Company registration number 02605319 (England and Wales)

FICHTNER CONSULTING ENGINEERS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

FICHTNER CONSULTING ENGINEERS LIMITED

COMPANY INFORMATION

Directors	Dr E J Weatherby	
	Mr S M Othen	
	Mr D S Abernethy	
	Mr R J Hawcutt	
	Mrs E L Edgley	
	Mr T Herzig	
	Dr J Agnew	
	Mr E A Fichtner	(Appointed 16 October 2024)
Secretary	Mrs E L Edgley	
Company number	02605319	
Registered office	Kingsgate Wellington Road North Stockport Cheshire SK4 1LW	
Auditor	Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW	

FICHTNER CONSULTING ENGINEERS LIMITED

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FICHTNER CONSULTING ENGINEERS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present the strategic report for the year ended 31 December 2024.

Review of the business

2024 was a strong year with a record turnover of £33,282,787. A significant factor in this result was the strong sales performance in 2023 and throughout 2024. The sales team achieved a balance between long-term roles (construction project management) and fast burn (due diligence and project development). This ensured that we maintained a consistent and healthy utilisation factor (Fee earning hours divided by available working hours) throughout the year which was important for staff wellbeing and retention. Our diversification strategy continues to progress to plan as we focus on maintaining our strong position in established sectors (e.g. waste and power) and focus on projects in emerging sectors (e.g. carbon capture, pumped storage and collocated solar and battery) that will lead to delivery/construction assignments.

Our regional offices in Belfast and Glasgow continue to thrive and grow, resulting in both teams planning to move into larger premises in 2025. The recruitment market in Dublin is challenging but we continue to recruit to allow us to service the opportunities in waste and energy transition in the Republic of Ireland.

Following two years of succession planning, in February 2024, John Weatherby retired as Managing Director after 28 years at Fichtner. Rob Hawcutt, Managing Director and Duncan Abernethy, Chairman took over from John as co-leaders of the business. The remit and responsibilities of each of the co-leaders was clearly defined and the transfer of leadership responsibilities was smooth with no impact on business operations.

We continue to invest in our personnel, infrastructure and systems. We grew by net 11 new staff in 2024, and we focussed on ensuring that staff had the time and opportunity to undertake learning and development, and technical strengthening activities. In 2024 we transitioned from our aging Sage accounting software to the more flexible Microsoft Business Central system. The support staff and engineers that were involved in this project worked tirelessly for many months to ensure that the switchover, that was implemented on 8 April 2024, had no negative impact on business operations. As an engineering consultancy that thrives on collaboration, we are convinced that cooperative working in an office environment is an essential part of the development and learning of our staff, but have combined this with more flexible working to suit our employees. We remain a carbon neutral company aiming to reduce our carbon footprint and buying offsets to compensate unavoidable carbon dioxide emissions from heating and travel.

We are very positive with regards to 2025 with the growth of energy transition opportunities and the need for the UK and Ireland to modify its infrastructure to achieve carbon reduction targets. Our strategy is to continue to grow long term and diversify into new business sectors, with a focus on energy transition sectors which require our core engineering skills. A key priority in 2025 is to secure long-term substantial roles on construction projects in sectors such as carbon capture, collocated solar and battery, waste, pumped storage, anaerobic digestion and hydrogen.

On behalf of the board

Mr R J Hawcutt
Director

11 February 2025

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors present their annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activity of the company in the year under review was that of technical consultants to the process, power, renewables and industrial sectors.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £4,980,631. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Dr E J Weatherby	
Mr P M Eddy	(Retired 28 August 2024)
Mr S M Othen	
Mr D S Abernethy	
Mr R J Hawcutt	
Mrs E L Edgley	
Mr T Herzig	
Mr M Wilfer	(Resigned 16 October 2024)
Dr J Agnew	
Mr E A Fichtner	(Appointed 16 October 2024)

Auditor

In accordance with the company's articles, a resolution proposing that Simpson Wood Limited be reappointed as auditor of the company will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company’s auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company’s auditor is aware of that information.

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

Mr R J Hawcutt
Director

11 February 2025

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2024

The directors are responsible for preparing the annual report 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; and
- 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.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED

Opinion

We have audited the financial statements of Fichtner Consulting Engineers Limited (the 'company') for the year ended 31 December 2024 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2024 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 *Auditor's 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 other information comprises the information included in the annual report other than the financial statements and our auditor's 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED (CONTINUED)

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 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, 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 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, 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 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.

Auditor's 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 auditor's 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 financial statements.

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

The extent to which the audit was considered capable of detecting irregularities including fraud
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 as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from out commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

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

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

- agreeing financial statement disclosures to underlying supporting documentation;
- reading minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims.

