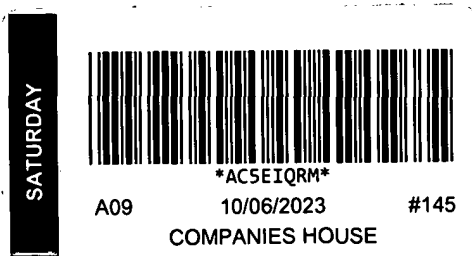


REGISTERED NUMBER: 02409264 (England and Wales)

Group Strategic Report, Report of the Directors and
Unaudited Consolidated Financial Statements for the Year Ended 31 December 2022
for
British Drilling and Freezing Company
Limited



British Drilling and Freezing Company
Limited (Registered number: 02409264)

Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2022

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British Drilling and Freezing Company
Limited

Company Information
for the Year Ended 31 December 2022

DIRECTORS:

H W Mew
G Saunby
P J Wheelhouse

SECRETARY:

D Miller

REGISTERED OFFICE:

Private Road no. 3
Colwick Industrial Estate
Colwick
Nottinghamshire
NG4 2BB

REGISTERED NUMBER:

02409264 (England and Wales)

ACCOUNTANTS:

Bostockwhite Limited
Cabourn House
Station Street
Bingham
Nottinghamshire
NG13 8AQ

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Group Strategic Report
for the Year Ended 31 December 2022

The directors present their strategic report of the company and the group for the year ended 31 December 2022.

FAIR REVIEW OF BUSINESS

The poor trading conditions experienced in the last few years continued throughout 2022. The Brexit debacle and anti-carbon resentment has led to under investment by hydrocarbon explorers. These factors have caused severe fleet under-utilisation. The directors are confident that the company's liquidity and minimal debt protect it from such a downturn in the medium to near future.

Cost reduction and cash management remain top priorities with our investment yield taking an important role in business outcome.

PRINCIPAL RISKS AND UNCERTAINTIES

The principal risk is that of under-utilisation of the rig fleet leading to erosion of the company's liquidity coupled with a reticence by clients and potential clients to invest in these politically uncertain times.

The company remains committed to the pension scheme for which further information is available in the notes to these financial statements.

FINANCIAL RISK MANAGEMENT

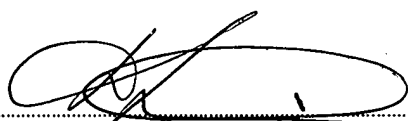
The group makes little use of financial instruments other than an operational bank account and current asset investments and therefore its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the group.

KEY PERFORMANCE INDICATORS

The company takes a balanced approach between profit related and asset related key performance indicators.

The gross loss in the previous year has improved by £9,135 to become a gross loss of £15,147 this year. Net current assets have decreased by £1,602,278.

ON BEHALF OF THE BOARD:



.....
D Miller - Secretary

Date: 31/5/2023

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Report of the Directors
for the Year Ended 31 December 2022

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2022.

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of exploration drilling, ground freezing and the manufacture of cable handling equipment.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTORS

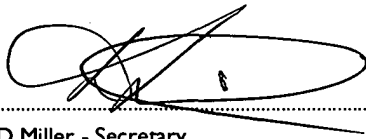
The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

H W Mew
G Saunby
P J Wheelhouse

DISCLOSURE IN THE STRATEGIC REPORT

In cases where the requirements of the Directors' Report and the Strategic Report overlap, disclosure is instead included within the Strategic Report on Page 2 under S414c(11).

ON BEHALF OF THE BOARD:



.....
D Miller - Secretary

Date: 31/5/2023

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Consolidated Statement of Comprehensive Income
for the Year Ended 31 December 2022

	Notes	31.12.22 £	31.12.21 £
TURNOVER	3	2,548,267	8,919,360
Cost of sales		2,563,414	8,943,642
GROSS LOSS		(15,147)	(24,282)
Administrative expenses		1,687,509	1,452,426
		(1,702,656)	(1,476,708)
Other operating income	4	-	254,192
OPERATING LOSS	7	(1,702,656)	(1,222,516)
Interest receivable and similar income		24,271	73,954
LOSS BEFORE TAXATION		(1,678,385)	(1,148,562)
Tax on loss	8	-	-
LOSS FOR THE FINANCIAL YEAR		(1,678,385)	(1,148,562)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		(1,678,385)	(1,148,562)
Loss attributable to:			
Owners of the parent		(1,678,385)	(1,148,562)
Total comprehensive income attributable to:			
Owners of the parent		(1,678,385)	(1,148,562)

