

Registered number: SC177939

ROSS-SHIRE ENGINEERING LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

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ROSS-SHIRE ENGINEERING LIMITED

PARENT COMPANY INFORMATION

Directors	A Dallas I R MacGregor J A MacGregor (resigned 18 August 2023) S R McLachlan
Company secretary	A Dallas
Registered number	SC177939
Registered office	Muir Of Ord Industrial Estate Muir Of Ord Ross-Shire IV6 7UA
Independent auditors	Anderson Anderson & Brown Audit LLP Kingshill View Prime Four Business Park Kingswells Aberdeen AB15 8PU

ROSS-SHIRE ENGINEERING LIMITED

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ROSS-SHIRE ENGINEERING LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2023

Business review

Ross-Shire Engineering Limited ('RSE') (the 'parent company' and the 'group') is a trusted clean water technology company – developing market leading products and services for purifying drinking water, recycling waste water and cleaning water in industrial processes.

A prolonged and strategic approach to R&D differentiates RSE's offering through modular build and productisation of process equipment. Factory built solutions reduce construction schedules, enhance quality, provide greater cost certainty, and have a positive impact on the environment.

An increase in demand for these solutions led to a 71% growth on prior year sales during the 12 month accounting period, and a commensurate increase in operating profit.

Turnover	– £197,728k (2022 - £115,386k)
Operating profit	– £13,953k (2022 - £6,506k)

The growth in the year reflects the group's strategy to develop regional hubs throughout the UK, through branch start-ups and acquisition.

RSE acquired a majority stake in DPS Group Limited ('DPS') in April 2022. DPS are specialists in industrial automation and systems integration, based in Glenrothes, Scotland. This was a strategic investment to enhance RSE's technology differentiation.

Greenacre Environmental Systems Limited was acquired in October 2022 and specialise in industrial ventilation equipment and systems. The Greenacre skillset enables RSE to offer environmental-based solutions including the control of dust, odour, fume and temperature related emissions.

The group also acquired Bristol based General Panel Systems Limited ('GPS'), and its majority owned subsidiary GPS Links Limited in July 2022. The GPS Group specialise in industrial automation and the manufacture of control systems. The acquisition strengthens RSE's controls and automation offering and creates a strategic hub in the South West of England.

Recruitment and talent management remain a high priority for the group, with investment levels increasing year on year. The group runs active modern apprenticeship schemes, graduate recruitment programmes and a series of leadership development initiatives. RSE see the development of employees as fundamental to the continued success of the group. During the year ended 31 March 2023 RSE recruited 31 graduates and 30 apprentices across the business.

ROSS-SHIRE ENGINEERING LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Principal risks and uncertainties

Market and economic risk

RSE operate a self-delivery, manufacturing-biased business model requiring heavy investment in fixed assets. Quality & performance standards are also underpinned by a high staff to contractor philosophy underpinned by significant levels of staff training and development.

This approach provides sustainable revenues to avoid seasonal and cyclical trading. The choice of markets, customers, services, and product development are carefully planned to anticipate risks with this approach.

The board also continues to exercise caution in relation to the impact of macroeconomic and geopolitical risks, which can affect key variables such as liquidity, supply chain and skills. Supply chain challenges are common following the Covid-19 pandemic and following the conflict in Eastern Europe. The board monitor the performance of key suppliers against project plans to ensure it can act swiftly to mitigate any challenges that may arise.

RSE is somewhat sheltered from energy inflation due to its investments in renewables, but inflation remains a key risk in the future.

Credit risk

Financial and commercial risk is prioritised through a conservative approach to capital and debt. Ongoing trading and growth liquidity are key to the ongoing success of the business, therefore robust measures are taken to ensure best practice throughout the portfolio.

Foreign exchange risk

Foreign exchange as a result of international operations is continually monitored to ensure the impact of currency movements is reduced wherever possible.

Key performance indicators

Financial

RSE continues to monitor its financial performance and working capital closely. Capital to develop products and solutions, to support seasonal trading, CAPEX and acquisitions are vital for the continued growth and development of the group. This is a key KPI for all senior management, along with a suite of financial and commercial metrics established to ensure the group maintains a strong balance sheet.

Other

Health, Safety, Quality & Environmental standards are crucial to the protection and development of the business. Management is committed to all of these areas and adhere to ISO 9001, 14001 and 45001 across a number of the portfolio companies.

Talent acquisition, retention and development underpins the success of all companies within RSE. The board and management invest heavily in apprenticeship and graduate schemes, technical training and leadership development. Such initiatives fit within a structured approach to organisational development and KPIs in this field and are closely linked to business performance.

ROSS-SHIRE ENGINEERING LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Directors' statement of compliance with duty to promote the success of the group

The parent company directors consider, both individually and collectively, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the group for the benefit of its member as a whole in the decisions taken during the current year.

When making these decisions the directors have given regard to:

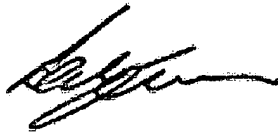
- The likely consequences of any decisions in the long-term;
- The interest of the group's employees;
- The need to foster the group's business relationships with suppliers, customers and others;
- The impact of the group's operations on the community and environment;
- The desirability of the group maintaining a reputation for high standards of business conduct; and
- The need to act fairly between shareholders of the group.

The vast majority of stakeholder engagement is carried out by the Board.

The Board considers and discusses information from across the organisation to help it understand the impact of the parent company and group's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the directors to comply with their legal duty under Section 172 of the Companies Act 2006.

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



.....
I R MacGregor
Director

Date: 14 December 2023

ROSS-SHIRE ENGINEERING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

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

Results and dividends

The profit for the year, after taxation, amounted to £11,204k (2022 - £4,873k).

Dividends of £2,113k were paid during the year (2022 - £1,620k).

Directors

The directors who served during the year were:

A Dallas
I R MacGregor
J A MacGregor (resigned 18 August 2023)
S R McLachlan

Future developments

The directors believe that secured workflows and high demand for RSE Products & Solutions will continue to drive progress and opportunities. RSE's investment in R&D, product development and focus upon smart, modular solutions is gaining considerable traction in the market. Complemented by our long-term service agreements, the directors believe future trading will be robust and further growth attainable.