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

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.
A further description of our responsibilities is available on the Financial Reporting Council’s website at: https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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 an auditor's 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Sukhbinder Khangura BA FCA (Senior Statutory Auditor)
For and on behalf of Simpson Wood Limited, Statutory Auditor
Chartered Accountants
Bank Chambers
Market Street
Huddersfield
HD1 2EW
11 February 2025

FICHTNER CONSULTING ENGINEERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024 £	2023 as restated £
Turnover	**3**	33,282,787	31,204,038
Cost of sales		(3,188,637)	(4,221,334)
Gross profit		30,094,150	26,982,704
Administrative expenses		(21,176,563)	(19,143,115)
Other operating income		636,991	339,312
Operating profit	**4**	9,554,578	8,178,901
Interest receivable and similar income	**8**	99,336	112,656
Amounts written off investments	**9**	209,929	100,526
Profit before taxation		9,863,843	8,392,083
Tax on profit	**10**	(1,949,178)	(2,044,360)
Profit for the financial year		7,914,665	6,347,723

The profit and loss account has been prepared on the basis that all operations are continuing operations.

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2024

	2024	2023 as restated
	£	**£**
Profit for the year	7,914,665	6,347,723
Other comprehensive income	-	-
Total comprehensive income for the year	7,914,665	6,347,723

FICHTNER CONSULTING ENGINEERS LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2024

		2024		2023 as restated	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Tangible assets	**12**		840,439		751,542
Investments	**13**		2,867,790		2,625,593
			3,708,229		3,377,135
Current assets					
Debtors	**15**	7,908,283		7,832,729	
Cash at bank and in hand		9,565,076		8,824,858	
		17,473,359		16,657,587	
Creditors: amounts falling due within one year	**16**	(6,989,837)		(8,858,005)	
Net current assets			10,483,522		7,799,582
Total assets less current liabilities			14,191,751		11,176,717
Provisions for liabilities					
Deferred tax liability	**17**	285,000		204,000	
			(285,000)		(204,000)
Net assets			13,906,751		10,972,717
Capital and reserves					
Called up share capital	**19**		315,000		315,000
Share premium account			97,500		97,500
Profit and loss reserves			13,494,251		10,560,217
Total equity			13,906,751		10,972,717

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 11 February 2025 and are signed on its behalf by:

Mr R J Hawcutt
Director

Company registration number 02605319 (England and Wales)

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
As restated for the period ended 31 December 2023:					
Balance at 1 January 2023		315,000	97,500	8,468,840	8,881,340
Year ended 31 December 2023:					
Profit and total comprehensive income		-	-	6,347,723	6,347,723
Dividends	**11**	-	-	(4,256,346)	(4,256,346)
Balance at 31 December 2023		315,000	97,500	10,560,217	10,972,717
Year ended 31 December 2024:					
Profit and total comprehensive income		-	-	7,914,665	7,914,665
Dividends	**11**	-	-	(4,980,631)	(4,980,631)
Balance at 31 December 2024		315,000	97,500	13,494,251	13,906,751

FICHTNER CONSULTING ENGINEERS LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2024

		2024		2023 as restated	
	Notes	**£**	**£**	**£**	**£**
Cash flows from operating activities					
Cash generated from operations	**23**		7,861,655		7,541,775
Income taxes paid			(1,953,776)		(1,933,790)
Net cash inflow from operating activities			5,907,879		5,607,985
Investing activities					
Purchase of tangible fixed assets		(254,098)		(731,982)	
Proceeds from disposal of investments		(32,268)		-	
Interest received		80,043		104,207	
Dividends received		19,293		8,449	
Net cash used in investing activities			(187,030)		(619,326)
Financing activities					
Dividends paid		(4,980,631)		(4,256,346)	
Net cash used in financing activities			(4,980,631)		(4,256,346)
Net increase in cash and cash equivalents			740,218		732,313
Cash and cash equivalents at beginning of year			8,824,858		8,092,545
Cash and cash equivalents at end of year			9,565,076		8,824,858

1 Accounting policies

Company information

Fichtner Consulting Engineers Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kingsgate, Wellington Road North, Stockport, Cheshire, SK4 1LW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Research and development expenditure

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

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	in accordance with the lease terms
Fixtures and fittings	10% - 20% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.6 Impairment of fixed assets

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Rendering of service contracts

Where the outcome involving the rendering of service contracts can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the transaction at the reporting end date. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When it is probable that total contract costs will exceed total contract turnover, the expected loss is recognised as an expense immediately.

Where the outcome of a service contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred where it is probable that they will be recoverable. Contract costs are recognised as expenses in the period in which they are incurred. When costs incurred in securing a contract are recognised as an expense in the period in which they are incurred, they are not included in contract costs if the contract is obtained in a subsequent period.

The “percentage of completion method” is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as amounts owed by contract customers, provided it is probable they will be recovered.

