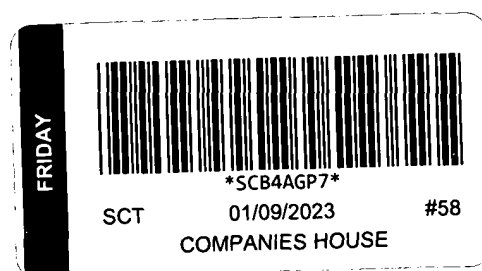


Company registration number SC241155 (Scotland)

**BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2023**



# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	W S Henderson M J Horner
<b>Company number</b>	SC241155
<b>Registered office</b>	Cornerstone 60 South Gyle Crescent Edinburgh EH12 9EB
<b>Auditors</b>	Geoghegans Chartered Accountants 6 St Colme Street Edinburgh EH3 6AD
<b>Bankers</b>	Bank of Scotland 38 St Andrew Square Edinburgh EH2 2YR

---

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## CONTENTS

---

	<b>Page</b>
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Profit and loss account	7
Balance sheet	8
Statement of changes in equity	9
Statement of cash flows	10
Notes to the financial statements	11 - 24

---

# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 JANUARY 2023**

---

The directors present the strategic report for the year ended 31 January 2023.

### **Fair review of the business**

The directors report a profit before tax for the year of £424,210 which is considered satisfactory given the current economic situation due to the effects of Brexit, war in Ukraine, and the continuing recovery following the Covid 19 pandemic. The company is seeing strong performance from its core market sectors, and this allied to continued diversification into other industries has resulted in a satisfactory increase in revenue from the prior year.

The company is focused on further diversification into target market sectors and is in a strong position to continue improving its performance in future years.

Given the nature of the business, the directors are of the opinion that analysis using key performance indicators is not necessary for an understanding of the development, performance and position of the business.

### **Principal risks and uncertainties**

The company is continuing with its strategy of diversification and targeted growth in order to maintain its resilience to trading volatilities.

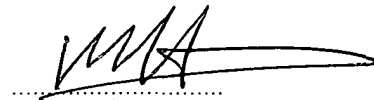
The company's systems and operations are continuously reviewed to ensure maximum efficiencies and service levels are maintained in order to meet client and compliance requirements.

### **Development and performance**

The directors' main objective is to develop the business by offering services to a wide range of clients in existing and different market sectors.

The directors are confident that their strategy will deliver continuing profitability and generate the required cash flows to finance its future operations.

On behalf of the board



M J Horner

Director

7 July 2023

# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2023**

---

The directors present their report and financial statements for the year ended 31 January 2023.

#### **Principal activities**

The principal activity of the company continued to be that of civil, structural, mechanical and electrical engineering consultancy and the provision of services to clients on all aspects and types of construction work.

#### **Directors**

The following directors have held office since 1 February 2022:

W S Henderson  
M J Horner

#### **Results and dividends**

The results for the year are set out on page 7.

The directors do not recommend payment of a dividend.

#### **Auditor**

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

#### **Statement of directors' responsibilities**

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## DIRECTORS' REPORT (CONTINUED)

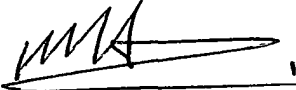
FOR THE YEAR ENDED 31 JANUARY 2023

---

### Statement of disclosure to auditor

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

On behalf of the board



M J Horner

Director

Date: 7/7/23

# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

---

#### **Opinion**

We have audited the financial statements of Blyth & Blyth Consulting Engineers Limited (the 'company') for the year ended 31 January 2023 which comprise the Profit And Loss Account, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

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

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

#### **Other information**

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

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

---

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

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

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures to respond to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, we consider the following:

- The nature of the industry, control environment and business performance of the company.
- The requests of our enquires with management and Directors about their own identification and assessment of the risks of irregularities.
- The matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we consider the opportunities and incentives that may exist within the company for fraud. In common with all audits under ISAs (UK), we perform specific procedures to respond to the risk of management override.

