

BURT BOULTON & HAYWOOD LIMITED

Company registration number 03540326 (England and Wales)

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

BURT BOULTON & HAYWOOD LIMITED

COMPANY INFORMATION

Directors	Mr A P J Mononen Mr J Monni Mr O Hulleberg Mr T K Mononen Mr K Källarsson
Secretary	Mr O Hulleberg
Company number	03540326
Registered office	Alexandra Docks Newport Gwent NP20 2WA
Auditor	Dyke Yaxley Limited 1 Brassey Road Old Potts Way Shrewsbury Shropshire SY3 7FA

BURT BOULTON & HAYWOOD LIMITED

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BURT BOULTON & HAYWOOD LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Burt Boulton & Haywood Limited is a wholly owned subsidiary of Scanpole Oy and a part of the Iivari Mononen Group.

Fair review of the business

The company's performance in 2022 was driven by the continued demand in the utility sector. The demand of the treated timber products decreased during 2022.

The company revenue for the period was £20,940,522 with the increase of 6% compared to previous year. The company had net current assets of £1,936,465 at 31 December 2022 which is down on the previous year net current assets balance of £2,288,671.

We anticipate that volumes across business streams will increase during 2023 to some extent. Demand for power transmission and telecommunication poles is expected to increase, as well as the demand for treated timber products.

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. The key business risks and uncertainties affecting the company are considered to relate to competition and future legislation relating to the Biocidal Products (preservatives) Regulations.

Competition

The company operates in a competitive market, and to reduce this risk the company works with its customers and suppliers to ensure that the company's products meet their needs in order to retain their custom. If necessary, the company then adjusts its strategy to better meet the customer's needs.

Future legislation relating to Biocidal Products (preservatives)

The company utilises certain wood preservative products which may be subject to future legislation changes - such legislation includes the Biocidal Products Regulation (BPR). Under the BPR wood preservatives are authorised for a period of 5 to 10 years. One of the preservatives used by the company is classed as 'products for substitution', namely creosote. The company is mitigating this risk by researching alternative wood preservatives that meet BPR criteria as well as researching alternative materials that would be acceptable to the utility sector.

Environmental matter

Burt Boulton & Haywood Limited's facilities are located at a leased site in the dock of Newport. The conditions are well registered and controlled by the company. The operations are permitted by Newport City Council and Natural Resources Wales.

Business environment

As the impacts of COVID-19 pandemic started to reduce in 2022, the world was shaken by the Russian attack of Ukraine. This brought up new challenges to the general business environment, as the countries involved are major suppliers in energy, metal, forestry, and agricultural products. The war had significant impact on the company's material flows and availability resulting in increased costs for raw materials, energy, and logistics. The cost pressure and limited availability of raw materials is expected continue in 2023.

Key performance indicators

Management have identified Key Performance Indicators (KPI's) that are used to drive business performance and set targets for units and employees throughout the business that will deliver the desired strategic goals.

The KPI's used by the management to assess performance of the company are turnover and EBIT. The company has recognized turnover of £20,940,522 (2021: £19,714,359) and EBIT of £870,762 (2021: £845,592).

BURT BOULTON & HAYWOOD LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

On behalf of the board

Mr A P J Mononen
Director

23 March 2023

BURT BOULTON & HAYWOOD LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the manufacture of telegraph and transmission poles and related timber preservation.

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £1,000,000.

No preference dividends were paid.

Directors

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

Mr A P J Mononen
Mr J Monni
Mr O Hulleberg
Mr T K Mononen
Mr K Källarsson

Auditor

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

Energy and carbon report

Although the company has consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a small entity under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of review of business, principal risks and uncertainties and future developments.

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

Mr A P J Mononen
Director

23 March 2023

BURT BOULTON & HAYWOOD LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

Opinion

We have audited the financial statements of Burt Boulton & Haywood Limited (the 'company') for the year ended 31 December 2022 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 2022 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.

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the 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.

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

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.

Irregularities

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. The key laws and regulations that were subject to assessment were environmental laws and health and safety.

We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the disclosures to underlying supporting documentation and enquiries with management.

We reviewed minutes of meetings of those charged with governance, external safety assessment reports and ISO 9001 and 14001 compliance reports.

We audited the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business. This included the review of the environmental provision in place for decontamination of the land at the end of the land and buildings lease.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

BURT BOULTON & HAYWOOD LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BURT BOULTON & HAYWOOD LIMITED

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.

