

Registered number: 06810132

CELTIC ENGINEERING HOLDINGS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2021



CELTIC ENGINEERING HOLDINGS LIMITED

CONTENTS

	Page(s)
Company Information	1
Group Strategic Report	2 - 3
Directors' Report	4 - 5
Independent Auditors' Report to the Members of Celtic Engineering Holdings Limited	6 - 8
Consolidated Statement of Comprehensive Income	9
Consolidated Balance Sheet	10
Company Balance Sheet	11
Consolidated Statement of Changes in Equity	12
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15 - 32

CELTIC ENGINEERING HOLDINGS LIMITED

COMPANY INFORMATION

Directors	P H B Sykes D Wright
Company secretary	D Wright
Registered number	06810132
Registered office	Waterloo Industrial Estate Pembroke Dock Pembroke Pembrokeshire SA72 4RR
Independent auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

CELTIC ENGINEERING HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The directors present the Strategic Report of Celtic Engineering Holdings Limited (the "Group") for the year ended 31 January 2021.

Principal activities

The principal activity of the Company is that of a holding company. The principal activity of the Group is the supply of mechanical engineering services.

Review of business' future developments and principal risks and uncertainties

The consolidated Statement of Comprehensive Income is set-out on page 9. The directors were satisfied with the performance of the Group during the year and the year-end financial position. At the beginning of the year the business had a healthy order book for the year but with the onset of Covid-19 most of the contracts were postponed to 2021 and 2022. The business had ongoing work throughout 2020 which minimised the impact of Covid-19 on the financial results. The directors consider the Group to be well placed and are confident that the Group will continue to win new contracts and generate profits in the future. The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks and uncertainties affecting the Group are considered to relate to employee retention and competition from other mechanical engineering service providers.

Financial risk management

The Group's operations expose it to a variety of financial risks that include the effects of credit risk, liquidity risk and interest rate risk. The Group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Group by monitoring levels of debt finance and the related finance costs. The Group does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied. Given the size of the Group, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the Group's finance department.

Price risk

The Group considers price risk when negotiating contracts with customers.

Credit risk

The Group has implemented policies that require appropriate credit checks on potential customers before services are provided.

Liquidity risk

The Group actively utilises secured and unsecured debt finance as required that is designed to ensure the Group has sufficient funds for operations.

Key performance indicators

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the Group as a whole, these being turnover, gross profit, operating (loss)/profit and (loss)/profit before taxation as set out below:

	2021	2020
	£000	£000
Turnover	12,571	21,880
Gross profit	303	3,316
Operating (loss)/profit	(397)	1,529
(Loss)/profit before taxation	(403)	1,522

CELTIC ENGINEERING HOLDINGS LIMITED

**GROUP STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JANUARY 2021**

This report was approved by the board and signed on its behalf by:



D Wright
Director

Date: 14 October 2021

CELTIC ENGINEERING HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The directors present their annual report and the audited consolidated financial statements of Celtic Engineering Holdings Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 January 2021.

Results and dividends

The loss for the financial year amounted to £153,000 (2020: profit £1,513,000).

Dividends of £500,000 were paid during the year to shareholders (2020: £Nil).

Directors

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

P H B Sykes (appointed 1 July 2020)

D Wright

M R A Kiss (resigned 20 February 2020)

Future developments

The future developments of the Group have been disclosed in the Group Strategic Report on page 2.

Financial risk management

The financial risk management of the Group have been disclosed in the Group Strategic Report on page 2.

Going concern

In preparing these financial statements, the directors have considered the appropriateness of the going concern basis of the Group and Parent Company, particularly in light of ongoing global pandemic. The directors have prepared and reviewed the Group's cash flow and profit forecasts for the foreseeable future and considered the Group's performance with respect to available financing arrangements. The forecasts included a sensitivity analysis based on the business' key risks which include a reasonable worst case scenario for the impact of COVID-19 and Brexit.

The directors consider the reasonable worst case scenario for COVID-19 to be plausible, whilst recognising the limited ability to accurately assess the future economic disruption at this time. The directors have not included certain potential mitigating actions in their worst case scenario.

Accordingly, after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of preparation for its financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the consolidated financial statements in accordance with applicable law and regulation.