We also obtain an understanding of the legal and regulatory environment in which the company operates, focusing on those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements and those which may be fundamental to the company's ability to operate.



# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

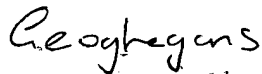
---

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

#### **Use of our report**


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



Iain Binnie  
Senior Statutory Auditor  
For and on behalf of Geoghegans

Date: 7 July 2023

Chartered Accountants  
Statutory Auditor



6 St Colme Street  
Edinburgh  
EH3 6AD

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 JANUARY 2023

---

	Notes	2023 £	2022 £
Turnover	3	12,235,513	9,157,331
Cost of sales		(9,161,453)	(6,367,509)
<b>Gross profit</b>		<b>3,074,060</b>	<b>2,789,822</b>
Administrative expenses		(2,635,962)	(2,425,520)
Other operating income	4	-	6,323
<b>Operating profit</b>	4	<b>438,098</b>	<b>370,625</b>
Interest receivable and similar income	7	904	175
Interest payable and similar expenses	8	(14,792)	(14,039)
<b>Profit before taxation</b>		<b>424,210</b>	<b>356,761</b>
Taxation	9	(102,646)	(68,064)
<b>Profit for the financial year</b>		<b>321,564</b>	<b>288,697</b>

---

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## BALANCE SHEET

AS AT 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
<b>Fixed assets</b>					
Tangible assets	10		186,918		303,736
<b>Current assets</b>					
Debtors	11	7,376,915		5,234,551	
Cash at bank and in hand		1,187,532		1,723,869	
		8,564,447		6,958,420	
<b>Creditors: amounts falling due within one year</b>	12	(4,996,073)		(3,926,513)	
Net current assets			3,568,374		3,031,907
<b>Total assets less current liabilities</b>			3,755,292		3,335,643
<b>Creditors: amounts falling due after more than one year</b>	13		(200,579)		(308,720)
<b>Provisions for liabilities</b>	16		(151,829)		(19,183)
<b>Net assets</b>			3,402,884		3,007,740
<b>Capital and reserves</b>					
Called up share capital	20		114,446		114,446
Capital redemption reserve			85,554		85,554
Employee Benefit Trust reserve	21		(177,937)		(177,937)
Equity share option reserve	21		122,894		49,314
Profit and loss reserve			3,257,927		2,936,363
<b>Total equity</b>			3,402,884		3,007,740

The financial statements were approved by the board of directors and authorised for issue on 7 July 2023 and are signed on its behalf by:

  
M J Horner  
Director

Company Registration No. SC241155

## BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

### STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	Share capital £	Capital redemption reserve £	Employee Benefit Trust reserve £	Equity share option reserve £	Profit and loss reserves £	Total £
<b>Balance at 1 February 2021</b>		117,568	82,432	(214,718)	-	2,679,793	2,665,075
<b>Year ended 31 January 2022:</b>							
Profit and total comprehensive income for the year		-	-	-	-	288,697	288,697
Purchase of own shares	20	(3,122)	3,122	-	-	(32,127)	(32,127)
Employee Benefit Trust reserve movement		-	-	36,781	-	-	36,781
Equity share option reserve movement		-	-	-	49,314	-	49,314
<b>Balance at 31 January 2022</b>		114,446	85,554	(177,937)	49,314	2,936,363	3,007,740
<b>Year ended 31 January 2023:</b>							
Profit and total comprehensive income for the year		-	-	-	-	321,564	321,564
Equity share option reserve movement		-	-	-	73,580	-	73,580
<b>Balance at 31 January 2023</b>		114,446	85,554	(177,937)	122,894	3,257,927	3,402,884