The group are now pursuing UK opportunities and further expansion through acquisition if the correct target becomes available, complimentary to strategic direction.

Engagement with employees

The group adopts a policy of employee engagement, with management providing staff with updates on the parent company and the wider Envoy Group, via interactive feedback sessions.

Engagement with suppliers, customers and others

RSE's supply chain has been audited and verified against important criteria such as financial stability, anti-bribery, modern slavery and exploitation, safety, fair employment practices and environmental compliance. In addition, we are constantly reviewing our supply chain for compliance and will continue to support local businesses that encourage the fair employment of the disadvantaged and those that adopt fair ethical trading initiatives within the goods and services they supply RSE group. We pay our suppliers on time, and maintain close relationships with them, providing support where it may be required.

RSE actively engages with our customers, developing products and solutions to meet their business plans and objectives in the future. A sustained investment in R&D is enabling RSE to solve current and future challenges for customers, which promotes strong and deep partnership relationships.

ROSS-SHIRE ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Disabled employees

The parent company, as part of its employment and ongoing practices has always and wishes to continue, to promote an environment of equality and fairness and therefore recognises and complies with the Disability Discrimination Act 1995 (DDA).

The Disability Discrimination Act defines 'disability' as a physical or mental impairment which has a substantial and long term adverse effect on a person's ability to carry out their normal day-to-day activities.

The act makes it unlawful for employers to discriminate against current or prospective workers who have a disability or who have had a disability in the past. When an employer treats a person with a disability less favourably than he treats other people and this treatment cannot be justified then discrimination has taken place. The employer also has a duty to make a 'reasonable adjustment' in relation to the disabled person and failure to do so is again discrimination, if it cannot be justified.

Greenhouse gas emissions, energy consumption and energy efficiency action

UK energy use

RSE's product development and modular solutions have industry shifting potential for our customers net zero targets. Offsite manufactured and standardised solutions are reducing customer energy consumption, minimising material waste and remove CO2 intensive materials from customer operations.

In 2022 the companies R&D and engineering teams successfully introduced new products and solutions to eliminate or minimise the use of concrete, GRP and other such materials. During the year we also successfully relocated a redundant 10 year old water treatment asset to a new location for our customer. We remain committed to developing products with a circular economy in mind.

RSE's largest impact to co2 emissions will be realised on our customers asset base as the deployment of our product range extends through the UK. In its own operations, RSE are committed to meeting the Net Zero targets set by the Government and our clients. RSE have made a commitment to our key clients that we are working towards a 2030 target date for achieving Net Zero.

During the reporting period, the company used a total of 14,326,987 kWh (2021/22 – 11,286,000 kWh) of energy and emitted a total of 2,727 tonnes of CO2e (2021/22 – 2,830 tCO2e) which is categorised as follows:

2022-2023		
Energy Source	kWh	tCO2e
Diesel	9,220,549	2,362
HVO	547,890	2
Kerosene	877,256	210
Electricity	1,337,233	266
Natural Gas	813,354	142
Biomass	232,147	2
Solar Panels	119,316	-
Petrol	80	9
Total	14,326,987	2,727

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

Energy efficiency action

RSE are committed to meeting the Net Zero targets set by the Government and our clients. RSE have made a commitment to our key clients that we are working towards a 2030 target date for achieving Net Zero. A Net Zero Route Map has been produced by Ricardo Energy and Environment; key focus points are:

- Decarbonisation of the transport fleet; and
- Decarbonisation of our heating, (oil and gas); and
- Switch to 100% certified green electricity providers.

Ongoing improvements conducted during 2022-2023 financial year include:

- Installation of Electric Vehicle charge points across the business with 12 in Muir of Ord, 8 in Inverness, 2 in Cumbernauld, 2 in Dewsbury, 2 in Leeds, and 2 in Dalgety Bay. A total of 28 charge points are now available across RSE locations;
- Two sites have implemented the use of HVO (Hydrotreated Vegetable Oil) in replacement of diesel to produce carbon savings;
- Continuation of the replacement of fluorescent with LEDS across all-sites;
- Continuation of the replacement of our older fleet vehicles with more fuel-efficient alternatives; and
- Relocation of offices to Inverness, allowing the removal of old water tech offices which were inefficient and costly to heat. This provided the following benefits:
 - Installation of EV chargers in Inverness;
 - Upgrade to LED lighting in offices in Muir of Ord;
- Installation of Solar Panels on our Cumbernauld workshop and office located at 67 Napier Rd; and
- All controlled electricity supplies are powered by 100% green electricity.

Intensity ratio

Due to the diversity of the work conducted by RSE across many areas, emissions intensity ratios have been calculated based on three areas, turnover (per £1m), man-hours worked and number of employees. Based on scope 1 & 2 emissions.

t CO ₂ e Scope 1 & 2	Turnover £m	t CO ₂ e Scope 1 & 2 per £1m	Period
2992.287	145,884,065	20.51	2022-2023 (Current Year)
2830.187	86,660,736	32.78	2021-2022 (Previous Year)

t CO ₂ e Scope 1 & 2	Manhours	t CO ₂ e Scope 1 & 2 Manhour Worked	Period
2992.28	1,456,320	0.0021	2022-2023 (Current Year)
2830.187	1,199,040	0.0024	2021-2022 (Previous Year)

t CO ₂ e Scope 1 & 2	No. of Employees	t CO ₂ e Scope 1 & 2 per Employees	Period
2992.287	851	3.52	2022-2023 (Current Year)
2830.187	669	4.25	2021-2022 (Previous Year)

In the 2022-23 reporting year, there has been a decrease across all intensity matrices, emissions per £1m, per man hour and per employee.

RSEs investment into renewable energy including solar panels, biomass boiler, and HVO has encouraged this decrease as the business continues to grow.