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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

This report was approved by the board and signed on its behalf by:



D Wright
Director

Date: 14 October 2021

CELTIC ENGINEERING HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELTIC ENGINEERING HOLDINGS LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Celtic Engineering Holdings Limited's Group financial statements and Company financial statements (the "financial statements"):

- give a true and fair view of the state of the Group's and of the Company's affairs as at 31 January 2021 and of the Group's loss and the Group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Consolidated and Company Balance Sheets as at 31 January 2021; the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

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 Group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Group's and the Company's ability to continue as a going concern.

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain

CELTIC ENGINEERING HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELTIC ENGINEERING HOLDINGS LIMITED (CONTINUED)

opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 January 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Group and Company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 Group's and 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 Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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, 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.

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax laws, UK health and safety laws, and UK construction industry regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to fraudulent transactions designed to overstate the performance of the Group. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of any known or suspected instances of non-compliance with laws and regulations and fraud;
- Identifying and testing journal entries, in particular those having unusual account combinations which may increase profits;
- Challenging management on key accounting estimates and audited these to supporting third party documentation where applicable;
- Obtaining third party confirmations of all the Company's banking and financing arrangements.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

CELTIC ENGINEERING HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CELTIC ENGINEERING HOLDINGS LIMITED (CONTINUED)

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not obtained all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the Company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Stuart Couch

Stuart Couch (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Cardiff

Date: 14 OCTOBER 2021

CELTIC ENGINEERING HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JANUARY 2021**

	Note	2021 £000	2020 £000
Turnover	5	12,571	21,880
Cost of sales		(12,268)	(18,564)
Gross profit		303	3,316
Administrative expenses		(1,425)	(1,787)
Other operating income	6	725	-
Operating (loss)/profit	7	(397)	1,529
Interest payable and similar expenses	11	(6)	(7)
(Loss)/profit before taxation		(403)	1,522
Tax on (loss)/profit	12	250	(9)
(Loss)/profit for the financial year		(153)	1,513
Total comprehensive (expense)/income for the financial year		(153)	1,513

The notes on pages 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED
REGISTERED NUMBER: 06810132

CONSOLIDATED BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	15	609	669
Current assets			
Stocks	17	75	75
Debtors	18	3,102	1,384
Cash at bank and in hand	19	1,644	2,441
		<u>4,821</u>	<u>3,900</u>
Creditors: amounts falling due within one year	20	(3,398)	(1,261)
Net current assets		<u>1,423</u>	<u>2,639</u>
Total assets less current liabilities		<u>2,032</u>	<u>3,308</u>
Creditors: amounts falling due after more than one year	21	(138)	(180)
Provisions for liabilities			
Deferred taxation	25	(80)	(88)
Accruals and deferred income	2626	-	(2)
Net assets		<u>1,814</u>	<u>3,038</u>
Capital and reserves			
Called up share capital	27	263	296
Capital redemption reserve	28	67	33
Profit and loss account	28	1,484	2,709
Total shareholders' funds		<u>1,814</u>	<u>3,038</u>

The financial statements on pages 9 to 32 were approved and authorised for issue by the board and were signed on its behalf by:



D Wright
Director

Date: 14 October 2021

The notes on pages 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED
REGISTERED NUMBER: 06810132

COMPANY BALANCE SHEET
AS AT 31 JANUARY 2021

	Note	2021 £000	2020 £000
Fixed assets			
Investments	16	7,126	7,126
Current assets			
Debtors	18	7	3
Cash at bank and in hand	19	-	1
		<u>7</u>	<u>4</u>
Creditors: amounts falling due within one year	20	(3,448)	(2,347)
Net current liabilities		<u>(3,441)</u>	<u>(2,343)</u>
Total assets less current liabilities		<u>3,685</u>	<u>4,783</u>
Creditors: amounts falling due after more than one year	21	(95)	(117)
Net assets		<u><u>3,590</u></u>	<u><u>4,666</u></u>
Capital and reserves			
Called up share capital	27	263	296
Capital redemption reserve	28	67	33
Profit and loss account brought forward		4,337	4,344
Loss for the financial year		(5)	(7)
Other changes in the profit and loss account		(1,072)	-
		<u>3,260</u>	<u>4,337</u>
Profit and loss account carried forward		<u>3,260</u>	<u>4,337</u>
Total shareholders' funds		<u><u>3,590</u></u>	<u><u>4,666</u></u>

