attributable overheads allocated on a systematic basis based on a normal level of activity. Net realisable value is based on estimated selling price less the estimated costs of completion and sale or disposal.

Taxation

Corporation tax is provided on taxable profits from activities not qualifying for tonnage tax relief and is recognised in the profit & loss account except to the extent that it relates to items recognised directly in equity or in other comprehensive income.

Current tax is the expected corporation tax payable or receivable in respect of the taxable profit for the year using tax rates enacted or substantively enacted at the balance sheet date, less any adjustments to tax payable or receivable in respect of previous years

Deferred tax is recognised in respect of all temporary differences between the carrying amounts of assets and liabilities included in the financial statements and the amounts used for tax purposes, that will result in an obligation to pay more, a right to pay less or to receive more tax, with the following exceptions:

- No provision is made where a deferred tax liability arises from the initial recognition of an asset or liability in a transaction that at the time of the transaction affect neither accounting nor taxable profit; and
- No provision is made for deferred tax that would arise on all taxable temporary differences associated with investments in subsidiaries and interests in joint ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets are recognised only to the extent that the Directors consider that it is probable that there will be suitable taxable profits from which the future reversal of the underlying temporary differences and unused tax losses and credits can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which the asset is expected to be realised or liability settled, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in IFRS 16. This policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocated the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rates as the discount rate.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less at inception and leases of low-value assets, including IT equipment. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Policy applicable before 1 January 2019

A lease arrangement under which substantially all the risks and rewards of ownership rest with the lessee are classified as finance leases and capitalised at the inception of the lease at the lower of the fair value of the related item or the present value of the minimum lease payments. Lease payments are apportioned between finance charges and a reduction in the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are expensed to the profit & loss account. Capitalised leased assets are depreciated over the shorter of the lease term and the estimated useful life of the asset. All other leases are classified as operating leases and rentals payable are charged to the profit & loss account on a straight line basis over the lease term.

Pension plans

The company recognises a liability and an expense for short term employee benefits, including bonuses, only when contractually or constructively obliged.

Share capital and reserves

Ordinary shares are classified as equity. Costs attributable to the issue of new shares are deducted from equity from the proceeds.

Financial and business risks

The company's activities expose it to a variety of financial and business risks. Where possible the company seeks to minimise these risks through its risk management policies.

EDS HV Management Limited
Notes to the Accounts
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2 Critical accounting estimates and judgements

Revenue

Revenue is recognised as control of the goods and services is transferred to the customer, the amount of revenue can be measured reliably and recovery of the consideration is probable. The timing of the transfer of control will vary depending on the terms of the sales agreement, the evaluation of the specific risks associated with the performance of the contract (for example design, construction and testing) or generally accepted practice where there are no specific arrangements in the contract.

The Directors do not believe that revenue recognition requires a significant level of estimation or judgement due to the non-complex nature of the contracts within the Company. However the directors do believe that there is a critical accounting estimate in relation to the recognition of variable consideration under IFRS 15. Due to the level of estimation uncertainty in respect of the consideration being received in the future, the board have taken the decision not to recognise this element of revenue during the year, and have restated the 2020 balances to this effect. As at 31 December 2021 there is one contract that has been signed with a total variable consideration of £3.5m to be received based on performance based achievements by the Company over a period of 15 years. No consideration has been recognised in the 2021 (or restated 2020) accounts in respect of this amount.

3 Revenue	2021	2020 restated
	£	£
Services rendered (recognised over time)	7,760,092	6,975,423
	<u>7,760,092</u>	<u>6,975,423</u>
By geographical market:		
United Kingdom and Republic of Ireland	6,227,591	5,666,168
Asia Pacific	286,750	-
Rest of world	1,245,751	1,309,255
	<u>7,760,092</u>	<u>6,975,423</u>

4 Prior Year Adjustment

Since 2020, a variable consideration has been recognised within Revenue on a specific maintenance contract. Variable consideration can be recognised at expected value only to the extent that it is highly probable that a reversal will not occur. Reflecting on the contract terms, the susceptibility of factors outside of the entity's control that would impact the consideration and the limited experience history management has on these specific maintenance contracts, management have concluded that the variable consideration should be constrained. Consequently, the prior year results have been restated: Revenue has been reduced by £255,000; profit and net assets reduced by £206,550, accrued income included in debtors reduced by £255,000, taxation creditors reduced by £48,450, and prior year tax charge reduced by £48,450.

5 Expenses and auditor's remuneration	2021	2020
	£	£
Operating profit is stated after charging :		
Depreciation of owned fixed assets	142,419	140,367
Auditors' remuneration for audit services	19,002	8,330
Profit on disposal of fixed assets	-	1,750
	<u>161,421</u>	<u>150,447</u>
6 Other operating income	2021	2020
	£	£
Government grants	5,000	10,000
	<u>5,000</u>	<u>10,000</u>
7 Directors' emoluments	2021	2020
	£	£
Emoluments	1,506	149,408
Company contributions to defined contribution pension plans	64	5,641
	<u>1,570</u>	<u>155,049</u>

Reduction year on year due to fewer directors now serving compared to 2020, and current directors remunerated elsewhere in the James Fisher & Sons plc Group, due to the nature of the services provided by the Directors to the Company.