ROSS-SHIRE ENGINEERING LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2023

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the parent company and the group's auditors are unaware; and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the parent company and the group's auditors are aware of that information.

Post balance sheet events

On 18 August 2023, RSE Water Technologies Limited, part of the Envoy Capital Management Limited ('ECM') group of companies and RSE's immediate parent undertaking, along with its minority shareholders disposed of their investment in RSE. ECM along with senior management rolled back into the new group along with funds advised by MML UK Advisor LLP, with Broadway Bidco Limited becoming the immediate parent undertaking, and Broadway Topco Limited as ultimate parent company.

The transaction was funded via a combination of equity, shareholder loans and new bank funding. This resulted in the original facility which the group were party to through Envoy Capital Management Limited being repaid in full, and a new banking facility entered into at Broadway Bidco Limited.

In October 2023, Technical Control Systems Limited, a subsidiary of RSE Control Systems Limited, acquired 100% of the share capital of Amber Integrated Control & Automation Limited based in Hampshire. Amber primarily service clients in the climate control, smoke control, natural ventilation and solar shading markets.

RSE also acquired 75% of the shareholding of Chem Resist Holdings Limited, a chemical storage group of companies based in Dewsbury.

Auditors

The auditors, Anderson Anderson & Brown Audit LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



.....
I R MacGregor
Director

Date: 14 December 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2023**

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 parent 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 for the group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

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

ROSS-SHIRE ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSS-SHIRE ENGINEERING LIMITED

Opinion

We have audited the financial statements of Ross-Shire Engineering Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2023, which comprise the group Statement of comprehensive income, the group and parent company Balance sheets, the group and parent company Statement of changes in equity and the related notes, 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's affairs as at 31 March 2023 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 United Kingdom, including the Financial Reporting Council'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 or 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSS-SHIRE ENGINEERING LIMITED
(CONTINUED)**

Other information

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

We have nothing to report in this regard.

Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report 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 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 Directors' report.

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

- adequate accounting records have not been kept 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 Directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSS-SHIRE ENGINEERING LIMITED
(CONTINUED)**

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

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:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were Employment, Health & Safety, Construction, Water Treatment legislation and Taxation plus the Companies Act 2006.

We identified the greatest risk of material impact on the financial statements from irregularities including fraud to be:

- Management override of controls to manipulate the parent company and group's key performance indicators to meet targets;
- Timing and completeness of revenue recognition;
- Management judgement applied in calculating provisions; and
- Compliance with relevant laws and regulations which directly impact the financial statements and those that the parent company and group needs to comply with for the purpose of trading.

Our audit procedures to respond to these risks included:

- Testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing judgments made by management in their calculation of accounting estimates for potential management bias;
- Enquiries of management about litigation and claims and inspection of relevant correspondence;
- Reviewing legal and professional fees to identify indications of actual or potential litigation, claims and any non-compliance with laws and regulations; and
- Performing a disclosure checklist on the financial statements to ensure Companies Act 2006 requirements are satisfied.

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

A further description of our responsibilities 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 Auditors' report.

ROSS-SHIRE ENGINEERING LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ROSS-SHIRE ENGINEERING LIMITED (CONTINUED)

Use of our report

This report is made solely to the parent 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 parent company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the parent company and the parent company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Anderson Anderson & Brown Audit LLP

Derek Mair (Senior statutory auditor)

for and on behalf of

Anderson Anderson & Brown Audit LLP

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 14 December 2023

ROSS-SHIRE ENGINEERING LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2023

	Note	2023 £000	2022 £000
Turnover	4	197,728	115,386
Cost of sales		(147,287)	(83,384)
Gross profit		50,441	32,002
Administrative expenses		(37,630)	(25,905)
Other operating income	5	1,142	409
Operating profit	6	13,953	6,506
Interest receivable and similar income	10	7	-
Interest payable and expenses	11	(119)	(34)
Profit before taxation		13,841	6,472
Tax on profit	12	(2,637)	(1,599)
Profit for the financial year		11,204	4,873
Profit for the year attributable to:			
Owners of the parent company		11,204	4,873
		11,204	4,873

There was no other comprehensive income for 2023 (2022 - £nil).

The notes on pages 20 to 47 form part of these financial statements.

ROSS-SHIRE ENGINEERING LIMITED

REGISTERED NUMBER: SC177939

**CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	16,204	10,172
Tangible assets	15	19,479	16,235
		<u>35,683</u>	<u>26,407</u>
Current assets			
Stocks	17	2,143	2,214
Debtors: amounts falling due after more than one year	18	-	90
Debtors: amounts falling due within one year	18	52,286	32,226
Cash at bank and in hand	19	13,308	8,804
		<u>67,737</u>	<u>43,334</u>
Creditors: amounts falling due within one year	20	(51,641)	(32,220)
Net current assets		<u>16,096</u>	<u>11,114</u>
Total assets less current liabilities		<u>51,779</u>	<u>37,521</u>
Creditors: amounts falling due after more than one year	21	(9,479)	(4,479)
Provisions for liabilities			
Deferred taxation	24	(1,451)	(1,277)
Other provisions	25	-	(7)
		<u>(1,451)</u>	<u>(1,284)</u>
Net assets		<u><u>40,849</u></u>	<u><u>31,758</u></u>
Capital and reserves			
Called up share capital	26	21	21
Share premium account	27	428	428
Capital redemption reserve	27	22	22
Other reserves	27	2,671	2,671
Profit and loss account	27	37,707	28,616
Equity attributable to owners of the parent parent company		<u><u>40,849</u></u>	<u><u>31,758</u></u>

ROSS-SHIRE ENGINEERING LIMITED

REGISTERED NUMBER:SC177939

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
I R MacGregor
Director

Date: 14 December 2023

The notes on pages 20 to 47 form part of these financial statements.

