

C F Struthers (Holdings) Limited
Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 30th June 2022

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

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for the year ended 30th June 2022**

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C F Struthers (Holdings) Limited

**Company Information
for the year ended 30th June 2022**

DIRECTORS:

N Burton
M J Graves

SECRETARY:

M J Graves

REGISTERED OFFICE:

Millennium Works
Valletta Street
Hedon Road
Hull
East Yorkshire
HU9 5NP

REGISTERED NUMBER:

06835899 (England and Wales)

AUDITORS:

Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

**Group Strategic Report
for the year ended 30th June 2022**

The directors present their strategic report of the company and the group for the year ended 30th June 2022.

The principal activity of the company is that of fabrication engineers.

REVIEW OF BUSINESS

The Group started the year enjoying lucrative land based fabrication contracts for Engineering and Fabrication. As the year progressed and the world economy became more positive the group were successful in obtaining multiple orders for our Circular Waste Heat units for the offshore oil and gas market.

GOING CONCERN

The directors believe that the group is well placed to manage its business risks successfully despite the uncertainties surrounding the current economic environment and accordingly continue to adopt the going concern basis in preparing the annual report and accounts.

FUTURE DEVELOPMENTS

Post year end continued positively with repeat orders for further Waste Heat Units being secured.

Following enhancements to our on line marketing, agent network and growing reputation in the offshore markets it is the Directors' opinion that the business will continue to develop as planned.

The Directors are also confident that the Group is well equipped to take advantage of future steam generation and carbon capture projects.

In addition the Group holds Intellectual Property in the Waste to Energy market and the Directors are also confident in obtaining contracts in this sector.

The Group continues to develop its customer base and has continued to enjoy further Approved Supplier Status with a number of Oil and Gas, EPC and Turbine vendors.

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors consider that the key risks for the business are meeting customers' constant higher expectations. The risk is managed by ensuring the group's quality systems are maintained, key members of staff retained and a focus on exceeding customer's expectations.

KEY PERFORMANCE INDICATORS

The ultimate controlling party is also a director of the company and is closely involved in the company's activities. The company's director therefore believes that the analysis of the company's performance for the year using Key Performance Indicators is not necessary as the shareholder already understands the development, performance and position of the company.

FINANCIAL RISK MANAGEMENT

In mitigation of possible cash flow risks the group has now adopted a stronger regime in milestone payment terms to neutralise cash flows on longer term higher value projects. Due to the acquisition of Intellectual property the group will now enjoy total control of its cash flow and margins in major high value onshore and offshore contracts.

ON BEHALF OF THE BOARD:

N Burton - Director

31st March 2023

**Report of the Directors
for the year ended 30th June 2022**

The directors present their report with the financial statements of the company and the group for the year ended 30th June 2022.

DIVIDENDS

The total distribution of dividends for the year ended 30th June 2022 was £101,000.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st July 2021 to the date of this report.

N Burton
M J Graves

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the group and of the profit or loss of the group 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group 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 directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director 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 group's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

N Burton - Director

31st March 2023

Report of the Independent Auditors to the Members of C F Struthers (Holdings) Limited

Opinion

We have audited the financial statements of C F Struthers (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30th June 2022 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 30th June 2022 and of the group's 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 group 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 group's and the parent 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 directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of C F Struthers (Holdings) Limited

Matters on which we are required to report by exception

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Report of the Independent Auditors to the Members of C F Struthers (Holdings) Limited

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:

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. 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 fraud and non-compliance with laws and regulations, was 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, anti-bribery, employment, environmental and health and safety legislation. An understanding of these laws and regulations and the extent of compliance was obtained through discussion with management and inspecting legal and regulatory correspondence.