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2023

	Notes	2023 £	£	2022 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	24		(323,810)		364,159
Interest paid			(14,792)		(14,039)
Taxation paid			(50,819)		(73,942)
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(389,421)</b>		<b>276,178</b>
<b>Investing activities</b>					
Purchase of tangible fixed assets		(462)		(59,297)	
Interest received		904		175	
<b>Net cash generated from/(used in) investing activities</b>			<b>442</b>		<b>(59,122)</b>
<b>Financing activities</b>					
Redemption of shares		-		(32,127)	
Decrease in Employee Benefit Trust loan		-		36,781	
Repayment of bank loans		(70,000)		(23,333)	
Repayment of finance lease obligations		(77,358)		(76,149)	
<b>Net cash used in financing activities</b>			<b>(147,358)</b>		<b>(94,828)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(536,337)</b>		<b>122,228</b>
Cash and cash equivalents at beginning of year			1,723,869		1,601,641
<b>Cash and cash equivalents at end of year</b>			<b>1,187,532</b>		<b>1,723,869</b>

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2023

---

### 1 Accounting policies

#### Company information

Blyth & Blyth Consulting Engineers Limited is a private company limited by shares incorporated in Scotland. The registered office is Cornerstone, 60 South Gyle Crescent, Edinburgh, EH12 9EB.

#### 1.1 Accounting convention

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

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

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

#### 1.2 Going concern

At the time of approving the financial statements, the directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Tangible fixed assets

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

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

Leasehold improvements	Term of the lease
Office equipment	25-100% per annum
Fixtures and fittings	20% per annum
Computer equipment	33% per annum

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Impairment of fixed assets

The carrying value of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

#### 1.5 Contract accounting

The profit on contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the period end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the period in which they are foreseen.

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

---

### 1 Accounting policies

(Continued)

#### 1.6 Financial assets

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

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

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

#### **Debtors**

Debtors with no stated interest rate or receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account.

#### 1.7 Financial liabilities

Creditors with no stated interest rate and payable within one year are recorded at transaction price.

All interest bearing loans and borrowings which are basic financial instruments are initially recorded at the present value of cash payable. After initial recognition they are measured at amortised cost.

#### 1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

# **BLYTH & BLYTH CONSULTING ENGINEERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 JANUARY 2023**

---

#### **1 Accounting policies**

**(Continued)**

##### **1.10 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

The company operates a defined contribution pension scheme. The pension costs charged to the financial statements represent the contributions payable by the company during the year in accordance with FRS 102 (section 28).

##### **1.11 Share-based payments**

The company grants equity-settled share based payments to certain employees and directors through the issuing of share options.

Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using an appropriate pricing model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity.

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

##### **1.12 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

##### **1.13 Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.



# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

### 1 Accounting policies

(Continued)

#### 1.14 Employee Share Ownership Plan

The company established on 10 November 2004 the Blyth & Blyth Consulting Engineers Limited Employee Benefits Trust (EBT) for the purpose of encouraging or facilitating the holding of shares or debentures in the company by or for the benefit of employees of the company.

The company sponsors and controls the Employee Benefit Trust (EBT). All the assets and liabilities of the EBT are accounted for in accordance with FRS 102 (section 9).

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Recoverability of trade debtors

Recoverability of trade debtors are evaluated and provisions for doubtful debts are made where appropriate. Provisions are based on experience, the age of debt, customer relations and payment history. The actual level of debt collected may differ from the estimated level of recovery and can therefore impact future operating results.

#### Valuation of amounts due from contract customers

The directors assess the stage of completion of each contract to reflect the proportion of work carried out and turnover and profit on each contract is accounted for as contract activity progresses. Provision is made in full for any contracts which are estimated to result in a loss, as soon as the loss is forecast. Stage of completion and contract progress is measured based on experience. The actual stage of completion may differ from the estimated stage of completion.