ROSS-SHIRE ENGINEERING LIMITED**REGISTERED NUMBER:SC177939****COMPANY BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Intangible assets	14	5,925	7,285
Tangible assets	15	13,155	11,892
Investments	16	20,401	9,762
		<u>39,481</u>	<u>28,939</u>
Current assets			
Stocks	17	591	486
Debtors: amounts falling due after more than one year	18	-	90
Debtors: amounts falling due within one year	18	35,184	25,204
Cash at bank and in hand	19	9,187	6,362
		<u>44,962</u>	<u>32,142</u>
Creditors: amounts falling due within one year	20	(34,231)	(23,443)
Net current assets		<u>10,731</u>	<u>8,699</u>
Total assets less current liabilities		<u>50,212</u>	<u>37,638</u>
Creditors: amounts falling due after more than one year	21	(6,973)	(3,073)
Provisions for liabilities			
Deferred taxation	24	(1,299)	(1,043)
Other provisions	25	-	(7)
		<u>(1,299)</u>	<u>(1,050)</u>
Net assets		<u><u>41,940</u></u>	<u><u>33,515</u></u>

ROSS-SHIRE ENGINEERING LIMITED

REGISTERED NUMBER:SC177939

**COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2023**

	Note	31 March 2023 £000	31 March 2022 £000
Capital and reserves			
Called up share capital	26	21	21
Share premium account	27	428	428
Capital redemption reserve	27	22	22
Other reserves	27	2,671	2,671
Profit and loss account		38,798	30,373
		<u>41,940</u>	<u>33,515</u>

As permitted by s408 Companies Act 2006, the parent company has not presented its own profit and loss accounts and related notes. The company's profit for the year was £10,025k (2022 - £4,631k).

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
I R MacGregor
Director

Date: 14 December 2023

The notes on pages 20 to 47 form part of these financial statements.

ROSS-SHIRE ENGINEERING LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 April 2021	21	428	22	-	25,363	25,834
Comprehensive income for the year						
Profit for the year	-	-	-	-	4,873	4,873
Dividends: Equity capital	-	-	-	-	(1,620)	(1,620)
Capital contribution	-	-	-	2,671	-	2,671
At 1 April 2022	21	428	22	2,671	28,616	31,758
Comprehensive income for the year						
Profit for the year	-	-	-	-	11,204	11,204
Dividends: Equity capital	-	-	-	-	(2,113)	(2,113)
At 31 March 2023	21	428	22	2,671	37,707	40,849

The notes on pages 20 to 47 form part of these financial statements.

ROSS-SHIRE ENGINEERING LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2023

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	Other reserves £000	Profit and loss account £000	Total equity £000
At 1 April 2021	21	428	22	-	27,342	27,813
Comprehensive income for the year						
Profit for the year	-	-	-	-	4,631	4,631
Dividends: Equity capital	-	-	-	-	(1,600)	(1,600)
Capital contribution	-	-	-	2,671	-	2,671
At 1 April 2022	21	428	22	2,671	30,373	33,515
Comprehensive income for the year						
Profit for the year	-	-	-	-	10,025	10,025
Dividends: Equity capital	-	-	-	-	(1,600)	(1,600)
At 31 March 2023	21	428	22	2,671	38,798	41,940

The notes on pages 20 to 47 form part of these financial statements.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

1. General information

The parent company is a private company limited by shares and incorporated in the United Kingdom. The address of the registered office is Muir of Ord Industrial Estate, Muir Of Ord, Ross-Shire, IV6 7UA.

Ross-Shire Engineering Limited ('RSE') is a specialist mechanical & electrical engineering company that provides products and services to the UK's Utility (water / wastewater), Industrial and Energy sectors.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

All amounts in the financial statements have been rounded to the nearest £1,000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies (see note 3).

The parent company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The group has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Envoy Capital Management Limited as at 31 March 2023 and these financial statements may be obtained from Companies House, Crown Way, Cardiff. CF14 3UZ.

2.3 Basis of consolidation

The consolidated financial statements present the results of the parent company and its own subsidiaries ('the group') as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the consolidated profit and loss account from the date on which control is obtained. They are deconsolidated from the date control ceases.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.4 Going concern

The directors having prepared budgets and cash flow forecasts, and having made due and careful enquiry, are of the opinion that the group and parent company have adequate working capital to execute their operations for a period of at least 12 months following the date of approval of these financial statements. As noted in the post balance sheet events note, a new banking facility was entered into post year end as part of the change in ownership of the group. Management have prepared budgets and cashflow forecasts which are reviewed on a regular basis. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is a reasonable expectation that the group and parent company have adequate resources to continue in operational existence for the foreseeable future.

As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The parent company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.6 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the group has transferred the significant risks and rewards of ownership to the buyer;
- the group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.7 Long term contracts

Profit on long-term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as the contract activity progresses. Turnover is calculated as that proportion of the total contract value which costs incurred to date bear to total expected costs for that contract. Revenues derived from variations on contracts are recognised only when they have been accepted by the customer or there is a reasonable degree of certainty that they will be accepted. Full provision is made for losses on all contracts in the year in which they are first foreseen.

Amounts recoverable on contracts are included in debtors and represent turnover recognised in excess of payments on account. The excess of payments on accounts over the value of the work done on individual contracts is included in creditors.

2.8 Operating leases: the group as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.9 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.10 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.11 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

The group contributes to a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the group pays fixed contributions into a separate entity. Once the contributions have been paid the group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the group in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the parent company and the group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life, which is between 10 - 20 years.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses. If a reliable estimate of the useful life of other intangible assets cannot be made, the useful life shall not exceed 10 years.

2.15 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.15 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Tenant's improvements	- over the term of the lease
Plant and machinery	- 15% on reducing balance
Motor vehicles	- 20% straight line
Fixtures and fittings	- 10% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.16 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.17 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.18 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.19 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.20 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

2. Accounting policies (continued)

2.21 Provisions for liabilities

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.22 Financial instruments

The group has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

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

2.23 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements in compliance with FRS 102, requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance sheet date and the amounts reported during the year for revenue and costs. However, the nature of estimation means that actual outcomes could differ from those estimates.

There were no judgements affecting the reported financial performance in the current or prior year.