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 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;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Due to 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. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

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

**Report of the Independent Auditors to the Members of
C F Struthers (Holdings) Limited**

Use of our report

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

Peter Dearing BSc FCCA (Senior Statutory Auditor)
for and on behalf of Smailes Goldie
Chartered Accountants
Statutory Auditor
Regent's Court
Princess Street
Hull
East Yorkshire
HU2 8BA

31st March 2023

**Consolidated Statement of Comprehensive Income
for the year ended 30th June 2022**

	Notes	2022 £	£	2021 £	£
TURNOVER	3		6,569,710		4,705,945
Cost of sales			4,637,743		3,456,128
GROSS PROFIT			1,931,967		1,249,817
Distribution costs		115,588		96,107	
Administrative expenses		1,119,479		1,113,819	
			1,235,067		1,209,926
			696,900		39,891
Other operating income			26,472		114,616
OPERATING PROFIT	5		723,372		154,507
Interest receivable and similar income			218		-
			723,590		154,507
Interest payable and similar expenses	6		161,723		62,412
PROFIT BEFORE TAXATION			561,867		92,095
Tax on profit	7		(41,364)		(110,272)
PROFIT FOR THE FINANCIAL YEAR			603,231		202,367
OTHER COMPREHENSIVE INCOME					
Gain on freehold property revaluation			1,405,000		-
Income tax relating to other comprehensive income			(184,261)		-
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX			1,220,739		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			1,823,970		202,367
Profit attributable to: Owners of the parent			603,231		202,367
Total comprehensive income attributable to: Owners of the parent			1,823,970		202,367

Consolidated Balance Sheet
30th June 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		478,685		538,520
Tangible assets	11		3,729,293		2,315,947
Investments	12		-		-
			<u>4,207,978</u>		<u>2,854,467</u>
CURRENT ASSETS					
Stocks	13	1,276,753		1,237,818	
Debtors	14	1,729,910		727,719	
Cash at bank and in hand		<u>1,713,195</u>		<u>276,193</u>	
		4,719,858		2,241,730	
CREDITORS					
Amounts falling due within one year	15	<u>2,829,383</u>		<u>926,221</u>	
NET CURRENT ASSETS			<u>1,890,475</u>		<u>1,315,509</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,098,453</u>		<u>4,169,976</u>
CREDITORS					
Amounts falling due after more than one year	16		(1,471,037)		(1,468,260)
PROVISIONS FOR LIABILITIES	20		<u>(236,119)</u>		<u>(33,389)</u>
NET ASSETS			<u>4,391,297</u>		<u>2,668,327</u>
CAPITAL AND RESERVES					
Called up share capital	21		60,001		60,001
Share premium	22		540,000		540,000
Revaluation reserve	22		1,987,169		766,430
Retained earnings	22		<u>1,804,127</u>		<u>1,301,896</u>
SHAREHOLDERS' FUNDS			<u>4,391,297</u>		<u>2,668,327</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31st March 2023 and were signed on its behalf by:

N Burton - Director

Company Balance Sheet
30th June 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		-		-
Investments	12		<u>1,200,986</u>		<u>1,200,986</u>
			1,200,986		1,200,986
CURRENT ASSETS					
Debtors	14	431,000		330,000	
CREDITORS					
Amounts falling due within one year	15	<u>984,192</u>		<u>883,192</u>	
NET CURRENT LIABILITIES			<u>(553,192)</u>		<u>(553,192)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>647,794</u>		<u>647,794</u>
CAPITAL AND RESERVES					
Called up share capital	21		60,001		60,001
Share premium			540,000		540,000
Retained earnings			<u>47,793</u>		<u>47,793</u>
SHAREHOLDERS' FUNDS			<u>647,794</u>		<u>647,794</u>
Company's profit for the financial year			<u>101,000</u>		<u>65,000</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 31st March 2023 and were signed on its behalf by:

N Burton - Director

**Consolidated Statement of Changes in Equity
for the year ended 30th June 2022**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1st July 2020	60,000	1,164,529	540,000	766,430	2,530,959
Changes in equity					
Issue of share capital	1	-	-	-	1
Dividends	-	(65,000)	-	-	(65,000)
Total comprehensive income	-	202,367	-	-	202,367
Balance at 30th June 2021	<u>60,001</u>	<u>1,301,896</u>	<u>540,000</u>	<u>766,430</u>	<u>2,668,327</u>
Changes in equity					
Dividends	-	(101,000)	-	-	(101,000)
Total comprehensive income	-	603,231	-	1,220,739	1,823,970
Balance at 30th June 2022	<u>60,001</u>	<u>1,804,127</u>	<u>540,000</u>	<u>1,987,169</u>	<u>4,391,297</u>