The financial statements on pages 9 to 32 were approved and authorised for issue by the board and were signed on its behalf by:



D Wright
Director

Date: 14 October 2021

The notes on pages 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 February 2019	296	33	1,196	1,525
Comprehensive income for the financial year				
Profit for the financial year	-	-	1,513	1,513
Total comprehensive income for the financial year	-	-	1,513	1,513
At 31 January 2020 and 1 February 2020	296	33	2,709	3,038
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(153)	(153)
Total comprehensive expense for the financial year	-	-	(153)	(153)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(500)	(500)
Shares issued during the year	1	-	-	1
Buy back of shares	(34)	34	(572)	(572)
Total transactions with owners	(33)	34	(1,072)	(1,071)
At 31 January 2021	263	67	1,484	1,814

The notes on pages 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2021**

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 February 2019	296	33	4,344	4,673
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(7)	(7)
Total comprehensive expense for the financial year			(7)	(7)
At 31 January 2020 and 1 February 2020	296	33	4,337	4,666
Comprehensive expense for the financial year				
Loss for the financial year	-	-	(5)	(5)
Total comprehensive expense for the financial year			(5)	(5)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(500)	(500)
Shares issued during the year	1	-	-	1
Buy back of shares	(34)	34	(572)	(572)
Total transactions with owners	(33)	34	(1,072)	(1,071)
At 31 January 2021	263	67	3,260	3,590

The notes on pages 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JANUARY 2021**

	2021 £000	2020 £000
Cash flows from operating activities		
(Loss)/profit for the financial year	(153)	1,513
Adjustments for:		
Amortisation of intangible assets	-	69
Depreciation of tangible assets	73	90
Loss on disposal of tangible assets	-	4
Release of grant income	-	(3)
Net interest expense	6	7
Tax on (loss)/profit	(250)	9
Increase in stocks	-	(70)
(Increase)/decrease in debtors	(1,667)	1,375
Increase/(decrease) in creditors	2,136	(549)
Taxation received/(paid)	156	(356)
Net cash generated from operating activities	301	2,089
Cash flows from investing activities		
Purchase of intangible assets	(15)	(71)
Sale of tangible assets	35	-
Net cash from/(used in) investing activities	20	(71)
Cash flows from financing activities		
Proceeds from the issue of preference shares	1	-
Repurchase of shares	(572)	-
Repayment of bank loan	(21)	(19)
Repayment of obligations under finance leases	(20)	(23)
Dividends paid to owners of the parent	(500)	-
Interest paid	(6)	(7)
Net cash used in financing activities	(1,118)	(49)
Net (decrease)/increase in cash and cash equivalents	(797)	1,969
Cash and cash equivalents at the beginning of the financial year	2,441	472
Cash and cash equivalents at the end of the financial year	1,644	2,441
Cash and cash equivalents at the end of the financial year comprise:		
Cash at bank and in hand	1,644	2,441

The notes on 15 to 32 form part of these financial statements.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

1. General information

Celtic Engineering Holdings Limited's (the "Company") and its subsidiaries' (together the "Group") principal activity is the supply of mechanical engineering services.

The Company is a private company limited by shares and is incorporated and domiciled in the United Kingdom. The address of its registered office is Waterloo Industrial Estate, Pembroke Dock, Pembroke, Pembrokeshire, SA72 4RR.

2. Statement of compliance

The Group and individual financial statements of Celtic Engineering Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

3. Accounting policies

3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 4).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

3.2 Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings. A subsidiary is an entity controlled by the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intercompany transactions and balances between group companies are eliminated on consolidation and the accounting policies.