The following is the parent company and group's key sources of estimation uncertainty:

Long term contracts

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for the contract. Revenues derived from variations on contracts are recognised only when they are first foreseen.

Carrying value of intangible assets

The group establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which goodwill is attributed, any legal or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

4. Turnover

The whole of the turnover during the current and prior period is attributable to the principal activities of the group.

Analysis of turnover by country of destination:

	2023 £000	2022 £000
United Kingdom	191,776	115,386
Rest of the world	5,952	-
	<u>197,728</u>	<u>115,386</u>

5. Other operating income

	2023 £000	2022 £000
Other operating income	130	91
Government grants receivable	1,009	318
Sundry income	3	-
	<u>1,142</u>	<u>409</u>

6. Operating profit

The operating profit is stated after charging:

	2023 £000	2022 £000
Amortisation of intangibles	968	690
Amortisation of government grants	(7)	(14)
Depreciation - owned	1,766	1,438
Depreciation - financed	555	110
	<u></u>	<u></u>

7. Auditors' remuneration

During the year, the group obtained the following services from the company's auditors and their associates:

	2023 £000	2022 £000
Fees payable to the company's auditors for the audit of the consolidated and parent company's financial statements	<u>113</u>	<u>85</u>

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

8. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2023 £000	Group 2022 £000
Wages and salaries	55,213	42,861
Social security costs	5,992	4,682
Cost of defined contribution scheme	1,980	1,698
	<u>63,185</u>	<u>49,241</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Group 2023 No.	Group 2022 No.	Company 2023 No.	Company 2022 No.
Management	113	73	24	20
Production and Technical	1,079	938	760	605
Admin and Sales	122	95	47	42
	<u>1,314</u>	<u>1,106</u>	<u>831</u>	<u>667</u>

9. Directors' remuneration

	2023 £000	2022 £000
Directors' emoluments	350	318
Directors pension costs	17	47
	<u>367</u>	<u>365</u>

During the year retirement benefits were accruing to 2 directors (2022 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £189k (2022 - £212k).

The value of the group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £16k (2022 - £1k).

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

10. Interest receivable

	2023 £000	2022 £000
Bank interest receivable	2	-
Other interest receivable	5	-
	<u>7</u>	<u>-</u>

11. Interest payable and similar expenses

	2023 £000	2022 £000
Finance leases and hire purchase contracts	109	34
Bank interest	10	-
	<u>119</u>	<u>34</u>

12. Taxation

	2023 £000	2022 £000
Corporation tax		
Current tax on profits for the year	2,754	992
Adjustments in respect of previous periods	(243)	43
	<u>2,511</u>	<u>1,035</u>
Deferred tax		
Origination and reversal of timing differences	126	319
Effect of tax rate change on opening balance	-	245
Total deferred tax	<u>126</u>	<u>564</u>
Taxation on profit on ordinary activities	<u>2,637</u>	<u>1,599</u>

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £000	2022 £000
Profit on ordinary activities before tax	13,841	9,206
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	2,631	1,749
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	17	9
Fixed asset differences	(56)	177
Remeasurement of deferred tax due to tax rate changes	6	-
Adjustments to tax charge in respect of prior periods	(243)	40
Other tax adjustments, reliefs and transfers	(56)	767
Deferred tax not recognised	-	(1,499)
R&D tax credits	(180)	-
Adjust opening/closing deferred tax to avg rate	336	369
Goodwill amortised not deducted for tax purposes	182	-
Group relief claimed	-	(13)
Total tax charge for the year	2,637	1,599

Factors that may affect future tax charges

The March 2021 budget announced an increase to the main rate of corporation tax to 25% from April 2023. This increase in rate will have an impact on future tax charges. The deferred tax charge has been calculated based on the rate of 25%.

Research and development ('R&D') tax credits have been recognised as other income. The tax charge for the financial year has been calculated on the profits on ordinary activities before tax using the UK standard rate of 19% prior to R&D.

13. Dividends

	2023 £000	2022 £000
Equity dividends on ordinary shares	2,113	1,620
	2,113	1,620

ROSS-SHIRE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Intangible assets

Group

	Development expenditure £000	Trademarks £000	Goodwill £000	Total £000
Cost				
At 1 April 2022	51	147	12,106	12,304
Additions	-	-	2,837	2,837
Other adjustments	-	-	4,163	4,163
At 31 March 2023	51	147	19,106	19,304
Amortisation				
At 1 April 2022	51	72	2,009	2,132
Charge for the year on owned assets	-	15	953	968
At 31 March 2023	51	87	2,962	3,100
Net book value				
At 31 March 2023	-	60	16,144	16,204
At 31 March 2022	-	75	10,097	10,172

ROSS-SHIRE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

14. Intangible assets (continued)

Company

	Development expenditure £000	Trademarks £000	Goodwill £000	Total £000
Cost				
At 1 April 2022	51	147	7,230	7,428
Movements - other	-	-	(885)	(885)
At 31 March 2023	51	147	6,345	6,543
Amortisation				
At 1 April 2022	51	72	20	143
Charge for the year	-	15	460	475
At 31 March 2023	51	87	480	618
Net book value				
At 31 March 2023	-	60	5,865	5,925
At 31 March 2022	-	75	7,210	7,285

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Tangible fixed assets

Group

	Freehold property £000	Tenant's improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and computer equipment £000	Total £000
Cost or valuation						
At 1 April 2022	7,421	3,520	8,054	2,096	1,959	23,050
Additions	935	1,091	2,286	397	629	5,338
Other movement	-	-	3,401	-	-	3,401
Disposals	-	-	(334)	(446)	-	(780)
On acquisition	-	86	551	380	638	1,655
At 31 March 2023	8,356	4,697	13,958	2,427	3,226	32,664
Depreciation						
At 1 April 2022	1,159	150	3,031	1,205	1,270	6,815
Charge for the year on owned assets	168	99	986	82	431	1,766
Charge for the year on financed assets	-	-	251	304	-	555
Other movement	-	-	3,367	-	-	3,367
Disposals	-	-	(250)	(435)	-	(685)
On acquisition	-	30	440	337	560	1,367
At 31 March 2023	1,327	279	7,825	1,493	2,261	13,185
Net book value						
At 31 March 2023	7,029	4,418	6,133	934	965	19,479
At 31 March 2022	6,262	3,370	5,023	891	689	16,235

