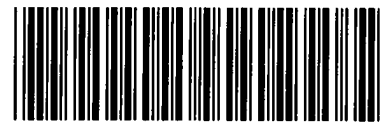


**Company Registration No. 02605319 (England and Wales)**

**FICHTNER CONSULTING ENGINEERS LIMITED  
ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**TUESDAY**



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# FICHTNER CONSULTING ENGINEERS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr N S Gamble Dr E J Weatherby Mr P M Eddy Mr S M Othen Mr D S Abernethy Mr R J Hawcutt Mrs E L Edgley Mr T Herzig Mr M Wilfer
<b>Secretary</b>	Mrs E L Edgley
<b>Company number</b>	02605319
<b>Registered office</b>	Kingsgate Wellington Road North Stockport Cheshire SK4 1LW
<b>Auditor</b>	Simpson Wood Limited Bank Chambers Market Street Huddersfield HD1 2EW

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# **FICHTNER CONSULTING ENGINEERS LIMITED**

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# FICHTNER CONSULTING ENGINEERS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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The directors present the strategic report for the year ended 31 December 2019.

### **Fair review of the business**

During 2019 turnover decreased by 6.4% compared to 2018. Staff numbers grew slightly but the expected larger construction roles continued to be delayed, with only two energy from waste projects commencing in 2019, similar to 2018. Brexit uncertainty and the lack of experienced EPC contractors continues to slow down projects. The UK electricity capacity market suspension was lifted at the end of the year but too late to impact the year. Difficulties with existing construction projects led to extended roles through 2019. Diversification into new business sectors continues with a growing focus on zero carbon, although the renewables sector is also slow moving as renewable subsidies have come to an end. Brexit has spread uncertainty and, whilst having no direct impact to date, has not helped our business sectors.

On the plus side, we have invested in internal training and continue to improve many of our systems such as IT and quality. We have a low level of bad debt and are focussed on reducing overspend on projects. The new branch offices in Belfast and Dublin have done well with a good level of new work and we are working on more international projects with the Fichtner Group. We decided to become carbon neutral in 2019 by reducing our carbon footprint and buying offsets to compensate unavoidable carbon dioxide emissions from heating and travel.

We are very positive with regards to 2020. Several construction projects are close to commencement. We are supporting a number of opportunities for future energy developments, including electric vehicles, storage and digital grid control. Our strategy is to continue to diversify into new business sectors, with a focus on zero carbon sectors, which require our core skills to allow us to continue our organic growth.

On behalf of the board



Dr E J Weatherby  
**Director**  
11 February 2020

# FICHTNER CONSULTING ENGINEERS LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2019**

---

The directors present their annual report and financial statements for the year ended 31 December 2019.

### 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.

### Directors

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

Mr N S Gamble  
Dr E J Weatherby  
Mr P M Eddy  
Mr S M Othen  
Mr D S Abernethy  
Mr R J Hawcutt  
Mr S A Wilson  
Mrs E L Edgley  
Mr T Herzig  
Mr M Wilfer

(Resigned 15 January 2020)

### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £4,252,786. The directors do not recommend payment of a final dividend.

### Auditor

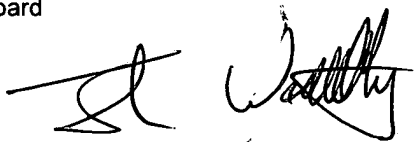
In accordance with the company's articles, a resolution proposing that Simpson Wood Limited be reappointed as auditor of the company will be put at a General Meeting.

### 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.

On behalf of the board

Dr E J Weatherby  
**Director**  
11 February 2020



# **FICHTNER CONSULTING ENGINEERS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2019***

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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;
- 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.

# FICHTNER CONSULTING ENGINEERS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED

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#### Opinion

We have audited the financial statements of Fichtner Consulting Engineers Limited (the 'company') for the year ended 31 December 2019 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 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 FRS 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 2019 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

# **FICHTNER CONSULTING ENGINEERS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED**

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#### **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 and the directors' report.

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 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.