### 3 Turnover analysed by geographical market

An analysis of the company's turnover is as follows:

	2023 £	2022 £
United Kingdom	12,235,513	9,157,331

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

### 4 Operating profit

	2023 £	2022 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	-	(6,323)
Fees payable to the company's auditor for the audit of the company's financial statements	16,200	15,000
Depreciation of owned tangible fixed assets	63,927	63,873
Depreciation of tangible fixed assets held under finance leases	81,176	71,994
(Profit)/loss on disposal of tangible fixed assets	-	830
Share-based payments	73,580	49,314
Operating lease charges	213,442	184,751

Government grant income includes £nil (2022: £6,323) of interest payments in relation to the Coronavirus Business Interruption Loan Scheme.

### 5 Employees

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

	2023 Number	2022 Number
Office and administration	10	10
Other	75	63
	85	73

Their aggregate remuneration comprised:

	2023 £	2022 £
Wages and salaries	4,229,065	3,525,644
Social security costs	550,958	433,391
Pension costs	696,787	650,464
	5,476,810	4,609,499

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

### 5 Employees

(Continued)

In addition, the company engaged the services of, on average, 2 (2022 - 1) contract staff members during the year.

#### Remuneration of key management personnel

The remuneration of key management personnel, which also includes directors, is as follows.

	2023 £	2022 £
Aggregate remuneration	2,231,339	2,184,585

### 6 Directors' remuneration

	2023 £	2022 £
Remuneration for qualifying services	232,432	195,315
Company pension contributions to defined contribution schemes	26,826	32,674
	259,258	227,989

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2022 - 1).

The number of directors who exercised share options during the financial year was 0 (2022 - 1). The aggregate amount of gains by the directors on the exercise of share options during the year was £nil (2022 - £21,076).

The number of directors who were entitled to receive shares under long term incentive schemes during the year was 1 (2022 - 1).

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

	2023 £	2022 £
Remuneration for qualifying services	202,342	n/a
Company pension contributions to defined contribution schemes	26,826	n/a

As the highest paid directors' remuneration was less than £200,000 in the prior year, no disclosure is provided for that year.

### 7 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	904	175

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

### 8 Interest payable and similar expenses

	2023 £	2022 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	12,496	13,679
Interest on finance leases and hire purchase contracts	2,296	-
Other interest	-	360
	<u>14,792</u>	<u>14,039</u>

### 9 Taxation

	2023 £	2022 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	115,000	50,837
	<u>115,000</u>	<u>50,837</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(12,354)	17,227
	<u>(12,354)</u>	<u>17,227</u>
<b>Total tax charge</b>	<u>102,646</u>	<u>68,064</u>

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

	2023 £	2022 £
Profit before taxation	<u>424,210</u>	<u>356,761</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	80,600	67,785
Tax effect of expenses that are not deductible in determining taxable profit	19,523	11,066
Depreciation on assets not qualifying for tax allowances	-	12,136
Other tax adjustments	2,523	2,094
Other deferred tax adjustments	-	(13,004)
Tax relief on share options exercised	-	(12,013)
<b>Taxation charge for the year</b>	<u>102,646</u>	<u>68,064</u>

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2023

#### 10 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Office and computer equipment	Total
	£	£	£	£
<b>Cost</b>				
At 1 February 2022	340,188	119,143	565,833	1,025,164
Additions	-	-	28,285	28,285
At 31 January 2023	340,188	119,143	594,118	1,053,449
<b>Depreciation and impairment</b>				
At 1 February 2022	184,110	97,340	439,978	721,428
Depreciation charged in the year	48,079	9,438	87,586	145,103
At 31 January 2023	232,189	106,778	527,564	866,531
<b>Carrying amount</b>				
At 31 January 2023	107,999	12,365	66,554	186,918
At 31 January 2022	156,078	21,803	125,855	303,736

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases. The depreciation charge in respect of such assets amounted to £81,176 (2022 - £71,994) for the year.

