

Strategic Report, Report of the Director and
Financial Statements for the Year Ended 31 July 2023
for
European Active Projects Limited

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for the Year Ended 31 July 2023

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DIRECTOR:

S M Jones

SECRETARY:

Aldbury Secretaries Limited

REGISTERED OFFICE:

Berth 5 Chatham Docks
Gillingham Gate
Chatham
Kent
ME4 4SW

REGISTERED NUMBER:

05447028 (England and Wales)

AUDITORS:

Hills Accountants Limited
Greenhill House
First Floor East Wing
Thorpe Road
Peterborough
Cambridgeshire
PE3 6RU

Strategic Report
for the Year Ended 31 July 2023

The director presents his strategic report for the year ended 31 July 2023.

REVIEW OF BUSINESS

The results for the year are set out on page 9 of the financial statements. During the year ended 31 July 2023, the company saw an increase in turnover compared to 31 July 2022, with turnover for the year being £27,146,474 (2022 £18,581,918)

The Management recovered the challenges of Covid and Brexit with good growth and profitability for the year, this has continued at the start of the year 2023/24.

Results show the company growing its profitability and its strong balance sheet along with cash reserves, it is set for a continued path in 2024 with investment and training a key factor.

Health and Safety continues to be a top priority for its employees, customers and all stakeholders for the business. The company has a strong customer focus and customer base for development opportunities in the industry.

The company remains in a strong financial position and remains a good going concern.

In the opinion of the directors the uncomplicated nature of the company's business does not warrant an analysis of KPI's to fully understand the company's development, performance or position.

PRINCIPAL RISKS AND UNCERTAINTIES

The company seeks to broaden its customer base and capabilities to limit its exposure to changes in demand. The principal challenge is to remain competitive in a global market place with continual increase in material costs. The directors have maintained a policy of investment to continually improve productivity and to manage its commercial pricing to ensure minimal exposure, whilst remaining competitive.

ON BEHALF OF THE BOARD:

S M Jones - Director

19 April 2024

Report of the Director
for the Year Ended 31 July 2023

The director presents his report with the financial statements of the company for the year ended 31 July 2023.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of support services to the marine and industrial sectors.

DIVIDENDS

No dividends will be distributed for the year ended 31 July 2023.

FUTURE DEVELOPMENTS

With difficult trading conditions expected globally the business looks to operate as efficiently as possible and be pro active with current customers as well as aiming to develop relationships with new customers.

DIRECTOR

S M Jones held office during the whole of the period from 1 August 2022 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Hills Accountants Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

S M Jones - Director

19 April 2024

Opinion

We have audited the financial statements of European Active Projects Limited (the 'company') for the year ended 31 July 2023 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including, but not limited to, fraud and non-compliance with laws and regulations was as follows:

- The engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- We identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience;
- We focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, quality approval, environmental and health and safety legislation;
- We assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- Identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- Making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- Considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- Performed analytical procedures to identify any unusual or unexpected relationships;
- Tested journal entries to identify unusual transactions;
- Reviewed the internal controls in place, specifically around payroll and bank transactions; and
- Assessed whether judgements and assumptions made in determining the accounting estimates around depreciation and stock and work in progress provisions were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with the company's legal advisors.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

Report of the Independent Auditors to the Members of
European Active Projects Limited

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

Use of our report

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

Mr Lee James Hills (Senior Statutory Auditor)
for and on behalf of Hills Accountants Limited
Greenhill House
First Floor East Wing
Thorpe Road
Peterborough
Cambridgeshire
PE3 6RU

