

Company registration number 02921277 (England and Wales)

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**  
**FILLETED ACCOUNTS**

**Tavistock House South  
Tavistock Square  
London  
WC1H 9LG**

**Rayner Essex LLP  
Chartered Accountants**

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**CONTENTS**

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	<b>Page</b>
Balance sheet	1 - 2
Notes to the financial statements	3 - 10

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**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**BALANCE SHEET**

**AS AT 31 DECEMBER 2021**

	Notes	2021		2020	
		£	£	£	£
<b>Fixed assets</b>					
Intangible assets	4		155,673		163,161
Tangible assets	5		40,014		55,883
Investments	6		825,100		-
			<u>1,020,787</u>		<u>219,044</u>
<b>Current assets</b>					
Debtors	7	4,263,758		3,567,152	
Cash at bank and in hand		10,442		41,036	
			<u>4,274,200</u>	<u>3,608,188</u>	
<b>Creditors: amounts falling due within one year</b>	8	(1,986,165)		(857,058)	
			<u>2,288,035</u>	<u>2,751,130</u>	
<b>Total assets less current liabilities</b>			<u>3,308,822</u>	<u>2,970,174</u>	
<b>Creditors: amounts falling due after more than one year</b>	9		(189,481)		(220,833)
<b>Net assets</b>			<u>3,119,341</u>	<u>2,749,341</u>	
<b>Capital and reserves</b>					
Called up share capital	10		186,788		186,790
Capital redemption reserve			3		1
Profit and loss reserves			2,932,550		2,562,550
<b>Total equity</b>			<u>3,119,341</u>	<u>2,749,341</u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**BALANCE SHEET (CONTINUED)**

**AS AT 31 DECEMBER 2021**

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The financial statements were approved by the board of directors and authorised for issue on 16 September 2022 and are signed on its behalf by:

G P Wiltshire  
**Director**

**Company Registration No. 02921277**

## FHP ENGINEERING SERVICES SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

##### Company information

FHP Engineering Services Solutions Limited is a private company limited by shares incorporated in England and Wales. The registered office is Rayner Essex LLP, Tavistock House South, Tavistock Square, London, WC1H 9LG.

#### 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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

In respect of long-term contracts for on-going services, turnover represents the value of work done in the year, including estimates of amounts not invoiced. Turnover in respect of long-term contracts and contracts for on-going services is recognised by reference to the stage of completion.

#### 1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is [XXXX].

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

#### 1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Intellectual property	3 years
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## FHP ENGINEERING SERVICES SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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**1 Accounting policies** **(Continued)**

**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:

Land and buildings Leasehold	5 - 10 years straight line
Fixtures, fittings & equipment	3 - 5 years straight line

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.

**1.6 Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

**1.7 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

**1.8 Cash and cash equivalents**

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.

## FHP ENGINEERING SERVICES SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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.

##### **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.

##### **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.

##### 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.

## FHP ENGINEERING SERVICES SOLUTIONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 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 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.

##### **1.13 Retirement benefits**

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

##### **1.14 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.

##### **1.15 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 in the period are included in profit or loss.



**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

**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.

**3 Employees**

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

	<b>31 December 2021 Number</b>	<b>30 April 2020 Number</b>
Total	20	8

**4 Intangible fixed assets**

	<b>Goodwill £</b>	<b>Intellectual property £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 January 2021	-	253,558	253,558
Additions	45,296	62,059	107,355
Disposals	-	(76,377)	(76,377)
At 31 December 2021	45,296	239,240	284,536
<b>Amortisation and impairment</b>			
At 1 January 2021	-	90,397	90,397
Amortisation charged for the year	-	91,440	91,440
Disposals	-	(52,974)	(52,974)
At 31 December 2021	-	128,863	128,863
<b>Carrying amount</b>			
At 31 December 2021	45,296	110,377	155,673
At 31 December 2020	-	163,161	163,161

During the prior period, the company acquired the IP from its former employees under licence to enable the company to utilise their services.

During the year the company purchased the assets and trade from KUT LLP.

