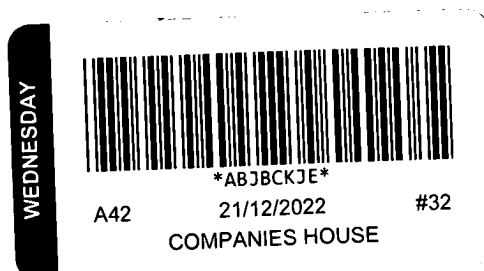


CATHODIC PROTECTION CO LIMITED
FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2022



CATHODIC PROTECTION CO LIMITED

STATEMENT OF FINANCIAL POSITION

31 MARCH 2022

	Note	2022 £	2021 £
FIXED ASSETS			
Intangible assets	5	9,180	18,926
Tangible assets	6	166,406	176,932
		<u>175,586</u>	<u>195,858</u>
CURRENT ASSETS			
Stocks		2,544,886	1,612,187
Debtors	8	2,309,103	1,754,954
Cash at bank and in hand		734,649	213,255
		<u>5,588,638</u>	<u>3,580,396</u>
CREDITORS: amounts falling due within one year	9	<u>4,679,517</u>	<u>2,526,784</u>
NET CURRENT ASSETS		<u>909,121</u>	<u>1,053,612</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>1,084,707</u>	<u>1,249,470</u>
CREDITORS: amounts falling due after more than one year	10	<u>259,368</u>	<u>369,324</u>
NET ASSETS		<u>825,339</u>	<u>880,146</u>
CAPITAL AND RESERVES			
Called up share capital		309,065	309,065
Share premium account		15,000	15,000
Profit and loss account		501,274	556,081
SHAREHOLDER FUNDS		<u>825,339</u>	<u>880,146</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The statement of financial position
continues on the following page.

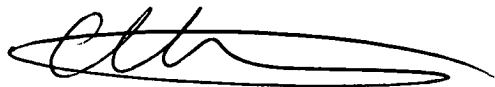
The notes on pages 3 to 11 form part of these financial statements.

CATHODIC PROTECTION CO LIMITED

STATEMENT OF FINANCIAL POSITION *(continued)*

31 MARCH 2022

These financial statements were approved by the board of directors and authorised for issue on ~~12.12.2022~~, and are signed on behalf of the board by:



C P Martin
Director

Company registration number: 00478098

The notes on pages 3 to 11 form part of these financial statements.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2022

1. GENERAL INFORMATION

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Venture Way, Grantham, Lincolnshire, NG31 7XS.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

During the year, the Directors have had to deal with many challenges including Covid-19, Brexit transition and global supply chains. Despite these challenges the directors remain committed to the protection of the business, a position which is regularly reviewed. After reviewing the Company's forecasts and projections, as well as receiving assurances from the parent company of continued support, the directors have a reasonable expectation that the Company has resources to continue in operational existence for the foreseeable future. The Directors have therefore continued to adopt the going concern basis in preparing these financial statements.

Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Hostombe Group Limited which can be obtained from Fullwood Hall, Harrison Lane, Sheffield, South Yorkshire, S10 4PA. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the company and its subsidiary undertakings comprise a small group.

The entity has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its immediate parent undertaking is established under the law of an EEA State.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual outcome may diverge from these estimates if other assumptions are made, or other conditions arise.

- **Significant judgements**

The judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements are as follows:

We do not consider there to be any significant judgements within the financial statements for disclosure.

- **Key sources of estimation uncertainty**

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are as follows:

(i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When making their assessment, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(ii) Long term contracts

The company's manufacturing process can be significant and so management are required to recognise profit as the job progresses. In order to do this management, review the expected revenue and costs on a job-by-job basis and, once a cash inflow becomes probable, recognise the relevant profits on the basis of the stage of completion. Where a job is expected to make a loss then the full loss is immediately recognised in the profit and loss account.

(iii) Corporation Tax liabilities

The company is yet to agree settlement terms on a film scheme from 2010. They expect to do this and so have estimated the interest they expect to settle based on similar settlements. No penalties have been accrued as similar schemes have not charged penalties where settlement terms are agreed. The accrued interest totals £70,000.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Revenue recognition

Turnover comprises the value of sales of goods and services in the normal course of business after deducting trade discounts, value added tax and other taxes based on turnover.

Turnover is inclusive of accrued income. Services provided during the year, which at the balance sheet date have not been billed to clients, have been recognised as turnover in accordance with FRS 102 long term contracts and is included in the balance sheet as accrued income. Turnover recognised in this manner is based upon an assessment of the fair value of the services provided at the balance sheet date as a proportion of the total value of the engagement.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. It is amortised on a straight-line basis over its useful life. Where a reliable estimate of the useful life of goodwill or intangible assets cannot be made, the life is presumed not to exceed ten years.

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Acquired goodwill is written off over its estimated useful economic life
Patents, trademarks and licences	-	Measured at cost less accumulated amortisation and impairment losses

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold property	-	2% straight line
Plant and machinery	-	20% reducing balance and 10% straight line
Fixtures and fittings	-	15% reducing balance and 20 - 33 % straight line

CATHODIC PROTECTION CO LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Investments

Investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are valued at the lower of cost and net realisable value on a FIFO basis, after making due allowance for obsolete and slow-moving items.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

The Coronavirus Job Retention Scheme grant has been recognised under the accrual model, and is shown within Government Grant Income within the financial statements.