19 April 2024

Income Statement
for the Year Ended 31 July 2023

	Notes	31.7.23 £	31.7.22 £
TURNOVER	3	27,146,474	18,581,918
Cost of sales		<u>19,253,640</u>	<u>14,301,471</u>
GROSS PROFIT		7,892,834	4,280,447
Administrative expenses		<u>6,907,260</u>	<u>4,572,064</u>
		985,574	(291,617)
Other operating income		<u>16,205</u>	<u>359,564</u>
OPERATING PROFIT	5	1,001,779	67,947
Interest payable and similar expenses	6	<u>2,207</u>	<u>3,599</u>
PROFIT BEFORE TAXATION		999,572	64,348
Tax on profit	7	<u>287,452</u>	<u>8,244</u>
PROFIT FOR THE FINANCIAL YEAR		<u>712,120</u>	<u>56,104</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 July 2023

	Notes	31.7.23 £	31.7.22 £
PROFIT FOR THE YEAR		712,120	56,104
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME		-	-
FOR THE YEAR		<u>712,120</u>	<u>56,104</u>

Balance Sheet
31 July 2023

	Notes	31.7.23 £	£	31.7.22 £	£
FIXED ASSETS					
Tangible assets	8		671,114		521,377
Investments	9		<u>1</u>		<u>1</u>
			671,115		521,378
CURRENT ASSETS					
Stocks	10	1,181,738		1,288,109	
Debtors	11	4,334,262		4,711,217	
Cash at bank and in hand		<u>192,456</u>		<u>229,861</u>	
		5,708,456		6,229,187	
CREDITORS					
Amounts falling due within one year	12	<u>4,301,477</u>		<u>5,306,265</u>	
NET CURRENT ASSETS			<u>1,406,979</u>		<u>922,922</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,078,094		1,444,300
CREDITORS					
Amounts falling due after more than one year	13		(213,950)		(329,504)
PROVISIONS FOR LIABILITIES	18		<u>(37,228)</u>		<u>-</u>
NET ASSETS			<u>1,826,916</u>		<u>1,114,796</u>
CAPITAL AND RESERVES					
Called up share capital	19		50		50
Revaluation reserve	20		180,353		180,353
Retained earnings	20		<u>1,646,513</u>		<u>934,393</u>
SHAREHOLDERS' FUNDS			<u>1,826,916</u>		<u>1,114,796</u>

The financial statements were approved by the director and authorised for issue on 19 April 2024 and were signed by:

S M Jones - Director

Statement of Changes in Equity
for the Year Ended 31 July 2023

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 August 2021	50	878,289	180,353	1,058,692
Changes in equity				
Total comprehensive income	-	56,104	-	56,104
Balance at 31 July 2022	50	934,393	180,353	1,114,796
Changes in equity				
Total comprehensive income	-	712,120	-	712,120
Balance at 31 July 2023	50	1,646,513	180,353	1,826,916

The notes form part of these financial statements

Cash Flow Statement
for the Year Ended 31 July 2023

	Notes	31.7.23 £	31.7.22 £
Cash flows from operating activities			
Cash generated from operations	1	2,211,541	(334,236)
Interest paid		(161)	(2,150)
Interest element of hire purchase payments paid		(2,046)	(1,449)
Tax paid		(15,771)	(5,070)
Net cash from operating activities		<u>2,193,563</u>	<u>(342,905)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(380,633)	(156,756)
Sale of tangible fixed assets		<u>53,021</u>	<u>4,000</u>
Net cash from investing activities		<u>(327,612)</u>	<u>(152,756)</u>
Cash flows from financing activities			
Loan repayments in year		(100,000)	(91,667)
Capital repayments in year		<u>(15,480)</u>	<u>(13,022)</u>
Net cash from financing activities		<u>(115,480)</u>	<u>(104,689)</u>
Increase/(decrease) in cash and cash equivalents		<u>1,750,471</u>	<u>(600,350)</u>
Cash and cash equivalents at beginning of year	2	(1,558,015)	(957,665)
Cash and cash equivalents at end of year	2	<u><u>192,456</u></u>	<u><u>(1,558,015)</u></u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 July 2023