The notes form part of these financial statements

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Consolidated Balance Sheet
31 December 2022

	Notes	31.12.22	31.12.21
		£	£
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	77,381	153,488
Investments	12	-	-
		<u>77,381</u>	<u>153,488</u>
CURRENT ASSETS			
Stocks	13	690,794	655,307
Debtors	14	145,798	389,310
Investments	15	562,706	2,751,803
Cash at bank and in hand		1,113,042	1,627,446
		<u>2,512,340</u>	<u>5,423,866</u>
CREDITORS			
Amounts falling due within one year	16	926,210	2,235,458
		<u>926,210</u>	<u>2,235,458</u>
NET CURRENT ASSETS		<u>1,586,130</u>	<u>3,188,408</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>1,663,511</u></u>	<u><u>3,341,896</u></u>

The notes form part of these financial statements

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Consolidated Balance Sheet - continued
31 December 2022

	Notes	31.12.22		31.12.21	
		£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		48,000		48,000
Capital redemption reserve	20		72,000		72,000
Retained earnings	20		1,543,511		3,221,896
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			1,663,511		3,341,896
			<hr/> <hr/>		<hr/> <hr/>

The company and the group are entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company and the group to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the group keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company and the group as at the end of each financial year and of the group's profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company and the group.

The financial statements were approved by the Board of Directors and authorised for issue on 31/5/2023 and were signed on its behalf by:



.....
PJ Wheelhouse - Director

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Company Balance Sheet
31 December 2022

		31.12.22		31.12.21	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		62,622		147,058
Investments	12		744,648		744,648
			<u>807,270</u>		<u>891,706</u>
CURRENT ASSETS					
Stocks	13	450,696		453,009	
Debtors	14	108,381		245,466	
Investments	15	562,706		2,751,803	
Cash at bank and in hand		716,940		1,417,239	
		<u>1,838,723</u>		<u>4,867,517</u>	
CREDITORS					
Amounts falling due within one year	16	609,680		1,918,272	
			<u>1,229,043</u>		<u>2,949,245</u>
NET CURRENT ASSETS					
			<u>1,229,043</u>		<u>2,949,245</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u><u>2,036,313</u></u>		<u><u>3,840,951</u></u>

The notes form part of these financial statements

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Company Balance Sheet - continued
31 December 2022

	Notes	31.12.22		31.12.21	
		£	£	£	£
CAPITAL AND RESERVES					
Called up share capital	19		48,000		48,000
Capital redemption reserve	20		72,000		72,000
Retained earnings	20		1,916,313		3,720,951
			<u>2,036,313</u>		<u>3,840,951</u>
SHAREHOLDERS' FUNDS					
			<u>2,036,313</u>		<u>3,840,951</u>
Company's loss for the financial year			<u>(1,804,638)</u>		<u>(1,132,227)</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 31/5/2023 and were signed on its behalf by:

H.W. Mew.
H W Mew - Director

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Consolidated Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2021	48,000	4,370,458	72,000	4,490,458
Changes in equity				
Total comprehensive loss	-	(1,148,562)	-	(1,148,562)
Balance at 31 December 2021	<u>48,000</u>	<u>3,221,896</u>	<u>72,000</u>	<u>3,341,896</u>
Changes in equity				
Total comprehensive loss	-	(1,678,385)	-	(1,678,385)
Balance at 31 December 2022	<u><u>48,000</u></u>	<u><u>1,543,511</u></u>	<u><u>72,000</u></u>	<u><u>1,663,511</u></u>

British Drilling and Freezing Company
Limited (Registered number: 02409264)

Company Statement of Changes in Equity
for the Year Ended 31 December 2022

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2021	48,000	4,853,178	72,000	4,973,178
Changes in equity				
Total comprehensive income	-	(1,132,227)	-	(1,132,227)
Balance at 31 December 2021	48,000	3,720,951	72,000	3,840,951
Changes in equity				
Total comprehensive income	-	(1,804,638)	-	(1,804,638)
Balance at 31 December 2022	48,000	1,916,313	72,000	2,036,313