**Company Statement of Changes in Equity
for the year ended 30th June 2022**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1st July 2020	60,000	47,793	540,000	647,793
Changes in equity				
Issue of share capital	1	-	-	1
Dividends	-	(65,000)	-	(65,000)
Total comprehensive income	-	65,000	-	65,000
Balance at 30th June 2021	<u>60,001</u>	<u>47,793</u>	<u>540,000</u>	<u>647,794</u>
Changes in equity				
Dividends	-	(101,000)	-	(101,000)
Total comprehensive income	-	101,000	-	101,000
Balance at 30th June 2022	<u>60,001</u>	<u>47,793</u>	<u>540,000</u>	<u>647,794</u>

**Consolidated Cash Flow Statement
for the year ended 30th June 2022**

	Notes	2022 £	2021 £
Cash flows from operating activities			
Cash generated from operations	1	1,703,701	(657,228)
Interest paid		(160,879)	(59,627)
Interest element of hire purchase payments paid		(844)	(2,785)
Tax paid		(218)	481,814
Net cash from operating activities		<u>1,541,760</u>	<u>(237,826)</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(598,355)
Purchase of tangible fixed assets		(71,443)	(42,070)
Sale of tangible fixed assets		11,001	24,001
Interest received		218	-
Net cash from investing activities		<u>(60,224)</u>	<u>(616,424)</u>
Cash flows from financing activities			
New loans in year		1,550,000	750,000
Loan repayments in year		(1,511,379)	(4,621)
Capital repayments in year		(14,690)	(46,093)
Share issue		-	1
New hire purchase agreement		32,535	-
Equity dividends paid		(101,000)	(65,000)
Net cash from financing activities		<u>(44,534)</u>	<u>634,287</u>
Increase/(decrease) in cash and cash equivalents		<u>1,437,002</u>	<u>(219,963)</u>
Cash and cash equivalents at beginning of year	2	<u>276,193</u>	<u>496,156</u>
Cash and cash equivalents at end of year	2	<u><u>1,713,195</u></u>	<u><u>276,193</u></u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the year ended 30th June 2022**

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

	2022 £	2021 £
Profit before taxation	561,867	92,095
Depreciation charges	122,931	135,484
Profit on disposal of fixed assets	(11,000)	(3,778)
Finance costs	161,723	62,412
Finance income	(218)	-
	<u>835,303</u>	<u>286,213</u>
Increase in stocks	(38,935)	(69,449)
Increase in trade and other debtors	(910,157)	(184,389)
Increase/(decrease) in trade and other creditors	<u>1,817,490</u>	<u>(689,603)</u>
Cash generated from operations	<u>1,703,701</u>	<u>(657,228)</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 30th June 2022

	30.6.22 £	1.7.21 £
Cash and cash equivalents	<u>1,713,195</u>	<u>276,193</u>

Year ended 30th June 2021

	30.6.21 £	1.7.20 £
Cash and cash equivalents	<u>276,193</u>	<u>496,156</u>

3. ANALYSIS OF CHANGES IN NET (DEBT)/FUNDS

	At 1.7.21 £	Cash flow £	At 30.6.22 £
Net cash			
Cash at bank and in hand	<u>276,193</u>	<u>1,437,002</u>	<u>1,713,195</u>
	<u>276,193</u>	<u>1,437,002</u>	<u>1,713,195</u>
Debt			
Finance leases	(30,478)	(17,845)	(48,323)
Debts falling due within 1 year	(57,292)	(46,041)	(103,333)
Debts falling due after 1 year	<u>(1,454,087)</u>	<u>7,420</u>	<u>(1,446,667)</u>
	<u>(1,541,857)</u>	<u>(56,466)</u>	<u>(1,598,323)</u>
Total	<u>(1,265,664)</u>	<u>1,380,536</u>	<u>114,872</u>

**Notes to the Consolidated Financial Statements
for the year ended 30th June 2022**

1. STATUTORY INFORMATION

C F Struthers (Holdings) 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 General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standards 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Going concern

The financial statements have been prepared on a going concern basis which the directors consider appropriate. The directors are confident that the company's relations with its customers and suppliers, and its current trading, leave the company well placed to manage its business risk successfully.