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £000	2022 £000
Plant and machinery	1,413	179
Motor vehicles	867	757
	2,280	936

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

15. Tangible fixed assets (continued)

Company

	Freehold property £000	Tenant's improvements £000	Plant and machinery £000	Motor vehicles £000	Fixtures, fittings and computer equipment £000	Total £000
Cost or valuation						
At 1 April 2022	7,119	352	6,886	1,890	1,593	17,840
Additions	935	-	1,060	329	412	2,736
Disposals	-	-	(31)	(269)	-	(300)
At 31 March 2023	8,054	352	7,915	1,950	2,005	20,276
Depreciation						
At 1 April 2022	1,158	126	2,520	1,053	1,091	5,948
Charge for the year on owned assets	168	34	697	28	217	1,144
Charge for the year on financed assets	-	-	-	270	-	270
Disposals	-	-	(5)	(236)	-	(241)
At 31 March 2023	1,326	160	3,212	1,115	1,308	7,121
Net book value						
At 31 March 2023	6,728	192	4,703	835	697	13,155
At 31 March 2022	5,961	226	4,366	837	502	11,892

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2023 £000	2022 £000
Plant and machinery	-	179
Motor vehicles	798	757
	<u>798</u>	<u>936</u>

ROSS-SHIRE ENGINEERING LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

16. Fixed asset investments

Company

	Investments in subsidiary companies £000
Cost or valuation	
At 1 April 2022	9,762
Additions	7,289
Revaluations	3,350
At 31 March 2023	<u>20,401</u>

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the parent company:

Name	Registered office	Class of shares	Holding
RSE Control Systems Limited	Muir of Ord Industrial Estate, Great North Road, Muir of Ord, Ross-shire, IV6 7UA	Ordinary	85%
Safronics Group Limited (95% owned by RSE Control Systems Limited)	Pearson Street, Leeds, West Yorks, LS10 1BQ	Ordinary	81%
Safronics Holdings Limited (100% owned by Safronics Group Limited)	Pearson Street, Leeds, West Yorks, LS10 1BQ	Ordinary	81%
Safronics Limited (100% owned by Safronics Holdings Limited)	Pearson Street, Leeds, West Yorks, LS10 1BQ	Ordinary	81%
MTD South West Ltd	Pows Orchard, Pows Orchard, Midsomer Norton, United Kingdom, BA3 2HY	Ordinary	100%
Aciem Group Limited (100% owned by MTD South West Ltd)	Unit 700 Bretton Park Way, Dewsbury, England, WF12 9BS	Ordinary	100%
Murray Technical Services Limited	Unit E2 Premier Centre, Abbey Park Industrial Estate, Premier Way, Romsey, England	Ordinary	75%
Sheers Limited	Unit G7, Morton Park Way, Darlington, County Durham, DL1 4PQ	Ordinary	75%
W.E.S. LTD.	Precision House, Rankine Road, Basingstoke, Hampshire, RG24 8PP	Ordinary	75%
Weschem Ltd. (100% owned by W.E.S. LTD.)	Precision House, Rankine Road, Basingstoke, Hampshire, RG24 8PP	Ordinary	75%
Watermech Services Ltd. (100% owned by W.E.S LTD.)	Precision House, Rankine Road, Basingstoke, Hampshire, RG24 8PP	Ordinary	75%
Prime Pumps Limited	Muir of Ord Industrial Estate, Great North Road, Muir of Ord, Ross-shire, IV6 7UA	Ordinary	100%
North Hill Limited (75% owned by RSE Controls Systems Limited)	Control Works Treefield Industrial Estate Gildersome, Leeds, West Yorkshire, LS27 7JU	Ordinary	64%
Technical Control Systems Limited (100% owed by North Hill Limited)	Control Works Treefield Industrial Estate Gildersome, Leeds, West Yorkshire, LS27 7JU	Ordinary	64%

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
Wilford Limited (100% owned by RSE Control Systems Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Blackburn Starling & Company Limited (100% owned by Wilford Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Blackburn Starling Control and Automation Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Blackburn Starling Engineering Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Blackburn Starling Equipment Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Blackburn Starling Lightning Preventor Limited	Dunsil Drive, Queens Drive Industrial Estate, Nottingham, Nottinghamshire, NG2 3AY	Ordinary	85%
Blackburn Starling Lightning Protection Limited (100% owned by Blackburn Starling & Company Limited)	Dunsil Drive, Queens Drive Industrial Estate, Nottingham, Nottinghamshire, NG2 3AY	Ordinary	85%
Blackburn Starling Projects Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
BSLP Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
Carringstone Limited (100% owned by Blackburn Starling & Company Limited)	Queens Drive, Nottingham, NG2 3AY	Ordinary	85%
DPS Group Ltd (formerly DP Services Holdings Ltd)	Unit 1 Lomond Business Park, Baltimore Road, Glenrothes, Scotland, KY6 2PJ	Ordinary	70%
DP Services (Holdings) Ltd (100% owned by DPS Group Ltd) (formerly DPS Group Ltd)	Unit 1 Lomond Business Park, Baltimore Road, Glenrothes, Scotland, KY6 2PJ	Ordinary	70%
DP Systems (Scotland) Limited (100% owned by DPS Group Ltd)	Unit 1 Lomond Business Park, Baltimore Road, Glenrothes, Scotland, KY6 2PJ	Ordinary	70%
GES Holdco Ltd	Unit 17 Riverside Way, Ravensthorpe Industrial Estate, Dewsbury, England, WF13 3LG	Ordinary	75%
Greenacre Environmental Systems Limited (100% owned by GES Holdco Ltd)	Unit 17 Riverside Way, Ravensthorpe Industrial Estate, Dewsbury, England, WF13 3LG	Ordinary	75%
General Panel Systems Limited (80% owned by RSE Controls Systems Limited)	Unit 3 St Philips Central, Albert Road, Bristol, England, BS2 0XJ	Ordinary	68%

