

**C.F.Struthers Limited**  
**Strategic Report, Report of the Directors and**  
**Financial Statements for the Year Ended 30th June 2021**

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 2021*

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**C.F.Struthers Limited**

**Company Information**

*for the year ended 30th June 2021*

**DIRECTORS:**

N Burton  
M J Graves

**SECRETARY:**

M J Graves

**REGISTERED OFFICE:**

Millennium Works  
Valletta Street  
Hull  
East Yorkshire  
HU9 5NP

**REGISTERED NUMBER:**

00262479 (England and Wales)

**AUDITORS:**

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

## **Strategic Report**

*for the year ended 30th June 2021*

The directors present their strategic report for the year ended 30th June 2021.

### **REVIEW OF BUSINESS**

The worldwide Covid 19 pandemic continued to present a number of hurdles for the company but despite these the company has continued to trade successfully, the company put measures in place to mitigate the risks to staff and the business.

Following a slowdown in offshore projects, triggered by a depression in worldwide oil prices, the directors reviewed the business strategy and decided to increase the general fabrication contracting work to offset the lack of work from Oil and Gas

During the year the Company has secured a number of lucrative land based fabrication contracts. To help facilitate this change the company has made a significant improvement to its online presence as referred to in the previous year's accounts.

Following the corporate acquisition at the start of the reporting period the subsidiary company acquired the intangible fixed assets of a former customer. This included but not limited to a number of patents and design systems. This acquisition heralds a new era at the company by enabling the company to enjoy direct sales to the Oil and Gas industry plus Waste to Energy market . The customer base has welcomed this and will without doubt encourage growth in turnover and profitability .

### **GOING CONCERN**

The directors believe that the company 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**

Following the corporate acquisition of the new subsidiary, which holds intangible fixed assets, Struthers Energy & Power Limited began trading and the directors remain highly optimistic about its future. Since the year end substantial contracts to supply Circular Waste Heat Recovery Units has been awarded to the subsidiary company and this Company will undertake the construction work. The subsidiary is experiencing high levels of enquiries and is expecting to be awarded several further projects imminently both onshore and offshore, which in turn will be built by the company

The continuing resurgence of the Worldwide Offshore Market together with ongoing orders from its UK based contracting work places the company in a very strong position for the forthcoming year.

### **PRINCIPAL RISKS AND UNCERTAINTIES**

The directors considers that the key risks for the business are meeting customers, constant higher expectations. The risk is managed by ensuring the company'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 directors therefore believe 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.

**C.F.Struthers Limited (Registered number: 00262479)**

## **Strategic Report**

*for the year ended 30th June 2021*

### **FINANCIAL RISK MANAGEMENT**

In mitigation of possible cash flow risks the company 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 company will now enjoy total control of its cash flow and margins in major high value onshore and offshore contracts.

### **ON BEHALF OF THE BOARD:**

Director

31st March 2022

## **C.F.Struthers Limited (Registered number: 00262479)**

### **Report of the Directors**

*for the year ended 30th June 2021*

The directors present their report with the financial statements of the company for the year ended 30th June 2021.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of fabrication engineers.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 30 June 2021 was £65,000.

#### **DIRECTORS**

N Burton has held office during the whole of the period from 1st July 2020 to the date of this report.

Other changes in directors holding office are as follows:

M J Graves - appointed 1st November 2020

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

#### **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 company'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 company's auditors are aware of that information.

#### **AUDITORS**

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

#### **BY ORDER OF THE BOARD:**

N Burton - Director

31st March 2022

# Report of the Independent Auditors to the Members of C.F.Struthers Limited

## Opinion

We have audited the financial statements of C.F.Struthers Limited (the 'company') for the year ended 30th June 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30th June 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

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

## Conclusions relating to going concern

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

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

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

## Other information

The directors are responsible for the other information. The other information comprises the information in the 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 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 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 Limited

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **Auditors' responsibilities for the audit of the financial statements**

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

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

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including 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, tax 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.