The notes form part of these financial statements

**British Drilling and Freezing Company
Limited (Registered number: 02409264)**

**Consolidated Cash Flow Statement
for the Year Ended 31 December 2022**

	Notes	31.12.22 £	31.12.21 £
Cash flows from operating activities			
Cash generated from operations	1	(2,648,373)	(1,877,280)
Net cash from operating activities		<u>(2,648,373)</u>	<u>(1,877,280)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(13,500)	(1,498)
Purchase of other investments		(17,853)	(55,068)
Sale of tangible fixed assets		41,051	14,000
Current asset investment withdrawal		2,100,000	1,210,000
Interest received		24,271	73,954
Net cash from investing activities		<u>2,133,969</u>	<u>1,241,388</u>
Decrease in cash and cash equivalents			
Cash and cash equivalents at beginning of year	2	1,627,446	2,263,338
Cash and cash equivalents at end of year	2	<u><u>1,113,042</u></u>	<u><u>1,627,446</u></u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
 for the Year Ended 31 December 2022

1. **RECONCILIATION OF LOSS FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	31.12.22	31.12.21
	£	£
Loss for the financial year	(1,678,385)	(1,148,562)
Depreciation charges	82,592	101,477
Profit on disposal of fixed assets	(34,035)	(2,000)
Loss/(gain) on revaluation of fixed assets	106,949	(195,671)
Finance income	(24,271)	(73,954)
	<u>(1,547,150)</u>	<u>(1,318,710)</u>
Increase in stocks	(35,487)	(82,271)
Decrease/(increase) in trade and other debtors	243,512	(85,995)
Decrease in trade and other creditors	<u>(1,309,248)</u>	<u>(390,304)</u>
Cash generated from operations	<u><u>(2,648,373)</u></u>	<u><u>(1,877,280)</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

	31.12.22	1.1.22
	£	£
Cash and cash equivalents	<u>1,113,042</u>	<u>1,627,446</u>

Year ended 31 December 2021

	31.12.21	1.1.21
	£	£
Cash and cash equivalents	<u>1,627,446</u>	<u>2,263,338</u>

Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 December 2022

3. **ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.22 £	Cash flow £	At 31.12.22 £
Net cash			
Cash at bank and in hand	1,627,446	(514,404)	1,113,042
	<u>1,627,446</u>	<u>(514,404)</u>	<u>1,113,042</u>
Liquid resources			
Current asset investments	2,751,803	(2,189,097)	562,706
	<u>2,751,803</u>	<u>(2,189,097)</u>	<u>562,706</u>
Total	<u>4,379,249</u>	<u>(2,703,501)</u>	<u>1,675,748</u>

1. STATUTORY INFORMATION

British Drilling and Freezing Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to the year end.

The profits and losses of subsidiary undertakings are consolidated from the date of acquisition to the date of disposal.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

2. ACCOUNTING POLICIES - continued

Contractual income

In respect of long-term contracts and contracts for on-going services, turnover is recognised at the fair value of work done in the year, including estimates of amounts not invoiced. Turnover is shown net of Value Added Tax.

When the outcome of a contract can be estimated reliably and it is probable that the contract will be profitable, turnover and costs are recognised over the period of the contract.

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

When the outcome of a contract cannot be estimated reliably, contract turnover is recognised only to the extent of contract costs that are recoverable and the contract costs are expensed as they are incurred.

Income on rig mobilisation stages of a contract are recognised on the completion of these stages, in accordance with the terms of the contract.

Sale of goods

Turnover is recognised when it and the associated costs can be measured reliably, future economic benefits are probable, and the risks and rewards of ownership have been transferred to the customer. Sales of goods are recognised when goods are delivered and legal title has passed and the Group has no continuing managerial involvement associated with ownership or effective control of the goods sold. This is generally when goods have been checked and accepted by the customer on delivery.

Goodwill

Goodwill is capitalised and amortised evenly over 5 years as, in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Plant and machinery	- 25% on cost, 20% on cost, 15% on cost and 10-50% straight line, per annum
Fixtures and fittings	- 15% on cost and 10-15% straight line, per annum
Motor vehicles	- 25% on cost and 10-33% straight line, per annum

Tangible fixed assets are initially recognised at cost which is the purchase price plus any directly attributable costs. Subsequently, tangible fixed assets are measured at cost less accumulated depreciation and impairment losses.

Stocks and work in progress

Stocks are valued at the lower of cost and estimated selling price less costs to complete the sale. Cost is based on the cost of purchase on a first in first out basis.

Work in progress is valued on a basis of direct costs plus attributable overheads based on normal levels of activity.

At each reporting date, the group assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete the sale is recognised as an impairment loss in profit or loss.

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leases

Rentals payable under operating leases, including any lease incentives received, are recognised on a straight line basis over the term of the relevant lease.