# **FICHTNER CONSULTING ENGINEERS LIMITED**

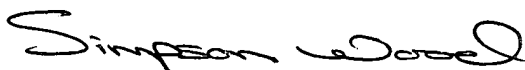
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF FICHTNER CONSULTING ENGINEERS LIMITED**

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#### **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.



**Diane Pettinger FCA (Senior Statutory Auditor)**  
**for and on behalf of Simpson Wood Limited**

11 February 2020

**Chartered Accountants**  
**Statutory Auditor**

Bank Chambers  
Market Street  
Huddersfield  
HD1 2EW

# FICHTNER CONSULTING ENGINEERS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	18,143,136	19,380,691
Cost of sales		(2,055,374)	(2,007,081)
<b>Gross profit</b>		16,087,762	17,373,610
Administrative expenses		(12,723,798)	(12,115,637)
Other operating income		253,531	218,318
<b>Operating profit</b>	<b>4</b>	3,617,495	5,476,291
Interest receivable and similar income	<b>8</b>	38,257	16,274
Change in fair value of fixed asset investments	<b>9</b>	104,294	-
<b>Profit before taxation</b>		3,760,046	5,492,565
Tax on profit	<b>10</b>	(721,499)	(1,006,100)
<b>Profit for the financial year</b>		3,038,547	4,486,465

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 2019**

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	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	<b>3,038,547</b>	<b>4,486,465</b>
<b>Other comprehensive income</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>	<b><u>3,038,547</u></b>	<b><u>4,486,465</u></b>

# FICHTNER CONSULTING ENGINEERS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	181,904		201,188	
Investments	13	1,709,929		-	
		<u>1,891,833</u>		<u>201,188</u>	
<b>Current assets</b>					
Stocks	15	793,547		884,080	
Debtors	16	3,077,574		3,154,673	
Cash at bank and in hand		7,743,449		10,454,403	
		<u>11,614,570</u>		<u>14,493,156</u>	
<b>Creditors: amounts falling due within one year</b>	17	(4,689,562)		(4,683,264)	
<b>Net current assets</b>		<u>6,925,008</u>		<u>9,809,892</u>	
<b>Total assets less current liabilities</b>		<u>8,816,841</u>		<u>10,011,080</u>	
<b>Provisions for liabilities</b>	18	(40,000)		(20,000)	
<b>Net assets</b>		<u><u>8,776,841</u></u>		<u><u>9,991,080</u></u>	
<b>Capital and reserves</b>					
Called up share capital	21	315,000		315,000	
Share premium account		97,500		97,500	
Profit and loss reserves		8,364,341		9,578,580	
<b>Total equity</b>		<u><u>8,776,841</u></u>		<u><u>9,991,080</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 11 February 2020 and are signed on its behalf by:

Dr E J Weatherby  
Director



Company Registration No. 02605319

# FICHTNER CONSULTING ENGINEERS LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2018</b>		315,000	97,500	8,567,498	8,979,998
<b>Year ended 31 December 2018:</b>					
Profit and total comprehensive income for the year		-	-	4,486,465	4,486,465
Dividends	11	-	-	(3,475,383)	(3,475,383)
<b>Balance at 31 December 2018</b>		315,000	97,500	9,578,580	9,991,080
<b>Year ended 31 December 2019:</b>					
Profit and total comprehensive income for the year		-	-	3,038,547	3,038,547
Dividends	11	-	-	(4,252,786)	(4,252,786)
<b>Balance at 31 December 2019</b>		315,000	97,500	8,364,341	8,776,841

# FICHTNER CONSULTING ENGINEERS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	3,774,239		5,504,891	
Income taxes paid		(645,529)		(738,547)	
<b>Net cash inflow from operating activities</b>		<u>3,128,710</u>		<u>4,766,344</u>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(12,319)		(7,267)	
Purchase of fixed asset investments		(1,600,000)		-	
Interest received		25,441		16,274	
<b>Net cash (used in)/generated from investing activities</b>		<u>(1,586,878)</u>		<u>9,007</u>	
<b>Financing activities</b>					
Dividends paid		(4,252,786)		(3,475,383)	
<b>Net cash used in financing activities</b>		<u>(4,252,786)</u>		<u>(3,475,383)</u>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<u>(2,710,954)</u>		<u>1,299,968</u>	
Cash and cash equivalents at beginning of year		10,454,403		9,154,435	
<b>Cash and cash equivalents at end of year</b>		<u><u>7,743,449</u></u>		<u><u>10,454,403</u></u>	

# **FICHTNER CONSULTING ENGINEERS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. 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 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 rebate.