Basis of consolidation

The consolidated financial statements include the financial statements of the company and all of its subsidiary undertakings made up to 30th June 2022. The results of companies acquired in the period are included from the effective date of acquiring control.

Significant judgements and estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include:

In respect of long term contracts there is inevitably some uncertainty on the anticipated costs to completion. However, only in those cases where, in the directors opinion, those can be estimated reliably is any attributable profit accounted for.

Turnover

Revenue represents sales to outside customers, net of VAT and trade discounts, in the ordinary course of business for goods supplied as a principle and for services provided.

Sales of products are recognised when the significant risks and rewards of ownership are transferred to the customer and they have a legally binding obligation to settle under any terms of the contract.

In the case of long term contracts providing that the outcome can be assessed with reasonable certainty, the revenues and costs on such contracts are recognised based on overall contract profitability, costs incurred to date and estimated to complete, or stage of completion where more appropriate. Where the outcome cannot be measured reliably, contract costs are recognised as an expense in the period in which they are incurred and contract turnover is recognised to the extent of costs incurred that it is probable will be recoverable.

Full provision is made for any estimated losses on completion of contracts having regard for the overall substance of the arrangements.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2021, is being amortised evenly over its estimated useful life of ten years.

Goodwill on consolidation represents the difference between the consideration paid and the fair value of the net assets acquired.

**Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022**

2. ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Other intangible assets are being amortised evenly over their estimated useful life of ten years.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	- 2.5% on cost
Improvement to leasehold property	- 20% on cost
Plant and machinery etc	- 10% on cost
Fixtures and fittings	- 10% - 33.33% on cost
Motor Vehicles	- 25% on cost

Freehold property is valued by the directors using information available from professional valuations.

Government grants

Government grants receivable have been accounted for under the accrual model. The Coronavirus Job Retention Scheme (CJRS) grant has been recognised as income on a systematic basis over the periods in which the entity has recognised the related costs for which the grant is intended to compensate.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing stock to its present location and condition. Cost is calculated using the first-in, first-out formula. Provision is made for damaged, obsolete and slow-moving stock where appropriate.

Contract work in progress is included in debtors stated at net realisable value. Cumulative turnover (i.e. the total turnover recorded in respect of the contract in the profit and loss accounts of all accounting periods since inception of the contract) is compared with total payments on account. If turnover exceeds payments on account an "amount recoverable on contracts" is established and separately disclosed within debtors. If payments on account are greater than turnover to date, the excess is classified within creditors.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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.

**Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022**

2. ACCOUNTING POLICIES - continued

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currency

Foreign currency transactions are initially recognised by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency at the balance sheet date are translated using the closing rate.

Hire purchase and leasing commitments

Assets acquired under finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors. Minimum lease payments are apportioned between finance income and the reduction of the lease debtor with finance income allocated so as to produce a constant periodic rate of interest on the net investment in the finance lease. Rentals payable and receivable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

When employees have rendered service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service. The company operates a defined contribution plan for the benefit of its employees. Contributions are expensed as they become payable.

Investments

The company's investments in subsidiary undertakings is stated at cost less provision for any impairment in value.

Debtors and creditors receivable /payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income in administrative expenses.

**Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022**

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2022	2021
	£	£
United Kingdom	4,242,896	2,291,909
Rest of world	2,326,814	2,414,036
	<u>6,569,710</u>	<u>4,705,945</u>

The turnover and profit before tax are attributable to the one principal activity of the group. The total amount of contract revenue recognised in the period was £6,569,710 (2021 £4,705,945).