1.8 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 ‘Basic Financial Instruments’ and Section 12 ‘Other Financial Instruments Issues’ of FRS 102 to all of its financial instruments.

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset’s original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company’s contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company’s liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee’s services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The company operates a defined contribution pension scheme. Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

The monetary items of the overseas branch have been translated into sterling from their functional currency at the rate of exchange ruling at the balance sheet date. The results of the overseas branches are translated at an average rate.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Significant judgements and estimates are made in arriving at the valuation of work in progress and accrued expenses. These are applied on a consistent basis.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Accrued and deferred income

The outcome involving the rendering of service contracts can be measured reliably, therefore, accrued and deferred income from the provision of service contracts are disclosed within the financial statements on the percentage of completion basis.

Where customers have not yet been invoiced for services provided, income has been recognised in order to show the profit made on the work performed.

Where customers have been invoiced in advance of services being provided, this has been recognised as deferred income.

Employee benefit trust share valuation

Employees at the company are able to buy a number of shares within the company through an employee benefit trust. As an unlisted company, the shares are valued using the price earnings ratio for similar listed companies. The trust shares the company's main bank account with the funds belonging to the Trust being ringfenced and amounts owed to the Trust being shown in creditors.

3 Turnover and other revenue

	2024	2023
	£	£
Turnover analysed by geographical market		
UK	27,234,220	25,533,248
Europe	5,805,550	5,442,952
Rest of the world	243,017	227,838
	33,282,787	31,204,038

	2024	2023
	£	£
Other revenue		
Interest income	80,043	104,207
Dividends received	19,293	8,449
R&D tax credit	636,991	339,312

4 Operating profit

	2024	2023
Operating profit for the year is stated after charging:	£	£
Exchange losses	58,800	28,912
Depreciation of owned tangible fixed assets	165,201	82,773
Operating lease charges	842,848	866,464

5 Auditor's remuneration

	2024	2023
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the company	26,000	12,331
For other services		
All other non-audit services	4,779	17,706

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2024 Number	2023 Number
Technical, management and sales	149	140
Administration	23	17
Total	172	157

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	14,651,291	13,280,570
Social security costs	1,905,933	1,687,099
Pension costs	745,883	740,786
	17,303,107	15,708,455

7 Directors' remuneration

	2024	2023
	£	£
Remuneration for qualifying services	785,289	1,003,936
Company pension contributions to defined contribution schemes	96,774	34,851
	882,063	1,038,787

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2023 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2024	2023
	£	£
Remuneration for qualifying services	341,550	210,192
Company pension contributions to defined contribution schemes	9,035	10,000

8 Interest receivable and similar income

	2024	2023
	£	£
Interest income		
Interest on bank deposits	67,068	67,903
Other interest income	12,975	36,304
Total interest revenue	80,043	104,207
Other income from investments		
Dividends received	19,293	8,449
Total income	99,336	112,656

	2024	2023
Investment income includes the following:	£	£
Interest on financial assets not measured at fair value through profit or loss	80,043	68,751
Dividends from financial assets measured at fair value through profit or loss	19,293	8,449

9 Fair value gains/(losses) on investments

	2024	2023
	£	£
Gain/(loss) on disposal of investments held at fair value	266,270	(85,710)
Amounts (written off)/written back to investments held at fair value	(56,341)	186,236
	209,929	100,526

10 Taxation

	2024	2023
	£	£
Current tax		
UK corporation tax on profits for the current period	1,868,178	1,855,360
Deferred tax		
Origination and reversal of timing differences	81,000	189,000
Total tax charge	1,949,178	2,044,360

The corporation tax rate increased from 19% to 25% from 1 April 2023. As a result, the effective corporation tax rate for this year is 25% (2023: 23.5%).

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2024	2023
	£	£
Profit before taxation	9,863,843	8,392,083
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 23.50%)	2,465,961	1,972,140
Tax effect of expenses that are not deductible in determining taxable profit	(235,427)	(74,042)
Tax effect of income not taxable in determining taxable profit	(227,170)	(79,937)
Adjustments in respect of prior years	-	166,822
Double tax relief	(130,775)	-
Dividend income	(4,411)	(1,986)
Capital allowances in excess of depreciation	-	(127,637)
Deferred tax movement	81,000	189,000
Taxation charge for the year	1,949,178	2,044,360

11 Dividends

	2024	2023
	£	£
Interim paid	4,980,631	4,256,346

12 Tangible fixed assets

	Leasehold improvements	Fixtures and fittings	Total
	£	£	£
Cost			
At 1 January 2024	1,019,329	824,405	1,843,734
Additions	17,896	236,202	254,098
At 31 December 2024	1,037,225	1,060,607	2,097,832
Depreciation and impairment			
At 1 January 2024	566,000	526,192	1,092,192
Depreciation charged in the year	74,694	90,507	165,201
At 31 December 2024	640,694	616,699	1,257,393
Carrying amount			
At 31 December 2024	396,531	443,908	840,439
At 31 December 2023	453,329	298,213	751,542

13 Fixed asset investments

	2024	2023
	£	£
Unlisted investments	2,867,790	2,625,593

Fixed asset investments revalued

Financial assets are measured at quoted market price in an active market.