## **Report of the Independent Auditors to the Members of C.F.Struthers Limited**

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 relevant regulators and the company's legal advisors.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

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

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 2022

**Statement of Comprehensive Income**

for the year ended 30th June 2021

	Notes	Year ended 30.6.21		Period 1.1.19 to 30.6.20	
		£	£	£	£
<b>TURNOVER</b>	3		<b>4,615,613</b>		5,422,948
Cost of sales			<u><b>3,230,569</b></u>		<u>3,518,334</u>
<b>GROSS PROFIT</b>			<b>1,385,044</b>		<b>1,904,614</b>
Distribution costs		<b>94,770</b>		133,849	
Administrative expenses		<u><b>1,051,964</b></u>		<u>1,416,531</u>	
			<u><b>1,146,734</b></u>		<u>1,550,380</u>
			<b>238,310</b>		<b>354,234</b>
Other operating income			<u><b>114,616</b></u>		<u>-</u>
<b>OPERATING PROFIT</b>	5		<b>352,926</b>		<b>354,234</b>
Exceptional item	6		<u>-</u>		<u>1,293,196</u>
			<b>352,926</b>		<b>(938,962)</b>
Interest receivable and similar income			<u>-</u>		<u>143</u>
			<b>352,926</b>		<b>(938,819)</b>
Interest payable and similar expenses	7		<u><b>62,412</b></u>		<u>63,178</u>
<b>PROFIT/(LOSS) BEFORE TAXATION</b>			<b>290,514</b>		<b>(1,001,997)</b>
Tax on profit/(loss)	8		<u><b>(110,272)</b></u>		<u>(518,242)</u>
<b>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</b>			<b>400,786</b>		<b>(483,755)</b>
<b>OTHER COMPREHENSIVE INCOME</b>			<u>-</u>		<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u><b>400,786</b></u>		<u><b>(483,755)</b></u>

**C.F.Struthers Limited (Registered number: 00262479)**

**Balance Sheet**

30th June 2021

	Notes	2021		2020	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	10		<b>2,315,947</b>		2,369,749
Investments	11		<b>554,904</b>		<u>1</u>
			<b>2,870,851</b>		<u>2,369,750</u>
<b>CURRENT ASSETS</b>					
Stocks	12	<b>1,237,818</b>		1,168,369	
Debtors	13	<b>4,108,647</b>		4,124,843	
Cash at bank and in hand		<b>271,473</b>		496,155	
		<u><b>5,617,938</b></u>		<u>5,789,367</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u><b>875,235</b></u>		<u>1,562,507</u>	
<b>NET CURRENT ASSETS</b>			<u><b>4,742,703</b></u>		<u>4,226,860</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>7,613,554</b>		6,596,610
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<b>(1,468,260)</b>		(820,491)
<b>PROVISIONS FOR LIABILITIES</b>			<u><b>(33,389)</b></u>		-
<b>NET ASSETS</b>			<u><b>6,111,905</b></u>		<u>5,776,119</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		<b>100,000</b>		100,000
Revaluation reserve	21		<b>766,430</b>		766,430
Retained earnings	21		<b>5,245,475</b>		<u>4,909,689</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>6,111,905</b></u>		<u>5,776,119</u>

The financial statements were approved by the Board of Directors and authorised for issue on 31st March 2022 and were signed on its behalf by:

N Burton - Director

## Statement of Changes in Equity

for the year ended 30th June 2021

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
<b>Balance at 1st January 2019</b>	100,000	5,543,444	766,430	6,409,874
<b>Changes in equity</b>				
Dividends	-	(150,000)	-	(150,000)
Total comprehensive income	-	(483,755)	-	(483,755)
<b>Balance at 30th June 2020</b>	<u>100,000</u>	<u>4,909,689</u>	<u>766,430</u>	<u>5,776,119</u>
<b>Changes in equity</b>				
Dividends	-	(65,000)	-	(65,000)
Total comprehensive income	-	400,786	-	400,786
<b>Balance at 30th June 2021</b>	<u>100,000</u>	<u>5,245,475</u>	<u>766,430</u>	<u>6,111,905</u>