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,995,233	1,977,381
Social security costs	191,456	201,598
Other pension costs	116,548	117,496
	<u>2,303,237</u>	<u>2,296,475</u>

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

	2022	2021
Management	15	16
Manufacturing	42	47
	<u>57</u>	<u>63</u>

	2022	2021
	£	£
Directors' remuneration	88,149	56,117
Directors' pension contributions to money purchase schemes	24,625	22,117

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2022	2021
	£	£
Depreciation - owned assets	49,838	56,327
Depreciation - assets on hire purchase contracts	13,258	19,322
Profit on disposal of fixed assets	(11,000)	(3,778)
Goodwill amortisation	5,490	5,490
Other intangible assets amortisation	54,345	54,345
Auditors' remuneration	25,151	14,460
Foreign exchange differences	(32,390)	59,052
Operating lease rentals - Land and buildings	13,125	26,250
Operating lease rentals - Plant and machinery	8,804	8,800

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2022 £	2021 £
Bank interest	1,121	-
Other loan interest	159,758	59,627
Hire purchase interest	844	2,785
	<u>161,723</u>	<u>62,412</u>

7. TAXATION

Analysis of the tax credit

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

	2022 £	2021 £
Current tax:		
UK corporation tax	31,983	-
Over/Under provision	(91,816)	(302,864)
Total current tax	<u>(59,833)</u>	<u>(302,864)</u>
Deferred tax	18,469	192,592
Tax on profit	<u>(41,364)</u>	<u>(110,272)</u>

Reconciliation of total tax credit included in profit and loss

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

	2022 £	2021 £
Profit before tax	<u>561,867</u>	<u>92,095</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19 % (2021 - 19 %)	106,755	17,498
Effects of:		
Expenses not deductible for tax purposes	(229)	2,228
Change in deferred tax rate	12,446	-
Tax overpaid in prior year	(91,816)	-
Utilisation of losses brought forward	(68,520)	-
Tax losses carried forward	-	6,851
Deferred tax overprovided in previous year	-	(136,849)
Total tax credit	<u>(41,364)</u>	<u>(110,272)</u>

Tax effects relating to effects of other comprehensive income

	2022 Gross £	2022 Tax £	Net £
Gain on freehold property revaluation	<u>1,405,000</u>	<u>(184,261)</u>	<u>1,220,739</u>

**Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022**

7. TAXATION - continued

UK corporation tax has been charged at 19% (2021: 19%).

In the Spring Budget 2021, the Government announced that from 1st April 2023 the corporation tax rate will increase to 25%. Accordingly, the deferred tax provision has been based on this rate.

8. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements. The parent company's profit for the financial year was £101,000 (2021 £65,000).

9. DIVIDENDS

	2022	2021
	£	£
Ordinary shares of £1 each		
Interim	<u>101,000</u>	<u>65,000</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill	Other intangible assets	Totals
	£	£	£
COST			
At 1st July 2021			
and 30th June 2022	<u>54,904</u>	<u>543,451</u>	<u>598,355</u>
AMORTISATION			
At 1st July 2021	5,490	54,345	59,835
Amortisation for year	<u>5,490</u>	<u>54,345</u>	<u>59,835</u>
At 30th June 2022	<u>10,980</u>	<u>108,690</u>	<u>119,670</u>
NET BOOK VALUE			
At 30th June 2022	<u>43,924</u>	<u>434,761</u>	<u>478,685</u>
At 30th June 2021	<u>49,414</u>	<u>489,106</u>	<u>538,520</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1st July 2021	2,095,000	69,408	1,256,517
Additions	-	-	23,165
Disposals	-	(69,408)	-
Revaluations	1,405,000	-	-
At 30th June 2022	<u>3,500,000</u>	<u>-</u>	<u>1,279,682</u>
DEPRECIATION			
At 1st July 2021	-	69,408	1,079,157
Charge for year	-	-	44,951
Eliminated on disposal	-	(69,408)	-
At 30th June 2022	<u>-</u>	<u>-</u>	<u>1,124,108</u>
NET BOOK VALUE			
At 30th June 2022	<u>3,500,000</u>	<u>-</u>	<u>155,574</u>
At 30th June 2021	<u>2,095,000</u>	<u>-</u>	<u>177,360</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION			
At 1st July 2021	130,906	156,740	3,708,571
Additions	2,043	46,235	71,443
Disposals	(5,150)	(19,885)	(94,443)
Revaluations	-	-	1,405,000
At 30th June 2022	<u>127,799</u>	<u>183,090</u>	<u>5,090,571</u>
DEPRECIATION			
At 1st July 2021	123,833	120,226	1,392,624
Charge for year	3,175	14,970	63,096
Eliminated on disposal	(5,150)	(19,884)	(94,442)
At 30th June 2022	<u>121,858</u>	<u>115,312</u>	<u>1,361,278</u>
NET BOOK VALUE			
At 30th June 2022	<u>5,941</u>	<u>67,778</u>	<u>3,729,293</u>
At 30th June 2021	<u>7,073</u>	<u>36,514</u>	<u>2,315,947</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