3.3 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the exemption, under FRS 102 paragraph 1.12(b), from preparing a Statement of Cash Flows, on the basis that it is a qualifying entity and the Consolidated Statement of Cash Flows, included in these financial statements, includes the Company's cash flows.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Accounting policies (continued)

3.4 Going concern

In preparing these financial statements, the directors have considered the appropriateness of the going concern basis of the Group and Parent Company, particularly in light of ongoing global pandemic. The directors have prepared and reviewed the Group's cash flow and profit forecasts for the foreseeable future and considered the Group's performance with respect to available financing arrangements. The forecasts included a sensitivity analysis based on the business' key risks which include a reasonable worst case scenario for the impact of COVID-19 and Brexit.

The directors consider the reasonable worst case scenario for COVID-19 to be plausible, whilst recognising the limited ability to accurately assess the future economic disruption at this time. The directors have not included certain potential mitigating actions in their worst case scenario.

Accordingly, after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis of preparation for its financial statements.

3.5 Foreign currency

Functional and presentation currency

The Group financial statements are presented in pound sterling.

The Company's functional and presentational currency is the pound sterling.

Transactions and balances

Trading transactions denominated in foreign currencies are translated into sterling at the exchange rate ruling when the transaction was entered into. Assets and liabilities denominated in foreign currencies are translated into sterling at the exchange rates ruling at the Balance Sheet date. Exchange gains and losses are included in operating profit.

3.6 Revenue recognition

Revenue, which excludes value added tax and trade discounts is the fair value of the consideration received and receivable and represents the invoiced value of goods and services supplied and the value of contract work undertaken during the year.

Long term contract balances are assessed on a contract by contract basis and are reflected in the Statement of Comprehensive Income as contract activity progresses. Any expected losses on long term contracts are recognised immediately and are written off to the Statement of Comprehensive Income. Where it is considered that the outcome of a long term contract can be assessed with reasonable certainty before its conclusion, the prudently calculated attributable profit is recognised in the Statement of Comprehensive Income as the difference between reported turnover and related costs for that contract.

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

3. Accounting policies (continued)

3.7 Finance and operating leases

Costs in respect of operating leases are charged on a straight-line basis over the lease term. Leasing agreements, which transfer to the Group substantially all the benefits and risks of ownership of an asset, are treated as if the asset had been purchased outright. The assets are included in tangible assets and the capital element of the leasing commitments is shown as obligations under finance leases. The lease rentals are treated as consisting of capital and interest elements. The capital element is applied to reduce the outstanding obligations and the interest element is charged against profits in proportion to the capital element outstanding. Assets held under finance leases are depreciated over the shorter of the lease term and the useful lives of equivalent owned assets.

3.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

3.9 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

3.10 Employee benefits

The Group provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

ii) Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contribution into a separate entity. Once the contributions have been paid the Group has no further payment obligations. The contributions are recognised as an expense when they are due. Amounts not paid are shown in accruals in the Balance Sheet. The assets of the plan are held separately from the Group in independently administered funds.

iii) Annual bonus plan

The Group operates an annual bonus plan for employees. An expense is recognised in the profit and loss account when the Group has a legal or constructive obligation to make payments under the plans as a result of past events and reliable estimate of the obligation can be made.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Accounting policies (continued)

3.11 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in the equity.

Current or deferred taxation assets and liabilities are not discounted.

i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profits for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

ii) Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the Balance Sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at that date.

A net deferred tax asset is recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be sustainable taxable profits against which to recover carried forward tax losses and/or from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the Balance Sheet date. Deferred tax is measured on a non-discounted basis.

3.12 Goodwill

Goodwill arising on consolidation represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets acquired. Goodwill is eliminated by amortisation through the Statement of Comprehensive Income over its estimated useful economic life of 10 years.

The director undertakes reviews of the carrying value of goodwill when trigger events occur and make such provisions for impairment as they consider necessary.

3.13 Tangible assets

The cost of tangible assets is their purchase cost, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible assets less their estimated residual values over the expected useful economic lives of the assets concerned on a reducing balance basis. In the case of leasehold property, the property is depreciated over the period of the lease.

Land is not depreciated. Buildings are depreciated on a straight line basis over 99 years.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Accounting policies (continued)

3.13 Tangible assets (continued)

Depreciation on other assets is calculated using the reducing balance method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

Plant and machinery	-	20%
Motor vehicles	-	25%
Office equipment	-	20%

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the profit or loss and included in 'Other operating (losses)/gains'.