## Cash Flow Statement

for the year ended 30th June 2021

		Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
<b>Cash flows from operating activities</b>	Notes		
Cash generated from operations	1	(705,397)	(181,627)
Interest paid		(59,627)	(58,717)
Interest element of hire purchase payments paid		(2,785)	(4,461)
Tax paid		481,814	33,363
Net cash from operating activities		<u>(285,995)</u>	<u>(211,442)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(42,070)	(55,251)
Purchase of fixed asset investments		(554,903)	(1)
Sale of tangible fixed assets		24,000	42,953
Interest received		-	143
Net cash from investing activities		<u>(572,973)</u>	<u>(12,156)</u>
<b>Cash flows from financing activities</b>			
New loans in year		750,000	766,000
Loan repayments in year		(4,621)	(82,500)
Hire purchase contracts - capital repaid		(46,093)	(52,567)
Equity dividends paid		(65,000)	(150,000)
Net cash from financing activities		<u>634,286</u>	<u>480,933</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(224,682)</u>	<u>257,335</u>
<b>Cash and cash equivalents at beginning of year</b>	2	496,155	238,820
<b>Cash and cash equivalents at end of year</b>	2	<u>271,473</u>	<u>496,155</u>

## Notes to the Cash Flow Statement

for the year ended 30th June 2021

### 1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Profit/(loss) before taxation	290,514	(1,001,997)
Depreciation charges	75,649	115,448
Profit on disposal of fixed assets	(3,778)	(15,385)
Finance costs	62,412	63,178
Finance income	-	(143)
	<u>424,797</u>	<u>(838,899)</u>
Increase in stocks	(69,449)	(1,118,822)
(Increase)/decrease in trade and other debtors	(321,956)	1,629,788
(Decrease)/increase in trade and other creditors	(738,789)	146,306
<b>Cash generated from operations</b>	<u>(705,397)</u>	<u>(181,627)</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 2021

	30.6.21 £	1.7.20 £
Cash and cash equivalents	<u>271,473</u>	<u>496,155</u>

#### Period ended 30th June 2020

	30.6.20 £	1.1.19 £
Cash and cash equivalents	<u>496,155</u>	<u>238,820</u>

### 3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.7.20 £	Cash flow £	At 30.6.21 £
<b>Net cash</b>			
Cash at bank and in hand	<u>496,155</u>	<u>(224,682)</u>	<u>271,473</u>
	<u>496,155</u>	<u>(224,682)</u>	<u>271,473</u>
<b>Debt</b>			
Finance leases	(76,571)	46,093	(30,478)
Debts falling due within 1 year	-	(57,292)	(57,292)
Debts falling due after 1 year	<u>(766,000)</u>	<u>(688,087)</u>	<u>(1,454,087)</u>
	<u>(842,571)</u>	<u>(699,286)</u>	<u>(1,541,857)</u>
<b>Total</b>	<u>(346,416)</u>	<u>(923,968)</u>	<u>(1,270,384)</u>

## **Notes to the Financial Statements**

*for the year ended 30th June 2021*

### **1. STATUTORY INFORMATION**

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

### **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 directors have assessed the risks and uncertainties that may affect the company's ability to trade as a going concern. The directors have in particular considered the company's cashflow following a major customer entering into administration in the prior year. As discussed in the strategic report, the group has acquired the patents previously held by this customer.

As a result of this, new contracts have been achieved which will have a positive impact on cash flow as the worldwide oil price continues to increase. The company has also reviewed its strategy and continues to expand its general fabrication work. Following this assessment, the financial statements have been prepared on a going concern basis, this assumes that the company will continue to be able to meet its financial liabilities as they fall due in the foreseeable future.

#### **Turnover**

When the outcome of long term contracts can be estimated reliably, contract costs and turnover are recognised by reference to the stage of completion at the balance sheet date. Stage of completion is measured by reference to costs incurred to date and estimated costs to complete. 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. When it is probable that contract costs will exceed the total contract turnover, the expected loss is recognised as an expense immediately, with a corresponding provision.

#### **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% - 20% 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.

#### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Notes to the Financial Statements - continued**

*for the year ended 30th June 2021*

**2. ACCOUNTING POLICIES - continued**

**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 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.

**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.

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

2. **ACCOUNTING POLICIES - continued**

**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.

**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.

3. **TURNOVER**

The turnover and profit before tax are attributable to the one principal activity of the company. The total amount of contract revenue recognised in the period was £4,615,613 (2020 £5,422,948).