Andrew Young FCA (Senior Statutory Auditor)
For and on behalf of Dyke Yaxley Limited

30 March 2023

Chartered Accountants
Statutory Auditor

1 Brassey Road
Old Potts Way
Shrewsbury
Shropshire
SY3 7FA

BURT BOULTON & HAYWOOD LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Turnover	3	20,940,522	19,714,359
Cost of sales		(18,228,570)	(17,579,186)
Gross profit		2,711,952	2,135,173
Distribution costs		(72,658)	(21,941)
Administrative expenses		(1,772,699)	(1,267,640)
Other operating income		4,167	-
Operating profit	4	870,762	845,592
Interest payable and similar expenses	6	(22,695)	(1,182)
Profit before taxation		848,067	844,410
Tax on profit	7	(183,422)	(160,294)
Profit for the financial year		664,645	684,116

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

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Profit for the year	664,645	684,116
Other comprehensive income	-	-
Total comprehensive income for the year	<u>664,645</u>	<u>684,116</u>

BURT BOULTON & HAYWOOD LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Fixed assets					
Tangible assets	9		433,179		379,314
Current assets					
Stocks	10	3,657,862		3,732,278	
Debtors	11	1,483,425		970,486	
		<u>5,141,287</u>		<u>4,702,764</u>	
Creditors: amounts falling due within one year	12	<u>(3,204,822)</u>		<u>(2,414,093)</u>	
Net current assets			<u>1,936,465</u>		<u>2,288,671</u>
Total assets less current liabilities			<u>2,369,644</u>		<u>2,667,985</u>
Provisions for liabilities					
Provisions	13	355,895		305,898	
Deferred tax liability	14	<u>16,552</u>		<u>29,535</u>	
			<u>(372,447)</u>		<u>(335,433)</u>
Net assets			<u><u>1,997,197</u></u>		<u><u>2,332,552</u></u>
Capital and reserves					
Called up share capital	15		500,002		500,002
Profit and loss reserves	16		<u>1,497,195</u>		<u>1,832,550</u>
Total equity			<u><u>1,997,197</u></u>		<u><u>2,332,552</u></u>

The financial statements were approved by the board of directors and authorised for issue on 23 March 2023 and are signed on its behalf by:

Mr A P J Mononen
Director

Company Registration No. 03540326

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2022

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
Balance at 1 January 2021		500,002	2,148,434	2,648,436
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	684,116	684,116
Dividends	8	-	(1,000,000)	(1,000,000)
Balance at 31 December 2021		500,002	1,832,550	2,332,552
Year ended 31 December 2022:				
Profit and total comprehensive income for the year		-	664,645	664,645
Dividends	8	-	(1,000,000)	(1,000,000)
Balance at 31 December 2022		500,002	1,497,195	1,997,197

BURT BOULTON & HAYWOOD LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	20	1,386,317	1,626,978
Interest paid		(22,695)	(1,182)
Income taxes paid		(153,991)	(331,366)
Net cash inflow from operating activities		<u>1,209,631</u>	<u>1,294,430</u>
Investing activities			
Purchase of tangible fixed assets		(209,631)	(294,551)
Proceeds on disposal of tangible fixed assets		-	53
Net cash used in investing activities		<u>(209,631)</u>	<u>(294,498)</u>
Financing activities			
Dividends paid		(1,000,000)	(1,000,000)
Net cash used in financing activities		<u>(1,000,000)</u>	<u>(1,000,000)</u>
Net increase/(decrease) in cash and cash equivalents		-	(68)
Cash and cash equivalents at beginning of year		-	68
Cash and cash equivalents at end of year		<u><u>-</u></u>	<u><u>-</u></u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Burt Boulton & Haywood Limited is a private company limited by shares incorporated in England and Wales. The registered office is Alexandra Docks, Newport, Gwent, NP20 2WA.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Iivari Mononen Oy. These consolidated financial statements are available from its registered office, Länsikatu 15, 80110 Joensuu, Finland.

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.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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	10% straight line basis
Plant and machinery	25% straight line basis

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.

1.5 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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset 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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.8 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.

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.

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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 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.

1.10 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.

1.11 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.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

1.13 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.

1.14 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.

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

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

An analysis of the company's turnover is as follows:

	2022 £	2021 £
Turnover analysed by class of business		
Pole sales	20,940,522	19,714,359

	2022 £	2021 £
Turnover analysed by geographical market		
UK	20,940,522	19,714,359

4 Operating profit

	2022 £	2021 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	32,267	(2,525)
Fees payable to the company's auditor for the audit of the company's financial statements	11,075	20,609
Depreciation of owned tangible fixed assets	155,766	189,548
Operating lease charges	31,150	16,010

5 Employees

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

	2022 Number	2021 Number
Production	23	23
Management and administration	11	10
Total	34	33

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

5 Employees (Continued)

Their aggregate remuneration comprised:

	2022 £	2021 £
Wages and salaries	1,683,396	1,513,412

6 Interest payable and similar expenses

	2022 £	2021 £
Interest payable to group undertakings	22,695	910
Other interest	-	272
	22,695	1,182

7 Taxation

	2022 £	2021 £
Current tax		
UK corporation tax on profits for the current period	196,356	153,942
Deferred tax		
Origination and reversal of timing differences	(12,934)	6,352
Total tax charge	183,422	160,294

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:

	2022 £	2021 £
Profit before taxation	848,067	844,410
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	161,133	160,438
Tax effect of expenses that are not deductible in determining taxable profit	11,240	5,690
Permanent capital allowances in excess of depreciation	19,672	(12,186)
Deferred tax adjustments in respect of prior years	(12,936)	6,352
Non trading loan relationships	4,313	-
Taxation charge for the year	183,422	160,294