Pension costs and other post-retirement benefits

The group operates a defined benefit pension scheme for certain employees. The assets of the scheme are held separately from those of the group. Contributions to the scheme are charged to the profit and loss account in the year in which they become payable. The contributions are determined by a qualified actuary on the basis of triennial valuation. This scheme is closed to new members.

As explained in the note later in these accounts titled 'Employee Benefit Obligations', the directors have chosen not to adopt Section 28 'Employee Benefits' of FRS102 on the grounds that the costs of obtaining the required actuarial information is considered prohibitive.

The group also operates a defined contribution pension scheme. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

2. ACCOUNTING POLICIES - continued

Financial instruments

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

Financial assets

Financial assets are recognised in the groups statement of financial position when the group becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Financial assets at fair value through profit or loss

Financial assets classified as other financial assets are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

Impairment of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Financial liabilities

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's obligations are discharged, cancelled, or they expire.

2. ACCOUNTING POLICIES - continued

Critical accounting estimates and judgements

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 reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions 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 amounts of assets and liabilities within the next financial year are discussed below.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the group as lessee.

Stock provisioning

It is necessary for the directors to consider the recoverability of the cost of stocks and the associated provisioning required and includes where necessary, impairments for slow moving and obsolete stocks. Calculation of the provisioning requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and inventory loss trends.

Tangible fixed asset depreciation

The assessment of the useful economic lives and the method of depreciating tangible fixed assets require judgement. Depreciation is charged to the income statement based on the useful economic life selected, which requires an estimation of the period and profile over which the group expects to consume the future economic benefits embodied in the assets.

Bad debt provision

Trade debtors are stated at recoverable amounts, after appropriate provision for bad and doubtful debts. Calculations of the bad debt provision requires judgement from the management team, based on the credit worthiness of the customer.

Contracts

In order to assess the appropriateness of the income and costs recognised on contracts, the group is required to make estimations of sales prices, costs and margins expected in order to determine whether any writedowns or reversals are required to ensure turnover and cost of sales are stated appropriately in the financial statements.

Recognition of deferred tax assets

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

3. TURNOVER

The turnover and loss before taxation are attributable to the principal activities of the group.

An analysis of turnover by class of business is given below:

	31.12.22	31.12.21
	£	£
Drilling and ground freezing	905,523	7,530,233
Cable handling equipment	1,642,744	1,389,127
	<u>2,548,267</u>	<u>8,919,360</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

3. TURNOVER - continued

An analysis of turnover by geographical market is given below:

	31.12.22	31.12.21
	£	£
United Kingdom	2,054,124	8,624,810
Rest of world	494,143	294,550
	<u>2,548,267</u>	<u>8,919,360</u>

4. OTHER OPERATING INCOME

	31.12.22	31.12.21
	£	£
Government grants	-	254,192
	<u>-</u>	<u>254,192</u>

Government grants wholly relate to amounts received under the Coronavirus Job Retention Scheme (CJRS). There are no unfulfilled conditions attached to this income received. No other significant government assistance has been received for which the company has benefited.

5. EMPLOYEES AND DIRECTORS

	31.12.22	31.12.21
	£	£
Wages and salaries	1,473,391	1,730,256
Social security costs	150,938	164,712
Other pension costs	484,546	535,523
	<u>2,108,875</u>	<u>2,430,491</u>

The average number of employees during the year was as follows:

	31.12.22	31.12.21
Office and management staff	10	10
Direct labour and depot staff	30	35
	<u>40</u>	<u>45</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 18 (2021 - 19).

6. DIRECTORS' EMOLUMENTS

	31.12.22	31.12.21
	£	£
Directors' remuneration	330,277	314,160
Directors' pension contributions to money purchase schemes	-	736
	<u>-</u>	<u>736</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

6. DIRECTORS' EMOLUMENTS - continued

The number of directors to whom retirement benefits were accruing was as follows:

Defined benefit schemes	3	3
	<u> </u>	<u> </u>

Information regarding the highest paid director is as follows:

	31.12.22	31.12.21
	£	£
Emoluments etc	129,015	116,081
Accrued pension at 31 December 2022	67,777	67,777
	<u> </u>	<u> </u>

Key management personnel comprise the executive directors whose aggregate remuneration is disclosed above.