	2023	2022
	£	£
Office and computer equipment	64,462	117,815

#### 11 Debtors

	2023	2022
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	2,461,166	1,999,627
Gross amounts due from contract customers	2,517,081	1,827,310
Other debtors	1,956,394	1,005,887
Prepayments and accrued income	442,274	401,727
	7,376,915	5,234,551

**FOR THE YEAR ENDED 31 JANUARY 2023**

[illegible]

Bank loans above represent an unsecured bank loan from Bank of Scotland plc obtained through the Coronavirus Business Interruption Loan Scheme and was drawn down on 28 September 2020. The loan is repayable over six years with no repayments required in the first year, and carries interest at base rate plus 2.1% per annum. The first year of interest payments are covered by a government grant.

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

### 15 Finance lease obligations

	2023 £	2022 £
Future minimum lease payments due under finance leases:		
Within one year	61,327	72,721
In two to five years	13,912	52,053
	<u>75,239</u>	<u>124,774</u>

Finance lease obligations are secured against the tangible fixed assets to which they relate.

### 16 Provisions for liabilities

	Notes	2023 £	2022 £
Other		145,000	-
Deferred tax liabilities	17	6,829	19,183
		<u>151,829</u>	<u>19,183</u>

Other provisions represent claims made against contracts in excess of amounts covered by professional indemnity insurance.

Movements on provisions apart from deferred tax liabilities:

	£
Additional provisions in the year	<u>145,000</u>

### 17 Deferred taxation

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

	Liabilities 2023 £	Liabilities 2022 £
<b>Balances:</b>		
Accelerated capital allowances	19,685	32,601
Other timing differences	(12,856)	(13,418)
	<u>6,829</u>	<u>19,183</u>

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2023

### 17 Deferred taxation

(Continued)

	2023 £
<b>Movements in the year:</b>	
Liability at 1 February 2022	19,183
Credit to profit and loss	(12,354)
Liability at 31 January 2023	<u>6,829</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

### 18 Retirement benefit schemes

	2023 £	2022 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>696,787</u>	<u>650,464</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The unpaid contributions outstanding at the period end, and included in creditors, amounted to £54,091 (2022 - £53,644).

### 19 Share-based payment transactions

	Number of share options		Weighted average exercise price	
	2023 Number	2022 Number	2023 £	2022 £
Outstanding at 1 February 2022	30,000	35,556	8.46	8.17
Exercised	-	(5,556)	-	6.62
Outstanding at 31 January 2023	<u>30,000</u>	<u>30,000</u>	<u>8.46</u>	<u>8.46</u>
Exercisable at 31 January 2023	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

The options outstanding at 31 January 2023 had an exercise price ranging from £6.62 to £10.29, and a remaining contractual life of 1 to 7 years.

The weighted average fair value of options granted was determined using the Black-Scholes option pricing model. The Black-Scholes model is considered to apply the most appropriate valuation method due to the relatively short contractual lives of the options and the requirement to exercise within a short period after the employee becomes entitled to the shares (the "vesting date").

The expected life used in the model has been adjusted, based on management's best estimate, for the effect of non-transferability, exercise restrictions, and behavioural considerations.

Non-vesting conditions and market conditions are taken into account when estimating the fair value of the option at grant date. Service conditions and non-market performance conditions are taken into account by adjusting the number of options expected to vest at each reporting date.



# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2023

#### 19 Share-based payment transactions

(Continued)

##### Liabilities and expenses

During the year, the company recognised total share-based payment expenses of £73,580 (2022 - £49,314) which related to equity settled share based payment transactions.

#### 20 Share capital

	2023	2022	2023	2022
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	114,446	114,446	114,446	114,446

During the prior year the company bought back 3,122 ordinary shares of £1 each for a total consideration of £32,127. On completion of the share buy back the shares purchased were cancelled. There were no such transactions in the financial year to 31 January 2023.

The company has previously granted options to certain employees to subscribe for A ordinary shares and ordinary shares. Options in place are as follows:

Options to allow certain employees to purchase 10,000 A ordinary shares at an exercise price of £6.62. These options have a 10 year exercise period and expire on 16 January 2024. The exercise of these options is conditional upon the employees achieving satisfactory performance within the company. The options must be exercised within a prescribed period of meeting these conditions.