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

16. Fixed asset investments (continued)

Subsidiary undertakings (continued)

Name	Registered office	Class of shares	Holding
GPS Links Limited (80% owned by General Panel Systems Limited)	Unit 3 St Philips Central, Albert Road, Bristol, England, BS2 0XJ	Ordinary	54%

For their respective years ended 31 March 2023 the following subsidiaries are entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- RSE Control Systems Limited; (SC181373);
- Safronics Group Limited (07121201);
- Safronics Holdings Limited (04184814);
- Safronics Limited (01935773);
- Aciem Group Limited (03341154);
- MTD South West Ltd (10267564);
- Murray Technical Services Limited (08468765);
- W.E.S. Ltd. (03086750);
- Weschem Ltd. (07696105);
- Watermech Services Ltd. (05157679);
- Prime Pumps Limited (SC305190);
- Sheers Limited (01347974);
- North Hill Limited (04760393);
- Technical Control Systems Limited (00950111);
- Wilford Limited (05153253);
- Blackburn Starling & Company Limited (02122329);
- DPS Group Ltd (SC328334) (formerly DP Services Ltd)
- DP Services (Holdings) Ltd (SC721104) (formerly DPS Group Ltd);
- DP Systems (Scotland) Limited (SC265698);
- GES Holdco Ltd (10219253);
- Greenacre Environmental Systems Limited (09117078);
- General Panel Systems Limited (01310922); and
- GPS Links Limited (05802025).

Post year-end, the following subsidiaries were struck off:

- Blackburn Starling Control and Automation Limited;
- Blackburn Starling Engineering Limited;
- Blackburn Starling Equipment Limited;
- Blackburn Starling Lightning Preventor Limited;
- Blackburn Starling Lightning Protection Limited;
- Blackburn Starling Projects Limited;
- BSLP Limited; and
- Carrington Limited.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

17. Stock

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Finished goods and goods for resale	2,143	2,214	591	486
	<u>2,143</u>	<u>2,214</u>	<u>591</u>	<u>486</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18. Debtors

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Due after more than one year				
Other debtors	-	90	-	90
	<u>-</u>	<u>90</u>	<u>-</u>	<u>90</u>

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Due within one year				
Trade debtors	20,510	12,788	6,979	5,292
Amounts owed by group undertakings	-	-	7,345	5,165
Other debtors	2,134	4,300	76	1,393
Prepayments and accrued income	1,232	892	729	403
Amounts recoverable on long term contracts	28,410	14,246	20,055	12,951
	<u>52,286</u>	<u>32,226</u>	<u>35,184</u>	<u>25,204</u>

Amounts owed by group undertakings are unsecured and interest free.

19. Cash and cash equivalents

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Cash at bank and in hand	13,308	8,804	9,187	6,362

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

20. Creditors: Amounts falling due within one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Payments received on account	11,999	9,141	6,709	9,141
Trade creditors	15,836	9,683	8,043	5,568
Amounts owed to group undertakings	843	122	1,009	1,791
Corporation tax	101	924	172	705
Other taxation and social security	5,088	3,310	4,110	2,234
Obligations under finance lease and hire purchase contracts	665	493	332	308
Other creditors	2,838	4,169	594	700
Accruals and deferred income	14,271	4,378	13,262	2,996
	<u>51,641</u>	<u>32,220</u>	<u>34,231</u>	<u>23,443</u>

Amounts owed to group undertakings are unsecured and interest free.

21. Creditors: Amounts falling due after more than one year

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Obligations under finance leases and hire purchase contracts	1,414	817	463	411
Option creditors	8,065	3,662	6,510	2,662
	<u>9,479</u>	<u>4,479</u>	<u>6,973</u>	<u>3,073</u>

Obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

The other creditors balance is inclusive of amounts payable to acquire certain minority shareholdings of subsidiary companies at future dates. These amounts are subject to contractually agreed Put and Call Option agreements, all in place at the Balance sheet date. The directors' view is that the exercise of these Options is likely in future years, and as such consider it appropriate to recognise the assumed obligations at the Balance sheet date.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Within one year	665	493	332	308
Between 1-5 years	1,414	817	463	411
	<u>2,079</u>	<u>1,310</u>	<u>795</u>	<u>719</u>

23. Financial instruments

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Financial assets				
Financial assets measured at fair value through profit or loss	13,308	8,804	9,187	6,362

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

24. Deferred taxation

Group

	2023 £000	2022 £000
At beginning of year	(1,277)	(625)
Charged to profit or loss	(126)	(652)
Arising on business combinations	(48)	-
At end of year	<u>(1,451)</u>	<u>(1,277)</u>

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

24. Deferred taxation (continued)

Company

	2023 £000	2022 £000
At beginning of year	(1,044)	(530)
Charged to profit or loss	(255)	(514)
At end of year	(1,299)	(1,044)

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Accelerated capital allowances	(2,058)	(1,306)	(1,570)	(1,044)
Other timing differences	607	5	271	-
Short term timing differences	-	24	-	-
	(1,451)	(1,277)	(1,299)	(1,044)

25. Deferred government grants

Group

	HIE Grant £000
At 1 April 2022	7
Utilised in year	(7)
At 31 March 2023	-

Company

	HIE Grant £000	Total £000
At 1 April 2022	7	7
Utilised in year	(7)	(7)
At 31 March 2023	-	-

The balance above relates to grants received for the construction of buildings and towards the purchase cost of some plant and machinery.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

26. Share capital

	2023 £000	2022 £000
Allotted, called up and fully paid		
16,851 (2022 - 16,851) A Ordinary shares of £1.00 each	17	17
1,042 (2022 - 1,042) B Ordinary shares of £1.00 each	1	1
832 (2022 - 832) C Ordinary shares of £1.00 each	1	1
2,080 (2022 - 2,080) D Ordinary shares of £1.00 each	2	2
	<hr/>	<hr/>
	21	21
	<hr/>	<hr/>

The A Ordinary shares, B Ordinary shares, C Ordinary shares and D Ordinary shares rank pari passu in all respects other than the following points:

- The D Ordinary share shall not carry the right to receive any dividend or distribution declared and/or paid by the company;
- Each A Ordinary share, B Ordinary share and C Ordinary share carries the right to receive notice of and to attend, speak and vote at all general meetings of the parent company. Each D Ordinary share shall not carry the right to receive notice and to attend, speak and vote at any general meeting of the parent company; and
- There are difference rights on transfer of shares.