7. OPERATING LOSS

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

	31.12.22	31.12.21
	£	£
Other operating leases	25,718	25,718
Depreciation - owned assets	82,591	101,477
Profit on disposal of fixed assets	(34,035)	(2,000)
Auditors' remuneration	-	17,330
-Subsidiary undertakings	8,000	4,000
Foreign exchange differences	(1,310)	11
Operating lease rentals	242,000	242,000
	<u> </u>	<u> </u>

8. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose for the year ended 31 December 2022 nor for the year ended 31 December 2021.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

8. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.22 £	31.12.21 £
Loss before tax	<u>(1,678,385)</u>	<u>(1,148,562)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	(318,893)	(218,227)
Effects of:		
Expenses not deductible for tax purposes	20,320	-
Income not taxable for tax purposes	(8,171)	(40,080)
Capital allowances in excess of depreciation	(6,671)	(5,801)
Utilisation of tax losses	(1,289)	-
Net chargeable gains	33,848	2,524
Losses carried forward	<u>280,856</u>	<u>261,584</u>
Total tax charge	<u>-</u>	<u>-</u>

The group has unused tax losses carried forward at the year end of £12,960,758 (2021: £11,482,569).

9. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

10. **INTANGIBLE FIXED ASSETS**

Group

	Goodwill £
COST	
At 1 January 2022 and 31 December 2022	<u>136,752</u>
AMORTISATION	
At 1 January 2022 and 31 December 2022	<u>136,752</u>
NET BOOK VALUE	
At 31 December 2022	<u>-</u>
At 31 December 2021	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

11. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	5,847,136	86,964	292,538	6,226,638
Additions	-	-	13,500	13,500
Disposals	(18,810)	-	(75,196)	(94,006)
At 31 December 2022	5,828,326	86,964	230,842	6,146,132
DEPRECIATION				
At 1 January 2022	5,770,793	78,244	224,113	6,073,150
Charge for year	64,599	2,577	15,415	82,591
Eliminated on disposal	(13,794)	-	(73,196)	(86,990)
At 31 December 2022	5,821,598	80,821	166,332	6,068,751
NET BOOK VALUE				
At 31 December 2022	6,728	6,143	64,510	77,381
At 31 December 2021	76,343	8,720	68,425	153,488

Company

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1 January 2022	5,778,275	47,710	262,957	6,088,942
Disposals	(18,811)	-	(60,705)	(79,516)
At 31 December 2022	5,759,464	47,710	202,252	6,009,426
DEPRECIATION				
At 1 January 2022	5,704,365	38,989	198,530	5,941,884
Charge for year	63,111	2,578	13,730	79,419
Eliminated on disposal	(13,794)	-	(60,705)	(74,499)
At 31 December 2022	5,753,682	41,567	151,555	5,946,804
NET BOOK VALUE				
At 31 December 2022	5,782	6,143	50,697	62,622
At 31 December 2021	73,910	8,721	64,427	147,058

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2022 and 31 December 2022	2,792,166
PROVISIONS	
At 1 January 2022 and 31 December 2022	2,047,518
NET BOOK VALUE	
At 31 December 2022	744,648
At 31 December 2021	744,648

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Autoreel Limited

Registered office: Same as parent - see company information page.

Nature of business: Manufacture of cable handling equipment

Class of shares:	%
Ordinary	holding 100.00

B.B. Drilling Limited

Registered office: Same as parent - see company information page.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

Boldon Drilling Limited

Registered office: Same as parent - see company information page.

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

The dormant companies above have taken the exemption in Section 480 of the Companies Act 2006 ("the Act") from the requirements in the Act for their individual accounts to be audited.

All subsidiaries are incorporated in England & Wales, and are included within the consolidation.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

13. STOCKS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Raw materials	534,804	504,956	450,696	453,009
Work-in-progress	155,990	150,351	-	-
	<u>690,794</u>	<u>655,307</u>	<u>450,696</u>	<u>453,009</u>

Raw materials stock with a value of £1,202,385 has been previously written down by £796,344. No earlier stock write down has been reversed during the current or preceding period.

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade debtors	42,101	262,447	-	131,750
Amounts owed by group undertakings	-	-	20,154	2,507
Other debtors	6,882	4,754	76	12
VAT	842	-	-	-
Prepayments and accrued income	95,973	122,109	88,151	111,197
	<u>145,798</u>	<u>389,310</u>	<u>108,381</u>	<u>245,466</u>

15. CURRENT ASSET INVESTMENTS

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Short term investments	<u>562,706</u>	<u>2,751,803</u>	<u>562,706</u>	<u>2,751,803</u>

As a result of changes in market values, a fair value loss of £106,949 (2021: gain of £195,671) has been recognised within administrative expenses during the year.