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.7.23	31.7.22
	£	£
Profit before taxation	999,572	64,348
Depreciation charges	172,699	121,978
Loss on disposal of fixed assets	15,942	16
Finance costs	2,207	3,599
	<u>1,190,420</u>	<u>189,941</u>
Decrease/(increase) in stocks	106,371	(84,715)
Decrease/(increase) in trade and other debtors	376,955	(1,348,391)
Increase in trade and other creditors	537,795	908,929
Cash generated from operations	<u>2,211,541</u>	<u>(334,236)</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 July 2023

	31.7.23	1.8.22
	£	£
Cash and cash equivalents	192,456	229,861
Bank overdrafts	-	(1,787,876)
	<u>192,456</u>	<u>(1,558,015)</u>

Year ended 31 July 2022

	31.7.22	1.8.21
	£	£
Cash and cash equivalents	229,861	292,268
Bank overdrafts	(1,787,876)	(1,249,933)
	<u>(1,558,015)</u>	<u>(957,665)</u>

Notes to the Cash Flow Statement
for the Year Ended 31 July 2023

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.8.22 £	Cash flow £	Other non-cash changes £	At 31.7.23 £
Net cash				
Cash at bank and in hand	229,861	(37,405)		192,456
Bank overdrafts	<u>(1,787,876)</u>	<u>1,787,876</u>		<u>-</u>
	<u>(1,558,015)</u>	<u>1,750,471</u>		<u>192,456</u>
Debt				
Finance leases	(34,193)	15,480	(10,766)	(29,479)
Debts falling due within 1 year	(100,000)	-	-	(100,000)
Debts falling due after 1 year	<u>(308,333)</u>	<u>100,000</u>	<u>-</u>	<u>(208,333)</u>
	<u>(442,526)</u>	<u>115,480</u>	<u>(10,766)</u>	<u>(337,812)</u>
Total	<u>(2,000,541)</u>	<u>1,865,951</u>	<u>(10,766)</u>	<u>(145,356)</u>

Notes to the Financial Statements
for the Year Ended 31 July 2023

1. **STATUTORY INFORMATION**

European Active Projects Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Going concern

The directors have prepared forecasts for the company for a period greater than 12 months from the date of approval of these financial statements. The forecasts take into account known changes in the trading environment, performance, ongoing COVID-19 pandemic, the potential impact of the war in Ukraine and funding requirements during that period.

After making enquiries, the directors have a reasonable expectation that the company has sufficient funds to meet its liabilities as they fall due, allowing the business to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis of preparing the financial statements.

Critical accounting 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 values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The directors do not consider that any key judgements have been made in preparing these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

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

Short leasehold	- 10% on cost
Plant and machinery	- 20% on cost
Motor vehicles	- 25% on cost

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment. Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. An impairment loss is recognised immediately in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments

Basic financial assets, including trade and other debtors, cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financial transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted assets original effective interest rate. The impairment loss is recognised in profit or loss.

Basis financial liabilities, including trade and other creditors, and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

2. **ACCOUNTING POLICIES - continued**

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

3. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	31.7.23 £	31.7.22 £
Rendering of services	27,146,474	18,581,918
	<u>27,146,474</u>	<u>18,581,918</u>

The analysis of turnover by geographical markets has not been provided as, in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the company.

4. **EMPLOYEES AND DIRECTORS**

	31.7.23 £	31.7.22 £
Wages and salaries	6,803,112	3,463,420
Social security costs	762,935	407,701
Other pension costs	121,525	106,806
	<u>7,687,572</u>	<u>3,977,927</u>

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

	31.7.23	31.7.22
Production	171	59
Administration	20	19
	<u>191</u>	<u>78</u>

	31.7.23 £	31.7.22 £
Director's remuneration	330,500	327,000
Director's pension contributions to money purchase schemes	<u>44,000</u>	<u>47,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

	<u>1</u>	<u>1</u>
Money purchase schemes		

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

4. EMPLOYEES AND DIRECTORS - continued

Information regarding the highest paid director is as follows:

	31.7.23	31.7.22
	£	£
Emoluments etc	330,500	327,000
Pension contributions to money purchase schemes	<u>44,000</u>	<u>47,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.7.23	31.7.22
	£	£
Equipment hire	216,385	261,832
Other operating leases	215,023	285,607
Depreciation - owned assets	172,699	121,977
Loss on disposal of fixed assets	15,942	16
Auditors' remuneration	9,000	8,750
Government grants	<u>-</u>	<u>4,896</u>

Government grants represent amounts received in respect of 'Coronavirus Job Retention Scheme'. The company has not directly benefited from any other forms of government assistance.