11. TANGIBLE FIXED ASSETS - continued

Group

Cost or valuation at 30th June 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2012	313,699	-	-	-	313,699
Valuation in 2014	95,000	-	-	-	95,000
Valuation in 2022	1,405,000	-	-	-	1,405,000
Cost	<u>1,686,301</u>	<u>1,279,682</u>	<u>127,799</u>	<u>183,090</u>	<u>3,276,872</u>
	<u>3,500,000</u>	<u>1,279,682</u>	<u>127,799</u>	<u>183,090</u>	<u>5,090,571</u>

If Freehold property had not been revalued it would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>1,686,301</u>	<u>1,686,301</u>
Aggregate depreciation	<u>610,678</u>	<u>610,678</u>

Freehold property was valued on an open market basis on 30th June 2022 by the directors .

The valuation is based on a valuation undertaken by Scotts Property LLP in August 2022, who valued the property at £3,500,000.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST OR VALUATION	
At 1st July 2021	49,770
Additions	<u>34,140</u>
At 30th June 2022	<u>83,910</u>
DEPRECIATION	
At 1st July 2021	13,258
Charge for year	<u>13,258</u>
At 30th June 2022	<u>26,516</u>
NET BOOK VALUE	
At 30th June 2022	<u>57,394</u>
At 30th June 2021	<u>36,512</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

12. **FIXED ASSET INVESTMENTS**

Company

**Shares in
group
undertakings
£**

COST

At 1st July 2021
and 30th June 2022

1,200,986

NET BOOK VALUE

At 30th June 2022
At 30th June 2021

1,200,986

1,200,986

Details of subsidiary undertakings at the year end are as follows:

Name of company	Proportion of shares held	Nature of business
*C F Struthers (Hull) Limited	100%	Intermediate holding company
C F Struthers Limited	100%	Fabrication engineers and intermediate holding company
Struthers Energy & Power Limited	100%	Design and manufacture of energy recovery equipment

*Shares of the undertaking are held directly by the company.

C F Struthers (Hull) Limited owns 100% of the share capital of C F Struthers Limited.

C F Struthers Limited owns 100% of the share capital of Struthers Energy & Power Limited.

All of the companies are incorporated in England and Wales and all holdings are of ordinary shares.

13. **STOCKS**

	Group
	2022 2021
	£ £
Raw materials	<u>1,276,753</u> <u>1,237,818</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	1,232,817	383,664	-	-
Amounts owed by group undertakings	-	-	431,000	330,000
Amounts recoverable on long term contracts	326,897	253,934	-	-
Other debtors	16,676	5,247	-	-
Tax	92,034	-	-	-
Prepayments	61,486	84,874	-	-
	<u>1,729,910</u>	<u>727,719</u>	<u>431,000</u>	<u>330,000</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Bank loans and overdrafts (see note 17)	103,333	57,292	-	-
Hire purchase contracts (see note 18)	23,953	16,305	-	-
Payments on account	867,101	-	-	-
Trade creditors	869,678	557,028	-	-
Amounts owed to group undertakings	-	-	982,692	881,692
Corporation tax	31,983	-	-	-
Social security and other taxes	578,712	138,419	-	-
Other creditors	307,449	65,124	-	-
Accruals and deferred income	47,174	92,053	1,500	1,500
	<u>2,829,383</u>	<u>926,221</u>	<u>984,192</u>	<u>883,192</u>