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.22	31.12.21	31.12.22	31.12.21
	£	£	£	£
Trade creditors	324,864	1,204,941	124,385	1,047,650
Amounts owed to group undertakings	-	-	100,373	100,373
Social security and other taxes	75,337	426,093	61,665	411,210
VAT	-	18,378	-	-
Other creditors	114,597	90,421	112,823	90,421
Accruals and deferred income	395,884	495,625	210,434	268,618
Accrued expenses	15,528	-	-	-
	<u>926,210</u>	<u>2,235,458</u>	<u>609,680</u>	<u>1,918,272</u>

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.12.22	31.12.21
	£	£
Within one year	242,000	242,000
Between one and five years	423,500	665,500
	<u>665,500</u>	<u>907,500</u>

Company

	Non-cancellable operating leases	
	31.12.22	31.12.21
	£	£
Within one year	220,000	220,000
Between one and five years	385,000	605,000
	<u>605,000</u>	<u>825,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

18. **FINANCIAL INSTRUMENTS**

The carrying amount of the group's financial instruments at 31 December were:

	Group		Company	
	2022	2021	2022	2021
	£	£	£	£
Financial assets:				
Debt instruments measured at amortised cost	145,798	389,310	108,381	245,466
Equity instruments measured at cost less impairment	-	-	744,648	744,648
Instruments measured at fair value through profit or loss	562,706	2,751,803	562,706	2,751,803
	<u>562,706</u>	<u>2,751,803</u>	<u>562,706</u>	<u>2,751,803</u>
Financial liabilities:				
Measured at amortised cost	850,873	1,790,985	447,642	1,406,689
	<u>850,873</u>	<u>1,790,985</u>	<u>447,642</u>	<u>1,406,689</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.22	31.12.21
			£	£
48,000	Ordinary	£1	<u>48,000</u>	<u>48,000</u>

Ordinary share rights

The company's ordinary shares which carry no right to fixed income, each carry the right to one vote at general meetings of the company.

20. **RESERVES**

Group

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 January 2022	3,221,896	72,000	3,293,896
Deficit for the year	(1,678,385)		(1,678,385)
	<u>3,221,896</u>	<u>72,000</u>	<u>3,293,896</u>
At 31 December 2022	<u>1,543,511</u>	<u>72,000</u>	<u>1,615,511</u>

**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022**

20. RESERVES - continued

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2022	3,720,951	72,000	3,792,951
Deficit for the year	(1,804,638)		(1,804,638)
At 31 December 2022	<u>1,916,313</u>	<u>72,000</u>	<u>1,988,313</u>

Reserves of the company represent the following:

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Retained earnings

Cumulative profit and loss net of distributions to owners.

21. EMPLOYEE BENEFIT OBLIGATIONS

Defined benefit schemes

The group operates a pension scheme providing benefits based on final pensionable salary. The assets of the scheme are held separately from those of the group.

The directors have not accounted for pension costs, assets and liabilities in accordance with Section 28 'Employee Benefits' of FRS102 on the grounds that the costs of obtaining the required actuarial information is considered prohibitive. The group has continued to account for pension costs on the basis of contributions paid.

The pension charge for the year was £473,174 (2021: £522,676). No amounts were outstanding or prepaid at the year end.

The latest actuarial assessment of the scheme was made at 31 December 2021. The main assumptions adopted in this review that the discount rate would be Gilts +0.5% and that pension increases would be based on the relevant inflation curve allowing for caps and collars using Black Scholes.

At 31 December 2021 the actuarial value of the schemes assets was £12,949,000 and the actuarial valuation of the schemes liabilities were £15,823,000, resulting in a scheme deficit of £2,874,000.

The next valuation date will be 31 December 2024.

The group had previously committed to making deficit funding contributions at a rate of £409,320 per annum payable monthly until November 2030. However, in the latest actuarial valuation the Trustees have agreed that it would be appropriate that no deficit contributions are payable. This is due to an estimated surplus position as at March 2023.

Defined contribution schemes

The group also operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension charge for the year was £14,318 (2021: £23,422) which represents contributions payable by the group to the fund. No amounts were outstanding or prepaid at the year end.

22. RELATED PARTY DISCLOSURES

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2022

22. **RELATED PARTY DISCLOSURES - continued**

Entities over which the entity has control, joint control or significant influence

	31.12.22	31.12.21
	£	£
Lease charges for property, plant & equipment	242,000	242,000
Amount due to related party	104,333	90,421

Other related parties

During the year the group provided payroll services for its pension scheme at no cost to the scheme.

23. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr P J Wheelhouse by virtue of his majority shareholding.