Turnover from the rendering of services is recognised by reference to the stage of completion of the contract. The stage of completion of a contract is measured by comparing the costs incurred for the work performed to date to the total estimated contract costs. Turnover is only recognised to the extent of recoverable expenses when the total outcome of a contract cannot be estimated reliably.

#### **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 property
Fixtures and fittings	20% on cost

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.

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 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 Stocks

Work in progress is valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

#### 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.

#### 1.9 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.



# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

---

### 1 Accounting policies

(Continued)

#### **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.

#### **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.

# **FICHTNER CONSULTING ENGINEERS LIMITED**

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

**FOR THE YEAR ENDED 31 DECEMBER 2019**

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### **1 Accounting policies**

**(Continued)**

#### **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.

#### **1.17 Significant judgements and estimates**

In preparing the financial statements the Directors apply certain judgements and estimates in arriving at the valuation of work in progress and accrued expenses. These are applied on a consistent basis.

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 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 Turnover and other revenue

	2019	2018
	£	£
<b>Other significant revenue</b>		
Interest income	32,675	16,274
Dividends received	5,582	-
R&D tax credit	253,531	218,318

### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	-	(20,760)
Depreciation of owned tangible fixed assets	31,603	39,303
Operating lease charges	576,054	528,445

### 5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	7,275	6,930
<b>For other services</b>		
All other non-audit services	10,575	10,070

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Employees

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

	2019 Number	2018 Number
Technical, management and sales	114	114
Administration	16	13
	<u>130</u>	<u>127</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	9,346,832	8,875,719
Social security costs	1,187,010	1,120,120
Pension costs	361,991	369,218
	<u>10,895,833</u>	<u>10,365,057</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	1,069,460	1,105,661
Company pension contributions to defined contribution schemes	46,342	53,892
	<u>1,115,802</u>	<u>1,159,553</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 7 (2018 - 7).

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

	2019 £	2018 £
Remuneration for qualifying services	199,693	194,372
Company pension contributions to defined contribution schemes	14,294	10,341
	<u>213,987</u>	<u>204,713</u>

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 8 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	24,430	16,274
Other interest income	8,245	-
Total interest revenue	32,675	16,274
<b>Other income from investments</b>		
Dividends received	5,582	-
Total income	38,257	16,274

### 9 Change in fair value of fixed asset investments

	2019 £	2018 £
Gain on disposal of investments held at fair value	6,234	-
Increase in value of investments held at fair value	98,060	-
	104,294	-

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	653,328	969,082
Adjustments in respect of prior periods	48,171	42,018
Total current tax	701,499	1,011,100
<b>Deferred tax</b>		
Origination and reversal of timing differences	20,000	(5,000)
Total tax charge	721,499	1,006,100

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

#### 10 Taxation

(Continued)

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:

	2019 £	2018 £
Profit before taxation	3,760,046	5,492,565
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	714,409	1,043,587
Tax effect of expenses that are not deductible in determining taxable profit	747	631
Tax effect of income not taxable in determining taxable profit	(67,682)	(78,732)
Adjustments in respect of prior years	48,171	42,018
Depreciation in excess of capital allowances	1,510	3,596
Deferred tax movement	20,000	(5,000)
Rounding	4,344	-
Taxation charge for the year	721,499	1,006,100

#### 11 Dividends

	2019 £	2018 £
Interim paid	4,252,786	3,475,383

#### 12 Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
<b>Cost</b>			
At 1 January 2019	597,649	483,999	1,081,648
Additions	-	12,319	12,319
At 31 December 2019	597,649	496,318	1,093,967
<b>Depreciation and impairment</b>			
At 1 January 2019	431,574	448,886	880,460
Depreciation charged in the year	22,722	8,881	31,603
At 31 December 2019	454,296	457,767	912,063
<b>Carrying amount</b>			
At 31 December 2019	143,353	38,551	181,904
At 31 December 2018	166,075	35,113	201,188