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

	Group	
	2022	2021
	£	£
Bank loans (see note 17)	1,446,667	188,087
Other loans (see note 17)	-	1,266,000
Hire purchase contracts (see note 18)	24,370	14,173
	<u>1,471,037</u>	<u>1,468,260</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

17. **LOANS**

An analysis of the maturity of loans is given below:

		Group	
		2022	2021
		£	£
Amounts falling due within one year or on demand:			
Bank loans		<u>103,333</u>	<u>57,292</u>
Amounts falling due between one and two years:			
Bank loans		103,333	60,824
Other loans - 1-2 years		-	1,266,000
		<u>103,333</u>	<u>1,326,824</u>
Amounts falling due between two and five years:			
Bank loans		<u>1,343,334</u>	<u>127,263</u>

18. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group		Hire purchase	contracts
		2022	2021
		£	£
Gross obligations repayable:			
Within one year		26,143	17,200
Between one and five years		<u>27,826</u>	<u>14,454</u>
		<u>53,969</u>	<u>31,654</u>
Finance charges repayable:			
Within one year		2,190	895
Between one and five years		<u>3,456</u>	<u>281</u>
		<u>5,646</u>	<u>1,176</u>
Net obligations repayable:			
Within one year		23,953	16,305
Between one and five years		<u>24,370</u>	<u>14,173</u>
		<u>48,323</u>	<u>30,478</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022

18. LEASING AGREEMENTS - continued

Group

	Non-cancellable	operating leases
	2022	2021
	£	£
Within one year	8,804	21,929
Between one and five years	17,608	26,412
	<u>26,412</u>	<u>48,341</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2022	2021
	£	£
Bank loans	1,550,000	245,379
Hire purchase contracts	48,323	30,478
Other loans	-	1,511,379
	<u>1,598,323</u>	<u>1,787,236</u>

The bank loan has a first priority legal charge over the land and buildings in the group.

20. PROVISIONS FOR LIABILITIES

	Group	
	2022	2021
	£	£
Deferred tax		
Accelerated capital allowances	53,349	33,389
Short term timing differences	(1,491)	-
Deferred tax on revaluation	184,261	-
	<u>236,119</u>	<u>33,389</u>

Group

	Deferred tax
	£
Balance at 1st July 2021	33,389
Profit and loss account	18,469
Deferred tax on revaluation	184,261
Balance at 30th June 2022	<u>236,119</u>

The expected net reversal of deferred tax assets and liabilities in 2023 is £24,248.

**Notes to the Consolidated Financial Statements - continued
for the year ended 30th June 2022**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2022	2021
Number:	Class:		£	£
60,000	Ordinary	£1	60,000	60,000
1	Deferred	£1	1	1
			<u>60,001</u>	<u>60,001</u>

22. RESERVES

Group	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1st July 2021	1,301,896	540,000	766,430	2,608,326
Profit for the year	603,231	-	-	603,231
Dividends	(101,000)	-	-	(101,000)
Revaluation in year	-	-	1,405,000	1,405,000
Deferred tax on revaluation	-	-	(184,261)	(184,261)
At 30th June 2022	<u>1,804,127</u>	<u>540,000</u>	<u>1,987,169</u>	<u>4,331,296</u>

Share Premium account

The share premium account represents the premium arising on the issue of shares net of issue costs.

Revaluation Reserve

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets, net of deferred tax where applicable, where a policy of revaluation has been adopted.

Retained earnings

Retained earnings represents cumulative profits and losses net of dividends and other adjustments.

23. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The charge in the accounts in respect of pensions represents contributions payable by the group to the fund and amounted to £116,548 (2021 £117,496). Contributions of £11,927 were outstanding at 30th June 2022 (2021 £36,056).

24. ULTIMATE CONTROLLING PARTY

At 30th June 2022, the company was controlled by N Burton who owns 100% of the ordinary shares in the company.

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.