3.14 Investment in subsidiary undertakings

Investment in subsidiary undertakings are stated at cost less, where appropriate, any provision for impairment.

3.15 Stocks

Stocks and work in progress are stated at the lower of cost and net realisable value. In general, cost is determined on a first in first out basis and includes transport and handling costs. Provision is made where necessary for obsolete, slow moving and defective stocks.

3.16 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.17 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks less bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

3.18 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.19 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Accounting policies (continued)

3.20 Financial instruments

The Company applies section 11 and 12 of FRS 102 in respect of recognition and measurement of financial instruments.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

3.21 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as a deduction, net of tax, from the proceeds.

3.22 Distribution to equity holders

Dividends and other distributions to the Group's shareholders are recognised as a liability in the financial statements in the period in which the dividends and other distributions are approved by the shareholders. These amounts are recognised in the Statement of Changes in Equity.

3.23 Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. It does not disclose transactions with members of the same group that are wholly owned.

CELTIC ENGINEERING HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

3. Accounting policies (continued)

3.24 Government grants

Grants that relate to specific capital expenditure are treated as deferred income which is then credited to the profit and loss account over the related assets useful life or the estimated period of the project for which the grant was received. Other grants are credited to the profit and loss account when received.

3.25 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

4. Judgements in applying accounting policies and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be appropriate and reasonable in the circumstances.

a) Critical judgements in applying the Group's accounting policies

The director does not consider there to be any critical accounting judgments to the financial statements.

b) Key accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying value amounts of assets and liabilities within the next financial year are addressed below.

i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives of the assets. The useful economic lives are reassessed and amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and physical condition of the assets.

ii) Impairment of debtors

The Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 18 for the net carrying amount of the debtors and the associated impairment provision.

iii) Long term (fixed fee) contracts

Where the Company enters into long term (fixed fee) contracts, revenue is recognised either on reaching set milestones as agreed in the contract or on the percentage of completion basis. Under the percentage of completion method, the Company makes an estimate of the percentage to complete for a project and recognises the proportion of revenue and profit accordingly. Any expected losses on long term contracts are recognised immediately and are written off to the Statement of Comprehensive Income.

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

5. Turnover

The turnover and profit before taxation are attributable to the one principal activity of the Group. All turnover is derived from sales made in the United Kingdom.

6. Other operating income

	2021 £000	2020 £000
Proceeds from government grants	725	-

7. Operating (loss)/profit

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

	2021 £000	2020 £000
Amortisation of intangible assets	-	69
Depreciation of tangible assets	73	90
Hire of plant and machinery	482	679
Loss on disposal of tangible assets	-	4
Release of government grants	(2)	(3)

8. Auditors' remuneration

	2021 £000	2020 £000
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	19	17

Fees payable to the Group's auditors in respect of:

Financial statements preparation fee	5	-
Tax compliance fee	7	7
	12	7

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

9. Employees

Staff costs, including directors' remuneration, were as follows:

	Group 2021 £000	Group 2020 £000
Wages and salaries	8,354	12,651
Social security costs	884	1,359
Other pension costs	112	128
	<u>9,350</u>	<u>14,138</u>

No staff costs were incurred by the Company. The staff costs were only borne in the subsidiary.

The average monthly number of employees, including the directors, during the year was as follows:

	2021 Number	2020 Number
Engineering	154	198
Administration	8	8
	<u>162</u>	<u>206</u>

10. Directors' remuneration

	2021 £000	2020 £000
Aggregate directors' remuneration	<u>137</u>	<u>147</u>

Celtic Capital LLP, of which Mr D Wright is a partner, was paid £Nil (2020: £42,600) for the provision of the services of Mr D Wright.

Key management compensation

There is no key management outside of the Company director disclosed above.