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.7.23	31.7.22
	£	£
Bank loan interest	161	821
Other interest	-	1,329
Hire purchase	<u>2,046</u>	<u>1,449</u>
	<u>2,207</u>	<u>3,599</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.7.23	31.7.22
	£	£
Current tax:		
UK corporation tax	250,224	8,244
Deferred tax	<u>37,228</u>	<u>-</u>
Tax on profit	<u>287,452</u>	<u>8,244</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	31.7.23 £	31.7.22 £
Profit before tax	<u>999,572</u>	<u>64,348</u>
Profit multiplied by the standard rate of corporation tax in the UK of 25% (2022 - 19%)	249,893	12,226
Effects of:		
Expenses not deductible for tax purposes	28,759	570
Depreciation in excess of capital allowances	19,157	2,975
Adjustments to tax charge in respect of previous periods credit	-	(7,527)
Marginal rate relief	(47,585)	-
Deferred taxation	<u>37,228</u>	<u>-</u>
Total tax charge	<u>287,452</u>	<u>8,244</u>

8. **TANGIBLE FIXED ASSETS**

	Short leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 August 2022	657,380	455,890	133,424	1,246,694
Additions	217,256	36,308	137,835	391,399
Disposals	-	-	(81,051)	(81,051)
At 31 July 2023	<u>874,636</u>	<u>492,198</u>	<u>190,208</u>	<u>1,557,042</u>
DEPRECIATION				
At 1 August 2022	322,859	313,274	89,184	725,317
Charge for year	73,896	62,823	35,980	172,699
Eliminated on disposal	-	-	(12,088)	(12,088)
At 31 July 2023	<u>396,755</u>	<u>376,097</u>	<u>113,076</u>	<u>885,928</u>
NET BOOK VALUE				
At 31 July 2023	<u>477,881</u>	<u>116,101</u>	<u>77,132</u>	<u>671,114</u>
At 31 July 2022	<u>334,521</u>	<u>142,616</u>	<u>44,240</u>	<u>521,377</u>

The net book value of tangible fixed assets included £26,609 (2022 £33,856) in respect of assets held under hire purchase contracts.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

9. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 August 2022	
and 31 July 2023	<u>1</u>
NET BOOK VALUE	
At 31 July 2023	<u>1</u>
At 31 July 2022	<u>1</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Pier Rigging and Testing Limited

Registered office: Berth 5 Chatham Docks, Gillingham Gate, Chatham, Kent, United Kingdom

Nature of business: Manufacture of lifting and handling equipment

	% holding		
Class of shares:			
Ordinary	100.00	30.9.22 £	30.9.21 £
Aggregate capital and reserves		(28,657)	(11,954)
Loss for the year		<u>(16,703)</u>	<u>(20,947)</u>

10. **STOCKS**

	31.7.23 £	31.7.22 £
Stocks	413,545	431,793
Work-in-progress	768,193	856,316
	<u>1,181,738</u>	<u>1,288,109</u>