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

8 Dividends

	2022 £	2021 £
Final paid	1,000,000	1,000,000

9 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Total £
Cost			
At 1 January 2022	494,723	3,559,839	4,054,562
Additions	184,496	25,135	209,631
At 31 December 2022	679,219	3,584,974	4,264,193
Depreciation and impairment			
At 1 January 2022	382,663	3,292,585	3,675,248
Depreciation charged in the year	22,030	133,736	155,766
At 31 December 2022	404,693	3,426,321	3,831,014
Carrying amount			
At 31 December 2022	274,526	158,653	433,179
At 31 December 2021	112,060	267,254	379,314

10 Stocks

	2022 £	2021 £
Raw materials and consumables	3,657,862	3,732,278

11 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	903,733	839,391
Amounts owed by group undertakings	336,357	-
Other debtors	-	9,161
Prepayments and accrued income	243,335	121,934
	1,483,425	970,486

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

12 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	910,128	447,814
Amounts owed to group undertakings	1,506,013	1,282,172
Corporation tax	196,356	153,942
Other taxation and social security	485,623	528,291
Accruals and deferred income	106,702	1,874
	<u>3,204,822</u>	<u>2,414,093</u>

13 Provisions for liabilities

	2022 £	2021 £
	<u>355,895</u>	<u>305,898</u>

The provision relates to potential land remediation work.

Movements on provisions:

	£
At 1 January 2022	305,898
Additional provisions in the year	<u>49,997</u>
At 31 December 2022	<u>355,895</u>

14 Deferred taxation

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

	Liabilities 2022 £	Liabilities 2021 £
Balances:		
ACAs	<u>16,552</u>	<u>29,535</u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

14 Deferred taxation (Continued)

	2022 £
Movements in the year:	
Liability at 1 January 2022	29,535
Credit to profit or loss	(12,934)
Other	(49)
Liability at 31 December 2022	<u>16,552</u>

15 Share capital

	2022 Number	2021 Number	2022 £	2021 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>
Preference share capital Issued and fully paid				
Preference shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>
Preference shares classified as equity			<u>500,000</u>	<u>500,000</u>
Total equity share capital			<u>500,002</u>	<u>500,002</u>

16 Profit and loss reserves

	2022 £	2021 £
At the beginning of the year	1,832,550	2,148,434
Profit for the year	664,645	684,116
Dividends declared and paid in the year	<u>(1,000,000)</u>	<u>(1,000,000)</u>
At the end of the year	<u>1,497,195</u>	<u>1,832,550</u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

17 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and for some vehicles. Leases are negotiated for an average term of 10 years and rentals are fixed for this period with an option to extend for a further 10 years at the prevailing market rate.

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:

	2022 £	2021 £
Within one year	305,003	241,820
Between two and five years	1,374,041	270,738
In over five years	1,789,200	-
	<u>3,468,244</u>	<u>512,558</u>

18 Related party transactions

Transactions with related parties

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

	Sales 2022 £	Sales 2021 £	Purchases 2022 £	Purchases 2021 £
Entities with control, joint control or significant influence over the company	8,453,175	7,959,312	3,294,437	4,878,769
Other group entities	-	-	4,605,091	3,347,036
	<u>8,453,175</u>	<u>7,959,312</u>	<u>7,899,528</u>	<u>8,225,805</u>

	Services provided 2022 £	2021 £	Services purchased 2022 £	2021 £
Entities with control, joint control or significant influence over the company	499,867	438,950	274,005	240,847
Other group entities	-	-	14,407	34,613
	<u>499,867</u>	<u>438,950</u>	<u>288,412</u>	<u>275,460</u>

The following amounts were outstanding at the reporting end date:

	2022 £	2021 £
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	1,411,182	906,366
Other group entities	94,831	375,807
	<u>1,506,013</u>	<u>1,282,173</u>

BURT BOULTON & HAYWOOD LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

18 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

	2022	2021
	£	£
Amounts due from related parties		
Entities with control, joint control or significant influence over the company	275,741	-
Other group entities	60,617	-
	<u> </u>	<u> </u>

19 Ultimate controlling party

The ultimate parent company is Iivari Mononen Oy a company incorporated and trading in Finland.

The ultimate parent company Iivari Mononen Oy prepares accounts for the group. The registered office of the company is Länsikatu 15, 80110 Joensuu, Finland.

20 Cash generated from operations

	2022	2021
	£	£
Profit for the year after tax	664,645	684,116
Adjustments for:		
Taxation charged	183,422	160,294
Finance costs	22,695	1,182
Depreciation and impairment of tangible fixed assets	155,766	189,548
Increase in provisions	49,997	49,997
Movements in working capital:		
Decrease/(increase) in stocks	74,416	(255,650)
Increase in debtors	(512,939)	(115,178)
Increase in creditors	748,315	912,669
Cash generated from operations	<u>1,386,317</u>	<u>1,626,978</u>

21 Analysis of changes in net funds

1 January 2022	31 December 2022
£	£
<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.