11. Interest payable and similar expenses

	2021 £000	2020 £000
Interest expense on senior bank loans and revolving facility	<u>6</u>	<u>7</u>

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

12. Tax on (loss)/profit

	2021 £000	2020 £000
Corporation tax		
Current tax on (loss)/profit for the year	(209)	180
Adjustments in respect of prior years	(33)	(156)
Total current tax	(242)	24
Deferred tax		
Origination and reversal of timing differences	(11)	7
Effect of changes in tax rates	4	(1)
Adjustments in respect of prior years	(1)	(21)
Total deferred tax	(8)	(15)
Total tax	(250)	9

Factors affecting tax (credit)/charge for the year

The tax assessed for the year is lower than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £000	2020 £000
(Loss)/profit before taxation	(403)	1,522
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(77)	289
Effects of:		
Expenses not deductible for tax purposes	127	101
Allowable lease depreciation	(212)	-
Adjustments in respect of prior years	(34)	(177)
Income not taxable	(267)	(203)
Tax rate changes	4	(1)
Group relief	209	-
Total tax (credit)/charge for the financial year	(250)	9

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

12. Tax on (loss)/profit (continued)

Factors that may affect future tax charges

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. As the proposal to increase the rate to 25% had not been substantively enacted at the Balance Sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the Balance Sheet date, would not be material to disclose.

13. Dividends

	2021 £000	2020 £000
Dividends paid	500	-

14. Intangible assets

Group

	Goodwill £000
Cost	
At 1 February 2020	3,902
At 31 January 2021	3,902
Accumulated amortisation	
At 1 February 2020	3,902
At 31 January 2021	3,902
Net book value	
At 31 January 2021	-
At 31 January 2020	-

Goodwill arose on the purchase of Techno Engineering Limited. The Company had no intangible assets at 31 January 2021 (2020: £Nil)

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

15. Tangible assets

Group

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Office equipment £000	Total £000
Cost					
At 1 February 2020	429	346	334	60	1,169
Additions	-	-	12	3	15
Disposals	-	-	(35)	-	(35)
At 31 January 2021	429	346	311	63	1,149
Accumulated depreciation					
At 1 February 2020	41	271	146	42	500
Charge for the year	4	14	50	5	73
Disposals	-	-	(33)	-	(33)
At 31 January 2021	45	285	163	47	540
Net book value					
At 31 January 2021	384	61	148	16	609
At 31 January 2020	388	75	188	18	669

The net book value of land and buildings may be further analysed as follows:

	2021 £000	2020 £000
Freehold land and buildings	100	100
Long leasehold land and buildings	284	288
	<u>384</u>	<u>388</u>

The net carrying amount of assets held under finance leases is £56,000 (2020: £81,000).

The Company had no tangible assets at 31 January 2021 (2020: £Nil).

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

16. Investments

Company

	Investments in subsidiary companies £000
Cost and net book value	
At 1 February 2020	7,126
At 31 January 2021	<u>7,126</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Techno Management Holdings Limited	Waterloo Industrial Estate, Pembroke Dock, Pembrokeshire, SA72 4RR	Dormant	Ordinary	100%
Techno Engineering Limited	Waterloo Industrial Estate, Waterloo, Pembroke Dock, Dyfed, SA72 4RR	Supply of mechanical engineering services	Ordinary	100%

17. Stocks

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Loose tools and consumables	<u>75</u>	<u>75</u>	<u>-</u>	<u>-</u>

There is no significant difference between the replacement cost of the inventory and its carrying amount. There are no provisions for impairment (2020: £Nil).

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

18. Debtors

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Trade debtors	1,031	868	-	-
Corporation tax receivable	182	121	-	-
Deferred taxation (note 25)	-	-	1	-
Prepayments and accrued income	1,889	395	6	3
	3,102	1,384	7	3

There are no provisions for impairment (2020: £Nil).

19. Cash at bank and in hand

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Cash at bank and in hand	1,644	2,441	-	1

20. Creditors: amounts falling due within one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans and overdrafts (note 22)	21	20	21	20
Trade creditors	1,593	535	-	-
Amounts owed to group undertakings	-	-	3,422	2,324
Taxation and social security	501	170	-	-
Amounts due under finance leases (note 23)	20	20	-	-
Accruals and deferred income	1,263	516	5	3
	3,398	1,261	3,448	2,347

The bank loan is secured by a cross guarantee provided by group companies.

Amounts owed to group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

21. Creditors: amounts falling due after more than one year

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Bank loans and overdrafts (note 22)	95	117	95	117
Amounts due under finance leases (note 23)	43	63	-	-
	<u>138</u>	<u>180</u>	<u>95</u>	<u>117</u>

The bank loan is secured by a cross guarantee provided by group companies.