No variation of the rights attaching to any class of shares shall be effective except with the sanction of a special resolution of the holders of the relevant class of shares.

27. Reserves

Share premium account

The share premium account represents the excess of par value received for the ordinary share capital on initial issue of shares. This reserve is non-distributable.

Capital redemption reserve

The capital redemption reserve represents amounts capitalised to maintain fixed capital following the purchase or redemption of shares.

Other reserves

Other reserves represent a capital contribution reserve.

Profit and loss account

Profit and loss reserves represent cumulative distributable reserves.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

28. Business combinations

Acquisition of DPS Group Ltd and its subsidiaries, GES Holdco Limited and its subsidiary Greenacre Environmental Systems Limited plus General Panel Systems Limited and its subsidiary GPS Links Limited.

Recognised amounts of identifiable assets acquired and liabilities assumed

	Book value £000	Fair value £000
Fixed Assets		
Tangible	263	263
Intangible	895	895
	<u>1,158</u>	<u>1,158</u>
Current Assets		
Stocks	378	378
Debtors	3,345	3,345
Cash at bank and in hand	4,709	4,709
	<u>9,590</u>	<u>9,590</u>
Total Assets		
Creditors		
Due within one year	(3,118)	(3,118)
Due after more than one year	(259)	(259)
Deferred taxation	(7)	(7)
	<u>6,206</u>	<u>6,206</u>
Total identifiable net assets		
		<u>2,837</u>
Total purchase consideration		<u>9,043</u>
Consideration		
		£000
Cash		6,775
Stamp duty		34
Option creditor		1,925
Fees		309
		<u>9,043</u>
Total purchase consideration		<u>9,043</u>

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

28. Business combinations (continued)

Cash outflow on acquisition

	£000
Purchase consideration settled in cash, as above	(7,118)
	<u>(7,118)</u>
Less: Cash and cash equivalents acquired	4,709
Net cash outflow on acquisition	<u><u>(2,409)</u></u>

29. Contingent liabilities

At the year end and until 18 August 2023, RSE was party to a cross guarantee with its then ultimate parent undertaking, Envoy Capital Management Limited ('ECM') and other companies within the Envoy Group. From 18 August 2023, RSE plus certain companies are party to a cross guarantee with Broadway Bidco Limited.

30. Capital commitments

At 31 March 2023, the group and parent company had capital commitments as follows:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Contracted for but not provided in these financial statements	-	960	-	320
	<u>-</u>	<u>960</u>	<u>-</u>	<u>320</u>

31. Pension commitments

The group contributes to a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £1,955k (2022 - £1,595k). Contributions totaling £248k (2022 - £216k) were payable to the fund at the balance sheet date and are included in creditors.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

32. Commitments under operating leases

At 31 March 2023, the group and the parent company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2023 £000	Group 2022 £000	Company 2023 £000	Company 2022 £000
Not later than 1 year	1,903	1,547	1,283	1,143
Later than 1 year and not later than 5 years	6,944	5,856	4,811	4,527
Later than 5 years	10,954	11,479	2,854	3,856
	<u>19,801</u>	<u>18,882</u>	<u>8,948</u>	<u>9,526</u>

33. Related party transactions

During the year the parent company had net sales & purchases of £8.8m (2022 - £6.3m) and the group had net sales & purchases of £5.0m (2022 - £0.1m) from fellow subsidiaries that are not 100% owned within the overall group. The net balance with these companies at the year end is included within the respective debtor and creditor notes.

During the year the parent company and group incurred costs of £1.6m (2021 - £1.4m) from companies which are controlled by members of the MacGregor family. The net balance with these companies at the year end is £0.46m (2022 - £nil).

34. Post balance sheet events

On 18 August 2023, RSE Water Technologies Limited, part of the Envoy Capital Management Limited ('ECM') group of companies and RSE's immediate parent undertaking, along with its minority shareholders disposed of their investment in RSE. ECM along with senior management rolled back into the new group along with funds advised by MML UK Advisor LLP, with Broadway Bidco Limited becoming the immediate parent undertaking, and Broadway Topco Limited as ultimate parent company.

The transaction was funded via a combination of equity, shareholder loans and new bank funding. This resulted in the original facility which the group were party to through Envoy Capital Management Limited being repaid in full, and a new banking facility entered into at Broadway Bidco Limited.

In October 2023, Technical Control Systems Limited, a subsidiary of RSE Control Systems Limited, acquired 100% of the share capital of Amber Integrated Control & Automation Limited based in Hampshire. Amber primarily service clients in the climate control, smoke control, natural ventilation and solar shading markets.

RSE also acquired 75% of the shareholding of Chem Resist Holdings Limited, a chemical storage group of companies based in Dewsbury.

ROSS-SHIRE ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2023

35. Controlling party

Until 11 October 2022, the immediate parent undertaking was Modutec Holdings Limited. From 11 October 2022, the immediate parent undertaking was RSE Water Technologies Limited. Throughout this period the ultimate parent was Envoy Capital Management Limited. The controlling party of Envoy Capital Management Limited is I R MacGregor.

Envoy Capital Management Limited is the smallest & largest group of which Ross-Shire Engineering Limited and its subsidiaries are members and for which Group financial statements are also drawn up.

The group financial statements of Envoy Capital Management Limited can be obtained from First Floor, Aurora House, 8 Inverness Campus, Inverness, IV2 5NA.