Options to allow certain employees to purchase 5,000 A ordinary shares at an exercise price of £6.62. These options have a 10 year exercise period and expire on 24 March 2025. The exercise of these options is conditional upon the employees achieving satisfactory performance within the company. The options must be exercised within a prescribed period of meeting these conditions.

Options to allow certain employees to purchase 15,000 A ordinary shares at an exercise price of £10.29. These options have a 10 year exercise period and expire on 4 March 2030. The exercise of these options is conditional upon the employees achieving satisfactory performance within the company. The options must be exercised within a prescribed period of meeting these conditions.

Options to allow certain employees to purchase 5,000 A ordinary shares at an exercise price of £20.80. These options have a 10 year exercise period and expire on 6 December 2032. The exercise of these options is conditional upon the employees achieving satisfactory performance within the company. The options must be exercised within a prescribed period of meeting these conditions.

Options to allow certain employees to purchase 5,556 ordinary shares at an exercise price of £6.62. These options were fully exercised in the prior financial year (on 29 October 2021) by transferring 5,556 ordinary shares to the option holders from the Employee Benefit Trust for a contribution value of £36,781.

As at the balance sheet date, options were outstanding in relation to 35,000 A ordinary shares (2022: 30,000 A ordinary shares). There are no outstanding options in place in relation to ordinary shares (2022: nil).

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2023

### 21 Other reserves

#### Employee Benefit Trust Reserve

The company established on 10 November 2004 the Blyth & Blyth Consulting Engineers Limited Employee Benefits Trust (EBT) for the purpose of encouraging or facilitating the holding of shares or debentures in the company by or for the benefit of employees of the company.

#### Equity share option reserve

Share options are accounted for in accordance with FRS 102 Section 26 "Share based payments". Equity-settled share based payment transactions include share options and long-term equity incentive plans where the overall outcome is that the employee receives shares. Fair value of issued share options are measured annually at each accounting reference date after the date of grant and any increase in price is charged to the profit and loss account over the vesting period and a corresponding entry is made to the equity share option reserve.

### 22 Financial commitments

At the balance sheet date the company had outstanding commitments for future minimum lease payments under operating leases, which fall due as follows:

	Land and buildings	
	2023 £	2022 £
Within one year	241,330	237,733
Between two and five years	513,651	661,669
In over five years	60,171	183,813
	<u>815,152</u>	<u>1,083,215</u>

### 23 Related party transactions

The directors are of the opinion that there are no related party transactions.

# BLYTH & BLYTH CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2023

#### 24 Cash generated from operations

	2023 £	2022 £
Profit for the year	321,564	288,697
<b>Adjustments for:</b>		
Taxation	102,646	68,064
Finance costs	14,792	14,039
Investment income	(904)	(175)
(Profit)/loss on disposal of tangible fixed assets	-	830
Depreciation and impairment of tangible fixed assets	145,103	135,867
Equity settled share based payment expense	73,580	49,314
Increase in provisions	145,000	-
<b>Movements in working capital:</b>		
Increase in debtors	(2,142,364)	(134,390)
Increase/(decrease) in creditors	1,016,773	(58,087)
<b>Cash (absorbed by)/generated from operations</b>	<b>(323,810)</b>	<b>364,159</b>

#### 25 Analysis of changes in net funds/(debt)

	2023 £
<b>Opening net funds/(debt)</b>	
Cash and cash equivalents	1,723,869
Loans	(326,667)
Obligations under finance leases	(124,774)
	1,272,428
<b>Changes in net funds/(debt) arising from:</b>	
Cash flows of the entity	(388,979)
New finance leases entered into	(27,823)
Closing net funds/(debt) as analysed below	855,626
<b>Closing net funds/(debt)</b>	
Cash and cash equivalents	1,187,532
Loans	(256,667)
Obligations under finance leases	(75,239)
	855,626