CATHODIC PROTECTION CO LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*
YEAR ENDED 31 MARCH 2022

3. ACCOUNTING POLICIES *(continued)*

Financial instruments

The company only holds basic financial instruments as defined in FRS 102. The financial assets and financial liabilities of the company and their measurement basis are as follows:

Financial assets - trade and other debtors are basic financial instruments and are debt instruments measured at amortised cost. Prepayments are not financial instruments. Cash at bank is classified as a basic financial instrument and is measured at face value.

Financial liabilities - trade creditors, accruals and other creditors are financial instruments, and are measured at amortised cost. Taxation and social security are not included in the financial instruments disclosure definition.

Pension plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

The company is also associated with the Hostombe Group Limited Group defined benefit pension scheme. It has several employees who are accruing benefits under the scheme however there is no contractual agreement or stated policy in place for determining the contribution paid by this entity to the sponsoring employer. The pension contribution for the year was £31,607 (2021 - £46,509).

4. EMPLOYEE NUMBERS

The average number of persons employed by the company during the year amounted to 57 (2021: 59).

5. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 April 2021 and 31 March 2022	75,597
Amortisation	
At 1 April 2021	56,671
Charge for the year	9,746
At 31 March 2022	66,417
Carrying amount	
At 31 March 2022	9,180
At 31 March 2021	18,926

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

6. TANGIBLE ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 April 2021	145,186	157,824	60,555	363,565
Additions	–	2,379	16,077	18,456
Disposals	(5,020)	(21,772)	(794)	(27,586)
At 31 March 2022	<u>140,166</u>	<u>138,431</u>	<u>75,838</u>	<u>354,435</u>
Depreciation				
At 1 April 2021	30,386	120,751	35,496	186,633
Charge for the year	2,962	13,012	9,713	25,687
Disposals	(1,104)	(21,435)	(1,752)	(24,291)
At 31 March 2022	<u>32,244</u>	<u>112,328</u>	<u>43,457</u>	<u>188,029</u>
Carrying amount				
At 31 March 2022	<u>107,922</u>	<u>26,103</u>	<u>32,381</u>	<u>166,406</u>
At 31 March 2021	<u>114,800</u>	<u>37,073</u>	<u>25,059</u>	<u>176,932</u>

7. INVESTMENTS

	Other investments other than loans £
Cost	
At 1 April 2021 and 31 March 2022	<u>108,032</u>
Impairment	
At 1 April 2021 and 31 March 2022	<u>108,032</u>
Carrying amount	
At 31 March 2022	<u>–</u>
At 31 March 2021	<u>–</u>

Investments in film scheme partnerships and joint ventures have now been fully impaired.

8. DEBTORS

	2022 £	2021 £
Trade debtors	1,835,303	1,442,532
Other debtors	473,800	312,422
	<u>2,309,103</u>	<u>1,754,954</u>

CATHODIC PROTECTION CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

9. CREDITORS: amounts falling due within one year

	2022	2021
	£	£
Bank loans and overdrafts	916,586	—
Trade creditors	1,371,637	1,084,314
Amounts owed to group undertakings and undertakings in which the company has a participating interest	574,359	731,034
Corporation tax	258,738	551,752
Social security and other taxes	32,794	47,801
Other creditors	1,525,403	111,883
	<u>4,679,517</u>	<u>2,526,784</u>

10. CREDITORS: amounts falling due after more than one year

	2022	2021
	£	£
Corporation tax	<u>259,368</u>	<u>369,324</u>

The corporation tax due over one year is part of a settlement agreement with HM Revenue & Customs on film scheme partnerships.

11. OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	75,565	103,597
Later than 1 year and not later than 5 years	9,547	66,678
	<u>85,112</u>	<u>170,275</u>

12. OTHER FINANCIAL COMMITMENTS

The company has placed bonds with customers which guarantee tender prices for contracts or performance to specification of finished products. The total outstanding and potentially claimable on the guarantees as at 31 March 2022 was £159,915 (2021 - £220,340).

13. CONTINGENCIES

The undiscounted deferred tax asset at the year end was £212,306 (2021 - £178,285). The Directors are confident that they will generate sufficient profits in the future to utilise these losses however they currently do not feel it would be prudent to recognise this as an asset in the financial statements due to the inherent uncertainty over the timings and tax rates of future profits.

14. SUMMARY AUDIT OPINION

The auditor's report for the year dated 14/11/2022 was unqualified.

The senior statutory auditor was MARK BRADSHAW, for and on behalf of Streets Audit LLP.

CATHODIC PROTECTION CO LIMITED
NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 MARCH 2022

15. CONTROLLING PARTY

The immediate parent company is Hostombe Group Limited, a company registered in England and Wales, number 00348068.

The consolidated financial statements of Hostombe Group Limited are available from Hostombe Group Limited, Fullwood Hall, Harrison Lane, Sheffield, South Yorkshire, S10 4PA.