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Investments £
Cost or valuation	
At 1 January 2024	2,625,593
Additions	3,106,829
Valuation changes	242,197
Income reinvested	32,268
Fund charges	(27,222)
Disposals	(3,111,875)
At 31 December 2024	2,867,790
Carrying amount	
At 31 December 2024	2,867,790
At 31 December 2023	2,625,593

14 Financial instruments

	2024 £	2023 £
Carrying amount of financial assets include:		
Instruments measured at fair value through profit or loss	2,867,790	2,625,593

Financial assets are measured at quoted market price in an active market.

15 Debtors

Amounts falling due within one year:	2024 £	2023 £
Trade debtors	5,222,615	5,782,971
Amounts owed by contract customers	1,531,468	1,164,853
Corporation tax recoverable	306,415	220,817
Amounts owed by group undertakings	15,825	35,065
Other debtors	1,976	444
Prepayments and accrued income	829,984	628,579
	7,908,283	7,832,729

16 Creditors: amounts falling due within one year

	2024	2023
	£	£
Trade creditors	142,778	239,894
Taxation and social security	1,528,688	1,460,063
Other creditors	740,541	1,180,548
Accruals and deferred income	4,577,830	5,977,500
	6,989,837	8,858,005

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2024	Liabilities 2023
Balances:	£	£
Accelerated capital allowances	193,000	173,000
Revaluations	92,000	31,000
	285,000	204,000

	2024
Movements in the year:	£
Liability at 1 January 2024	204,000
Charge to profit or loss	81,000
Liability at 31 December 2024	285,000

18 Retirement benefit schemes

	2024	2023
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	745,883	740,786

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the balance sheet date the company had a commitment in respect of payments to the defined contribution pension scheme of £51,571 (2023 - £98,582).

19 Share capital

	2024	2023	2024	2023
Ordinary share capital	**Number**	**Number**	**£**	**£**
Issued and fully paid				
Ordinary shares of £1 each	315,000	315,000	315,000	315,000

20 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2024	2023
	£	**£**
Within one year	448,354	426,985
Between two and five years	929,397	756,824
In over five years	13,551	540,377
	1,391,302	1,724,186

21 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sales		Purchases	
	2024	**2023**	**2024**	**2023**
	£	**£**	**£**	**£**
Entities with control, joint control or significant influence over the company	302,048	215,948	549,460	917,548
Fellow subsidiaries	134,624	66,234	19,169	35,949

The following amounts were outstanding at the reporting end date:

	2024	2023
Amounts due to related parties	**£**	**£**
Entities over which the entity has control, joint control or significant influence	23,756	-
Fichtner Employee Benefit Trust - A shareholder of the entity	728,504	1,170,914

21 Related party transactions **(Continued)**

The following amounts were outstanding at the reporting end date:

Amounts due from related parties	**2024 £**	**2023 £**
Entities with control, joint control or significant influence over the company	9,993	35,065
Fellow subsidiaries	5,832	-

22 Ultimate controlling party

The ultimate controlling party is Fichtner GmbH & Co KG.

This is a company incorporated in Germany.

23 Cash generated from operations

	2024 £	**2023 £**
Profit after taxation	7,914,665	6,347,723
Adjustments for:		
Taxation charged	1,949,178	2,044,360
Investment income	(99,336)	(112,656)
Depreciation and impairment of tangible fixed assets	165,201	82,773
Other gains and losses	(209,929)	(100,526)
Movements in working capital:		
Decrease in stocks	-	874,747
Decrease/(increase) in debtors	10,044	(3,808,260)
(Decrease)/increase in creditors	(1,868,168)	2,213,614
Cash generated from operations	7,861,655	7,541,775

24 Analysis of changes in net funds

	1 January 2024 £	**Cash flows £**	**31 December 2024 £**
Cash at bank and in hand	8,824,858	740,218	9,565,076

25 Prior period adjustment

Reconciliation of changes in equity
The prior period adjustments do not give rise to any effect upon equity.

25 Prior period adjustment **(Continued)**

Reconciliation of changes in profit for the previous financial period

	2023
	£
Total adjustments	-
Profit as previously reported	6,347,723
Profit as adjusted	6,347,723

Notes to reconciliation

The prior year adjustment is as a result of amounts owed by contract customers being shown as debtors as opposed to work in progress. This has affected note 15 debtors with no material adjustment being made to the profit and loss reserve.