22. Loans

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Amounts falling due within one year				
Bank loans	21	20	21	20
Amounts falling due 1-2 years				
Bank loans	22	21	22	21
Amounts falling due 2-5 years				
Bank loans	73	69	73	69
Amounts falling due after more than 5 years				
Bank loans	-	27	-	27
	<u>116</u>	<u>137</u>	<u>116</u>	<u>137</u>

The bank loan bears interest at an annual percentage rate of 4% above the base rate of interest applied by the Company's bankers.

23. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2021 £000	Group 2020 £000
Within one year	20	20
Between 1-2 years	43	34
Between 2-5 years	-	29
	<u>63</u>	<u>83</u>

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

24. Financial instruments

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Financial assets				
Financial assets that are debt instruments measured at amortised cost	<u>2,920</u>	<u>1,263</u>	<u>6</u>	<u>3</u>
Financial liabilities				
Financial instruments measured at amortised cost	<u>(3,035)</u>	<u>(1,271)</u>	<u>(3,543)</u>	<u>(2,464)</u>

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and prepayments and accrued income.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group companies, amounts due under finance leases and accruals and deferred income.

25. Deferred taxation

Group

	2021 £000
At beginning of year	(88)
Charged to profit or loss	<u>8</u>
At end of year	<u>(80)</u>

Company

	2021 £000
At beginning of year	-
Charged to profit or loss	<u>1</u>
At end of year	<u>1</u>

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

25. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	Group 2021 £000	Group 2020 £000	Company 2021 £000	Company 2020 £000
Tax losses carried forward	-	-	1	-
Fixed asset timing differences	(80)	(88)	-	-
	<u>(80)</u>	<u>(88)</u>	<u>1</u>	<u>-</u>

26. Accruals and deferred income

Accruals and deferred income relate entirely to deferred government grants. The movement in the year is analysed below:

	Group 2021 £000
Government grants	
At 1 February 2020	2
Grant released to profit or loss in the year	(2)
At 31 January 2021	<u>-</u>

27. Called up share capital

	2021 £000	2020 £000
Group and Company		
Allotted, called up and fully paid		
100,000 (2020: Nil) Preference A shares of £0.01 (2020: £Nil) each	1	-
262,393 (2020: 296,154) Ordinary shares of £1.00 (2020: £1.00) each	262	296
	<u>263</u>	<u>296</u>

On 30 April 2020 there was a share buy back of 33,761 shares at £1 per share.

On 1 July 2020 100,000 preference A shares were issued at £0.01 per share.

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital. The voting rights consist of one vote per ordinary share held.

Preference A shares have no voting rights. Details can be found in the articles of association with regards to the repayment of capital and the dividends rights.

CELTIC ENGINEERING HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2021**

28. Reserves

Capital redemption reserve

The capital redemption reserve represents the amount by which share capital has been reduced on the repurchase of the Company's own shares.

Profit and loss account

The profit and loss account represents the accumulated profits, losses and distributions of the Group.

29. Analysis of net debt

	At 1 February 2020 £000	Cash flows £000	Other non- cash changes £000	At 31 January 2021 £000
Cash at bank and in hand	2,441	(797)	-	1,644
Bank loans due after 1 year	(117)	22	-	(95)
Bank loans due within 1 year	(20)	(1)	-	(21)
Finance leases	(83)	-	20	(63)
	<u>2,221</u>	<u>(776)</u>	<u>20</u>	<u>1,465</u>

30. Pension commitments

The Group operates a defined contribution scheme. The pension costs for the scheme which represents contributions payable by the Group amounted to £112,000 (2020: £128,000). Contributions totalling £47,000 (2020: £25,000) were payable to the fund at the Balance Sheet date and are included in creditors.

31. Related party transactions

Celtic Capital LLP, of which Mr D Wright is a partner, was paid £Nil (2020: £42,600) for the provision of the services of Mr D Wright.

32. Ultimate parent undertaking and controlling party

The Company is owned by a number of private shareholders, none of whom own more than 50% of the issued share capital of the Company. Accordingly, there is no parent entity nor ultimate controlling party.