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

	31.7.23 £	31.7.22 £
Trade debtors	3,804,064	3,178,280
Amounts owed by group undertakings	70,000	28,000
Other debtors	362,580	1,032,895
Prepayments and accrued income	97,618	472,042
	<u>4,334,262</u>	<u>4,711,217</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.23	31.7.22
	£	£
Bank loans and overdrafts (see note 14)	100,000	1,887,876
Hire purchase contracts (see note 15)	23,862	13,022
Trade creditors	2,406,163	2,107,441
Tax	250,224	15,771
Social security and other taxes	872,116	966,862
Other creditors	6,256	-
Accrued expenses	642,856	315,293
	<u>4,301,477</u>	<u>5,306,265</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	31.7.23	31.7.22
	£	£
Bank loans (see note 14)	208,333	308,333
Hire purchase contracts (see note 15)	5,617	21,171
	<u>213,950</u>	<u>329,504</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	31.7.23	31.7.22
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	-	1,787,876
Bank loans	100,000	100,000
	<u>100,000</u>	<u>1,887,876</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>100,000</u>	<u>100,000</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>108,333</u>	<u>208,333</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	31.7.23	31.7.22
	£	£
Net obligations repayable:		
Within one year	23,862	13,022
Between one and five years	5,617	21,171
	<u>29,479</u>	<u>34,193</u>
	Non-cancellable operating leases	
	31.7.23	31.7.22
	£	£
Within one year	215,502	285,740
Between one and five years	281,330	458,186
In more than five years	-	4,825
	<u>496,832</u>	<u>748,751</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	31.7.23	31.7.22
	£	£
Factoring account	-	1,787,876
Bank loans	308,333	408,333
	<u>308,333</u>	<u>2,196,209</u>

Included in 'Bank loans and overdrafts' is an amount of £Nil (2022 £1,787,876) owing to a debt factoring company which is secured against the trade debtors of the company.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

17. FINANCIAL INSTRUMENTS

	31.7.23 £	31.7.22 £
Financial assets measured at amortised cost		
Trade debtors	3,804,064	3,178,280
Other debtors	362,580	1,032,895
Amounts owed by group undertakings	70,000	28,000
Prepayments	97,618	472,042
Financial liabilities measured at amortised cost		
Bank loans and overdrafts	308,333	2,196,209
Hire purchase contracts	29,479	34,193
Trade creditors	2,406,164	2,107,441

18. PROVISIONS FOR LIABILITIES

	31.7.23 £	31.7.22 £
Deferred tax		
Accelerated capital allowances	<u>37,228</u>	<u>-</u>
		Deferred tax
		£
Charge to Income Statement during year		<u>37,228</u>
Balance at 31 July 2023		<u>37,228</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.23 £	31.7.22 £
50	Ordinary	£1	<u>50</u>	<u>50</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2023

20. **RESERVES**

	Retained earnings £	Revaluation reserve £	Totals £
At 1 August 2022	934,393	180,353	1,114,746
Profit for the year	712,120		712,120
At 31 July 2023	<u>1,646,513</u>	<u>180,353</u>	<u>1,826,866</u>

21. **RELATED PARTY DISCLOSURES**

Entities over which the entity has control, joint control or significant influence

	31.7.23 £	31.7.22 £
Amount due from related party	<u>70,000</u>	<u>28,000</u>

As at 31 July 2023 the company was owed £70,000 (2022 £28,000) from its wholly owned subsidiary, Pier Rigging and Testing Limited.

Other related parties

As at 31 July 2023 the company was owed £Nil (2022 £2,000) from Whissendine Training Limited.

As at 31 July 2023 the company was owed £217,000 (2022 £905,200) from LWJ Consultancy UK Limited and £900,000 (2022 £Nil) was owed to LWJ Consultancy UK Limited.

During the financial year the company paid management fees amounting to £1,401,667 (2022 £Nil) to LWJ Consultancy UK Limited, a company controlled by S Jones who is the controlling director and shareholder of European Active Projects Limited.

As at 31 July 2023 the company was owed £Nil (2022 £8,120) from Aeroseals Limited, a company controlled by S Jones who is the controlling director and shareholder of European Active Projects Limited.

22. **ULTIMATE CONTROLLING PARTY**

The controlling party is S M Jones.

The ultimate controlling party is S M Jones.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.