Number of directors to whom retirement benefits accrued:	2021 Number	2020 Number
Defined contribution plans	<u>1</u>	<u>1</u>

EDS HV Management Limited
Notes to the Accounts
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8 Staff costs	2021	2020
The aggregate payroll costs of these persons were as follows:	£	£
Wages and salaries	2,685,186	2,479,582
Social security costs	316,559	296,561
Other pension costs	79,321	89,072
	<u>3,081,066</u>	<u>2,865,215</u>

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

Average number of employees during the year	2021	2020
Administration	41	43
	<u>41</u>	<u>43</u>

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently managed fund. The amount charged to the profit and loss account of £79,321 (2020: £89,072) represents the contributions payable to the scheme in respect of the accounting period.

9 Other interest receivable and similar income	2021	2020
	£	£
Intercompany interest	8,803	7,186
	<u>8,803</u>	<u>7,186</u>

10 Interest payable and similar expenses	2021	2020
	£	£
Intercompany interest	466	19,708
Unwind of discount on right-of-use lease liability	7,971	5,026
	<u>8,437</u>	<u>24,734</u>

EDS HV Management Limited
Notes to the Accounts
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11 Taxation on profit

	2021	2020 restated
	£	£
Analysis of charge in year		
Current tax:		
UK corporation tax on profits of the year	165,477	162,731
Adjustments in respect of prior periods	(48,450)	-
	<u>117,027</u>	<u>162,731</u>
Deferred tax:		
Origination and reversal of timing differences	13,118	8,813
	<u>13,118</u>	<u>8,813</u>
Tax on profit on ordinary activities	<u>130,145</u>	<u>171,544</u>

Factors affecting corporation tax charge in the year

The effective rate is lower (2020: higher) than the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020 restated
	£	£
Profit on ordinary activities before tax	<u>822,137</u>	<u>861,576</u>
Standard rate of corporation tax in the UK	19%	19%
	£	£
Profit on ordinary activities multiplied by the standard rate of corporation tax	156,206	163,699
Effects of:		
Expenses not deductible for tax purposes	3,886	428
Ineligible depreciation	3,792	8,341
Deferred tax	-	8,813
Other	-	(14,168)
Overseas tax	99	4,171
Effect of rate change	14,612	-
Adjustment in respect of prior periods	(48,450)	260
Current tax charge for year	<u>130,145</u>	<u>171,544</u>

Factors that may affect future tax charges

An increase in the UK corporation rate from 19% to 25% (effective 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly. The deferred tax asset at 31 December 2021 has been calculated based on these rates, reflecting the expected timing of reversal of the related timing differences (2020: 19%).

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Notes to the Accounts
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12 Intangible fixed assets

	Development costs £	Total £
Cost		
At 1 January 2021	162,571	162,571
Additions	21,727	21,727
At 31 December 2021	184,298	184,298
Impairment		
At 1 January 2021 and 31 December 2021	-	-
Carrying amount		
At 31 December 2021	184,298	184,298
At 31 December 2020	162,571	162,571

13 Tangible fixed assets

	Land and buildings £	Plant and machinery £	Motor Vehicles £	Office Equipment £	Total £
Cost					
At 1 January 2021	9,365	165,046	472,631	128,782	775,824
Additions	434,710	176,924	71,152	120,591	803,377
Disposals	(9,365)	-	-	-	(9,365)
At 31 December 2021	434,710	341,970	543,783	249,373	1,569,836
Depreciation					
At 1 January 2021	9,037	83,318	159,293	77,040	328,688
Charge for the year	3,951	43,132	68,648	26,688	142,419
On disposals	(9,365)	-	-	-	(9,365)
At 31 December 2021	3,623	126,450	227,941	103,728	461,742
Carrying amount					
At 31 December 2021	431,087	215,520	315,842	145,645	1,108,094
At 31 December 2020	328	81,728	313,338	51,742	447,136

Right-of-use assets

Tangible fixed assets includes right-of-use assets with carrying amounts as follows:

	Land and buildings £	Motor Vehicles £	Total £
Right-of-use asset			
At 1 January 2021	9,365	91,911	101,276
Additions	434,710	71,152	505,862
Disposals	(9,365)	-	(9,365)
Depreciation	(3,623)	(53,632)	(57,255)
At 31 December 2021	431,087	109,431	540,518

14 Fixed asset investments

	Investments in subsidiary undertakings £	Total £
Cost		
At 1 January 2021	1	1
Disposals	(1)	(1)
At 31 December 2021	-	-
Net book value		
At 31 December 2021	-	-
At 1 January 2021	1	1

The disposal in 2021 was due to the winding up of ForesightHV Operations Limited.