4. **EMPLOYEES AND DIRECTORS**

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Wages and salaries	1,840,518	2,478,943
Social security costs	185,139	260,300
Other pension costs	114,795	168,812
	<u>2,140,452</u>	<u>2,908,055</u>

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

	Year ended 30.6.21	Period 1.1.19 to 30.6.20
Management	15	15
Manufacturing	47	49
	<u>62</u>	<u>64</u>

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Directors' remuneration	56,117	43,391
Directors' pension contributions to money purchase schemes	22,117	27,000

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

Money purchase schemes	<u>2</u>	<u>1</u>
------------------------	----------	----------

**Notes to the Financial Statements - continued**

*for the year ended 30th June 2021*

**5. OPERATING PROFIT**

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

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Depreciation - owned assets	56,327	77,753
Depreciation - assets on hire purchase contracts	19,322	37,695
Profit on disposal of fixed assets	(3,778)	(15,385)
Auditors' remuneration	14,460	13,500
Auditors' remuneration for non audit work	-	15,365
Foreign exchange differences	59,128	255
Operating lease rentals - Land and buildings	26,250	39,375
Operating lease rentals - Plant and machinery	<u>8,800</u>	<u>13,206</u>

**6. EXCEPTIONAL ITEM**

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Exceptional item	<u>-</u>	<u>(1,293,196)</u>

During the prior period the company suffered a substantial bad debt following a major customer entering administration. The exceptional item represents the total bad debt expense net of Value added tax and items previously being built for contracts which are now being held in stock.

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Bank interest	839	4,993
Other loan interest	58,788	53,724
Hire purchase interest	2,785	4,461
	<u>62,412</u>	<u>63,178</u>

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

**8. TAXATION**

**Analysis of the tax credit**

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

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Current tax:		
(Over)/ under provision in prior periods	(302,864)	(330,277)
Origination and reversal of timing differences	<u>192,592</u>	<u>(187,965)</u>
Tax on profit/(loss)	<u>(110,272)</u>	<u>(518,242)</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:

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Profit/(loss) before tax	<u>290,514</u>	<u>(1,001,997)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	55,198	(190,379)
Effects of:		
Expenses not deductible for tax purposes	1,185	2,414
Prior period adjustments including in respect of deferred tax	(136,849)	(330,277)
Group relief received	(29,806)	-
Total tax credit	<u>(110,272)</u>	<u>(518,242)</u>

**9. DIVIDENDS**

	Year ended 30.6.21 £	Period 1.1.19 to 30.6.20 £
Ordinary shares of £1 each		
Interim	<u>65,000</u>	<u>150,000</u>

**Notes to the Financial Statements - continued**  
for the year ended 30th June 2021

10. **TANGIBLE FIXED ASSETS**

	Freehold property £	Improvement to leasehold property £	Plant and machinery £
<b>COST OR VALUATION</b>			
At 1st July 2020	2,095,000	69,408	1,215,941
Additions	-	-	40,576
Disposals	-	-	-
At 30th June 2021	<u>2,095,000</u>	<u>69,408</u>	<u>1,256,517</u>
<b>DEPRECIATION</b>			
At 1st July 2020	-	62,161	1,041,527
Charge for year	-	7,247	37,630
Eliminated on disposal	-	-	-
At 30th June 2021	<u>-</u>	<u>69,408</u>	<u>1,079,157</u>
<b>NET BOOK VALUE</b>			
At 30th June 2021	<u>2,095,000</u>	<u>-</u>	<u>177,360</u>
At 30th June 2020	<u>2,095,000</u>	<u>7,247</u>	<u>174,414</u>
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>			
At 1st July 2020	129,412	189,096	3,698,857
Additions	1,494	-	42,070
Disposals	-	(32,356)	(32,356)
At 30th June 2021	<u>130,906</u>	<u>156,740</u>	<u>3,708,571</u>
<b>DEPRECIATION</b>			
At 1st July 2020	116,639	108,781	1,329,108
Charge for year	7,194	23,578	75,649
Eliminated on disposal	-	(12,133)	(12,133)
At 30th June 2021	<u>123,833</u>	<u>120,226</u>	<u>1,392,624</u>
<b>NET BOOK VALUE</b>			
At 30th June 2021	<u>7,073</u>	<u>36,514</u>	<u>2,315,947</u>
At 30th June 2020	<u>12,773</u>	<u>80,315</u>	<u>2,369,749</u>