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 13 Fixed asset investments

	2019 £	2018 £
Listed investments	1,709,929	-

#### Fixed asset investments revalued

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

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2019	-
Additions	1,600,000
Valuation changes	98,061
Income reinvested	123,465
Fund charges	(7,181)
Disposals	(104,416)
At 31 December 2019	1,709,929
<b>Carrying amount</b>	
At 31 December 2019	1,709,929
At 31 December 2018	-

### 14 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Instruments measured at fair value through profit or loss	1,709,929	-

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

### 15 Stocks

	2019 £	2018 £
Contract work in progress	793,547	884,080



# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 16 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,901,849	2,795,430
Prepayments and accrued income	175,725	359,243
	<u>3,077,574</u>	<u>3,154,673</u>

### 17 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	34,619	72,281
Corporation tax	417,926	361,956
Other taxation and social security	687,138	789,870
Other creditors	116,768	93,033
Accruals and deferred income	3,433,111	3,366,124
	<u>4,689,562</u>	<u>4,683,264</u>

### 18 Provisions for liabilities

	Notes	2019 £	2018 £
Deferred tax liabilities	19	<u>40,000</u>	<u>20,000</u>

### 19 Deferred taxation

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

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	20,000	20,000
Revaluations	20,000	-
	<u>40,000</u>	<u>20,000</u>

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 19 Deferred taxation (Continued)

	2019 £
<b>Movements in the year:</b>	
Liability at 1 January 2019	20,000
Charge to profit or loss	20,000
Liability at 31 December 2019	<u>40,000</u>

### 20 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>361,991</u>	<u>369,218</u>

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 £3,225 (2018 - £15,116).

### 21 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
315,000 Ordinary shares of £1 each	<u>315,000</u>	<u>315,000</u>

### 22 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:

	2019 £	2018 £
Within one year	291,193	252,583
Between two and five years	38,500	252,582
	<u>329,693</u>	<u>505,165</u>

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 23 Related party transactions

#### Transactions with related parties

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

	Sale of goods		Purchase of goods	
	2019	2018	2019	2018
	£	£	£	£
Entities with control, joint control or significant influence over the company	80,976	49,957	9,360	34,974
Fellow subsidiaries	212,035	3,665	62,029	69,774
	<u>293,011</u>	<u>53,622</u>	<u>71,389</u>	<u>104,748</u>

The following amounts were outstanding at the reporting end date:

	2019	2018
	£	£
<b>Amounts owed to related parties</b>		
Entities with control, joint control or significant influence over the company	-	4,430
Fichtner Employee Benefit Trust - A shareholder of the entity	113,543	77,917
Fellow subsidiaries	-	31,681
	<u>113,543</u>	<u>113,028</u>

The following amounts were outstanding at the reporting end date:

	2019
	Balance
	£
<b>Amounts owed by related parties</b>	
Entities with control, joint control or significant influence over the company	8,781
Fellow subsidiaries	46,304
	<u>55,085</u>
	2018
	Balance
	£
<b>Amounts owed in previous period</b>	
Entities with control, joint control or significant influence over the company	10,726
	<u>10,726</u>

### 24 Ultimate controlling party

The ultimate controlling party is Fichtner GmbH & Co KG.

This is a company incorporated in Germany.

# FICHTNER CONSULTING ENGINEERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 25 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	3,038,547	4,486,465
<b>Adjustments for:</b>		
Taxation charged	721,499	1,006,100
Investment income	(38,257)	(16,274)
Depreciation and impairment of tangible fixed assets	31,603	39,303
Change in fair value of fixed asset investments	(104,294)	-
Non cash expenditure	7,181	-
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	90,533	(190,369)
Decrease in debtors	77,099	664,075
Decrease in creditors	(49,672)	(484,409)
<b>Cash generated from operations</b>	<u>3,774,239</u>	<u>5,504,891</u>

### 26 Analysis of changes in net funds

	1 January 2019 £	Cash flows £	31 December 2019 £
Cash at bank and in hand	<u>10,454,403</u>	<u>(2,710,954)</u>	<u>7,743,449</u>