EDS HV Management Limited
Notes to the Accounts
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15 Stocks	2021	2020
	£	£
Finished goods and goods for resale	12,036	12,059
	<u>12,036</u>	<u>12,059</u>
16 Debtors	2021	2020
	£	restated £
Trade debtors	1,378,133	1,006,401
Amounts owed by group undertakings	907,369	316,303
Other debtors	5,528	59,736
Prepayments and accrued income	666,985	384,488
	<u>2,958,015</u>	<u>1,766,928</u>
Due within one year	2,250,247	1,766,928
Due after more than one year	707,768	-
17 Creditors: amounts falling due within one year	2021	2020
	£	restated £
Lease liability	72,068	19,442
Trade creditors	630,511	398,928
Amounts owed to group undertakings	15,633	2,207
Corporation tax	68,735	230,742
Other taxes and social security costs	294,844	439,444
Other creditors	22,480	56,087
Accruals and contract liabilities	507,836	229,846
	<u>1,612,107</u>	<u>1,376,696</u>
Amounts payable otherwise than by instalments	1,540,039	1,357,254
18 Creditors: amounts falling due after one year		
Lease liability	<u>464,521</u>	<u>41,705</u>
Amounts due greater than five years	270,417	-
19 Deferred taxation	2021	2020
	£	£
Accelerated capital allowances	<u>(60,883)</u>	<u>(47,765)</u>
	2021	2020
	£	£
At 1 January	(47,765)	(38,952)
Debited to the profit and loss account	<u>(13,118)</u>	<u>(8,813)</u>
At 31 December	<u>(60,883)</u>	<u>(47,765)</u>

EDS HV Management Limited
Notes to the Accounts
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20 Share capital	Nominal value	2021 Number	2021 £	2020 £
Allotted, called up and fully paid:				
Ordinary shares	£1 each	3	3	3
			<u>3</u>	<u>3</u>

21 Leases	2021 £	2020 £
Interest expense on lease liabilities	(7,971)	(5,026)
Depreciation expense on right of use assets	(57,255)	(40,745)
	<u>(65,226)</u>	<u>(45,771)</u>

22 Profit and loss account	2021 £	2020 restated £
At 1 January	2,328,408	1,638,376
Profit for the financial year	691,992	690,032
At 31 December	<u>2,620,400</u>	<u>2,328,408</u>

23 Dividends	2021 £	2020 £
The following dividends were recognised during the year:		
Dividends on ordinary shares	400,000	-
	<u>400,000</u>	<u>-</u>

24 Derivative financial instruments

As at 31 December 2021, the company had no derivative financial instruments outstanding.

25 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of James Fisher and Sons plc which is the ultimate parent company incorporated in United Kingdom.

The largest group in which the results of the Company are consolidated is that headed by James Fisher and Sons plc incorporated in the United Kingdom. No other group financial statements include the results of the Company. The consolidated financial statements of these groups are available to the public and may be obtained from Fisher House, PO Box 4, Barrow in Furness, Cumbria, LA14 1HR.

EDS HV Management Limited
Notes to the Accounts
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26 Prior Year Adjustments

Profit & Loss Account	Previously presented	Restated
Turnover	7,230,423	6,975,423
Cost of sales	(4,985,886)	(4,985,886)
Gross profit	<u>2,244,537</u>	<u>1,989,537</u>
Distribution costs	-	-
Administrative expenses	(1,118,663)	(1,118,663)
Other operating income	10,000	10,000
Operating profit	<u>1,135,874</u>	<u>880,874</u>
Loss on sale of fixed assets	(1,750)	(1,750)
Interest receivable	7,186	7,186
Interest payable	(24,734)	(24,734)
Profit on ordinary activities before taxation	<u>1,116,576</u>	<u>861,576</u>
Tax on profit on ordinary activities	(219,994)	(171,544)
Profit for the financial year	<u>896,582</u>	<u>690,032</u>

Balance Sheet

	Previously presented	Previously presented	Restated	Restated
Fixed assets				
Intangible assets		162,571		162,571
Tangible assets		447,136		447,136
Investments		1		1
		<u>609,708</u>		<u>609,708</u>
Current assets				
Stocks	12,059		12,059	
Debtors	2,021,928		1,766,928	
Cash at bank and in hand	<u>1,405,882</u>		<u>1,405,882</u>	
	<u>3,184,869</u>		<u>3,184,869</u>	
Creditors: amounts falling due within one year	<u>(1,466,851)</u>		<u>(1,418,401)</u>	
Net current assets		<u>1,973,018</u>		<u>1,766,468</u>
Total assets less current liabilities		<u>2,582,726</u>		<u>2,376,176</u>
Provisions for liabilities				
Deferred taxation		(47,765)		(47,765)
Net assets		<u>2,534,961</u>		<u>2,328,411</u>
Capital and reserves				
Called up share capital		3		3
Profit and loss account		2,534,958		2,328,408
Total equity		<u>2,534,961</u>		<u>2,328,411</u>