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

5 Tangible fixed assets	Land and buildings	Plant and machinery etc	Total
	£	£	£
<b>Cost</b>			
At 1 January 2021	135,315	213,727	349,042
Additions	-	10,606	10,606
Disposals	(92,881)	(97,528)	(190,409)
At 31 December 2021	<u>42,434</u>	<u>126,805</u>	<u>169,239</u>
<b>Depreciation and impairment</b>			
At 1 January 2021	104,539	188,620	293,159
Depreciation charged in the year	2,824	23,651	26,475
Eliminated in respect of disposals	(92,881)	(97,528)	(190,409)
At 31 December 2021	<u>14,482</u>	<u>114,743</u>	<u>129,225</u>
<b>Carrying amount</b>			
At 31 December 2021	<u>27,952</u>	<u>12,062</u>	<u>40,014</u>
At 31 December 2020	<u>30,776</u>	<u>25,107</u>	<u>55,883</u>

6 Fixed asset investments	2021 £	2020 £
Shares in group undertakings and participating interests	<u>825,100</u>	<u>-</u>

**Movements in fixed asset investments**

	Shares in subsidiaries £
<b>Cost or valuation</b>	
At 1 January 2021	-
Additions	825,100
At 31 December 2021	<u>825,100</u>
<b>Carrying amount</b>	
At 31 December 2021	<u>825,100</u>
At 31 December 2020	<u>-</u>

During the year the company acquired the entire share capital of C.J. Design Partnership Ltd, a UK registered company.

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

7 Debtors	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,517,084	1,208,327
Amounts owed by group undertakings	1,517,156	1,654,656
Other debtors	1,229,518	704,169
	<u>4,263,758</u>	<u>3,567,152</u>

8 Creditors: amounts falling due within one year	2021	2020
	£	£
Bank loans	50,000	29,167
Trade creditors	414,588	227,606
Amounts owed to group undertakings	254,167	-
Corporation tax	131,388	168,308
Other taxation and social security	265,276	344,744
Other creditors	870,746	87,233
	<u>1,986,165</u>	<u>857,058</u>

Included in other creditors is £184,097 (2020: £1,119) relating to an invoice financing facility. The facility is secured by way of a fixed and floating charge over the company's assets.

9 Creditors: amounts falling due after more than one year	2021	2020
	£	£
Bank loans and overdrafts	170,833	220,833
Other creditors	18,648	-
	<u>189,481</u>	<u>220,833</u>

10 Called up share capital	2021	2020	2021	2020
	Number	Number	£	£
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	186,785	186,785	186,785	186,785
C Ordinary shares of £1 each	1	1	1	1
F Ordinary shares of £1 each	1	1	1	1
H Ordinary shares of £1 each	-	1	-	1
J Ordinary shares of £1 each	1	1	1	1
K Ordinary Shares of £1 each	-	1	-	1
	<u>186,788</u>	<u>186,790</u>	<u>186,788</u>	<u>186,790</u>

**FHP ENGINEERING SERVICES SOLUTIONS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**10 Called up share capital (Continued)**

The different classes of shares rank pari-passu in all respects save for voting rights and the payment of dividends.

During the year the company purchased and cancelled 1 Ordinary H and 1 Ordinary K share of £1 each at par.

**11 Operating lease commitments**

**Lessee**

Operating lease payments represent rentals payable by the company for properties and commercial vehicles.

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

	<b>31 December 2021</b>	<b>30 April 2020</b>
	£	£
Within one year	279,470	221,154
Between two and five years	300,016	528,821
	<u>579,486</u>	<u>749,975</u>

**12 Related party transactions**

During the year ended April 2020, the company entered into a licence agreement and a revenue / cost share agreement with FHPESS Partners LLP.

FHP Engineering Services Solutions Ltd and FHPESS Partners LLP are related by virtue of the fact that some of the directors and senior management team of FHP Engineering Services Solutions Ltd are now members of FHPESS Partners LLP.

During the year the following transactions took place which are all included within other operating expenses:

- Revenue share of £4,718,790 (2020: £2,574,428)
- Operating charges of £(3,048,985) (2020: £(1,546,361))
- Licence fee of £(589,849) (2020: £(321,804))

At the period end, FHP Engineering Services Solutions Ltd were owed £726,435 (2020: £209,707) from FHPESS Partners LLP.