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

10. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 30th June 2021 is represented by:

	<b>Freehold property £</b>	<b>Improvement to leasehold property £</b>	<b>Plant and machinery £</b>
Valuation in 2012	313,699	-	-
Valuation in 2014	95,000	-	-
Cost	<u>1,686,301</u>	<u>69,408</u>	<u>1,256,517</u>
	<u>2,095,000</u>	<u>69,408</u>	<u>1,256,517</u>
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
Valuation in 2012	-	-	313,699
Valuation in 2014	-	-	95,000
Cost	<u>130,906</u>	<u>156,740</u>	<u>3,299,872</u>
	<u>130,906</u>	<u>156,740</u>	<u>3,708,571</u>

If freehold land and buildings had not been revalued it would have been included at the following historical cost:

	<b>2021 £</b>	<b>2020 £</b>
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 2021 by the directors .

The valuation was based on a previous valuation undertaken by Clark Weightman Limited in July 2018, who valued the property at £2,095,000.

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

10. **TANGIBLE FIXED ASSETS - continued**

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

	<b>Plant and machinery</b>	<b>Motor vehicles</b>	<b>Totals</b>
	£	£	£
<b>COST OR VALUATION</b>			
At 1st July 2020	29,000	82,126	111,126
Disposals	-	(32,356)	(32,356)
Transfer to ownership	(29,000)	-	(29,000)
At 30th June 2021	<u>-</u>	<u>49,770</u>	<u>49,770</u>
<b>DEPRECIATION</b>			
At 1st July 2020	13,050	6,069	19,119
Charge for year	-	19,322	19,322
Eliminated on disposal	-	(12,133)	(12,133)
Transfer to ownership	(13,050)	-	(13,050)
At 30th June 2021	<u>-</u>	<u>13,258</u>	<u>13,258</u>
<b>NET BOOK VALUE</b>			
At 30th June 2021	<u>-</u>	<u>36,512</u>	<u>36,512</u>
At 30th June 2020	<u>15,950</u>	<u>76,057</u>	<u>92,007</u>

11. **FIXED ASSET INVESTMENTS**

	<b>Shares in group undertakings</b>
	£
<b>COST</b>	
At 1st July 2020	1
Additions	554,903
At 30th June 2021	<u>554,904</u>
<b>NET BOOK VALUE</b>	
At 30th June 2021	<u>554,904</u>
At 30th June 2020	<u>1</u>

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

**11. FIXED ASSET INVESTMENTS - continued**

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

**Struthers Energy & Power Limited**

Registered office: Millennium Works, Valletta Street, Hull, East Yorkshire, HU9 5NP

Nature of business: Engineering

Class of shares:	% holding	2021 £
Ordinary	100.00	
Aggregate capital and reserves		307,070
Loss for the year		<u>(192,930)</u>

This company commenced trading 1st July 2020 following the corporate acquisition of intangible fixed assets comprising several patents.

**12. STOCKS**

	2021 £	2020 £
Raw materials and spare parts	<u>1,237,818</u>	<u>1,168,369</u>

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

	2021 £	2020 £
Trade debtors	370,692	164,479
Amounts owed by group undertakings	3,393,900	3,271,860
Amounts recoverable on long term contracts	253,934	273,008
Other debtors	5,247	1,374
Corporation tax	-	178,950
Deferred tax asset		
Accelerated capital allowances	-	159,203
Prepayments	84,874	75,969
	<u>4,108,647</u>	<u>4,124,843</u>

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

	2021 £	2020 £
Bank loans and overdrafts (see note 16)	57,292	-
Hire purchase contracts (see note 17)	16,305	22,080
Trade creditors	511,350	569,349
Social security and other taxes	135,498	298,678
Other creditors	64,537	71,987
Accruals and deferred income	90,253	600,413
	<u>875,235</u>	<u>1,562,507</u>

**Notes to the Financial Statements - continued**

*for the year ended 30th June 2021*

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

	<b>2021</b>	2020
	£	£
Bank loans (see note 16)	<b>188,087</b>	-
Other loans (see note 16)	<b>1,266,000</b>	766,000
Hire purchase contracts (see note 17)	<b>14,173</b>	54,491
	<u><b>1,468,260</b></u>	<u>820,491</u>

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>2021</b>	2020
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u><b>57,292</b></u>	<u>-</u>
Amounts falling due between one and two years:		
Bank loans	<b>60,824</b>	-
Other loans - 1-2 years	<u><b>1,266,000</b></u>	<u>766,000</u>
	<u><b>1,326,824</b></u>	<u>766,000</u>
Amounts falling due between two and five years:		
Bank loans	<u><b>127,263</b></u>	<u>-</u>

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase 2021 £	contracts 2020 £
Gross obligations repayable:		
Within one year	17,200	26,199
Between one and five years	<u>14,454</u>	<u>58,274</u>
	<u>31,654</u>	<u>84,473</u>
Finance charges repayable:		
Within one year	895	4,119
Between one and five years	<u>281</u>	<u>3,783</u>
	<u>1,176</u>	<u>7,902</u>
Net obligations repayable:		
Within one year	16,305	22,080
Between one and five years	<u>14,173</u>	<u>54,491</u>
	<u>30,478</u>	<u>76,571</u>
	Non-cancellable	operating leases
	2021	2020
	£	£
Within one year	21,929	35,054
Between one and five years	<u>26,412</u>	<u>48,341</u>
	<u>48,341</u>	<u>83,395</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	2021 £	2020 £
Hire purchase contracts	<u>30,478</u>	<u>76,571</u>

19. **PROVISIONS FOR LIABILITIES**

	2021 £
Deferred tax	
Accelerated capital allowances	<u>33,389</u>

**Notes to the Financial Statements - continued**

for the year ended 30th June 2021

19. **PROVISIONS FOR LIABILITIES - continued**

	<b>Deferred tax</b>
	<b>£</b>
Balance at 1st July 2020	<b>(159,203)</b>
Charge to Statement of Comprehensive Income during year	<b>192,592</b>
Profit and loss account	
Balance at 30th June 2021	<b><u>33,389</u></b>

The component parts of the deferred tax liability are: accelerated capital allowances £36,677, short term timing differences asset £139,209 (2020: £42,354 and £201,558 respectively).

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	<b>2021</b>	2020
			<b>£</b>	£
100,000	Ordinary	£1	<b><u>100,000</u></b>	<u>100,000</u>

21. **RESERVES**

	<b>Retained earnings</b>	<b>Revaluation reserve</b>	<b>Totals</b>
	<b>£</b>	<b>£</b>	<b>£</b>
At 1st July 2020	<b>4,909,689</b>	<b>766,430</b>	<b>5,676,119</b>
Profit for the year	<b>400,786</b>	<b>-</b>	<b>400,786</b>
Dividends	<b>(65,000)</b>	<b>-</b>	<b>(65,000)</b>
At 30th June 2021	<b><u>5,245,475</u></b>	<b><u>766,430</u></b>	<b><u>6,011,905</u></b>

**Retained earnings**

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

**Revaluation reserve**

The revaluation reserve represents the cumulative effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted.

22. **PENSION COMMITMENTS**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The charge in the accounts in respect of pensions represents contributions payable by the company to the fund and amounted to £114,794 (2020 £168,812). Contributions of £36,056 were outstanding at 30th June 2021 (2020 £19,368).

23. **RELATED PARTY DISCLOSURES**

Included in debtors are amounts due from group company's of £3,393,900 (2020 £3,271,860).

Other related party transactions are as follows:

**Notes to the Financial Statements - continued**

*for the year ended 30th June 2021*

**23. RELATED PARTY DISCLOSURES - continued**

**Key management personnel of the entity or its parent (in the aggregate)**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Amount due to related party	<u><b>1,537</b></u>	<u><b>6,975</b></u>

**Other related parties**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Sales	<u><b>-</b></u>	<u><b>1,021,022</b></u>

**24. ULTIMATE CONTROLLING PARTY**

The immediate parent undertaking of the company is C F Struthers (Hull) Limited, and the ultimate parent undertaking is C F Struthers (Holdings) Limited.

The ultimate controlling party is N Burton.

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.