

British Engines Limited
Annual report and financial statements
for the period ended
4 November 2022

Registered number: 07159707

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British Engines Limited
Annual report and financial statements
for the period ended 4 November 2022

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British Engines Limited

Strategic report

The directors present their strategic report on the Group for the period ended 4 November 2022.

Business review and principal activities

British Engines Limited ('the Company') and its subsidiaries (together 'the Group') manufacture and sell a range of engineering products and services for a variety of markets worldwide.

The Group demonstrated strong revenue growth in the period ended 4 November 2022 ('FY22'); turnover of £129.7m in FY22 (2021: £112.7m) was £17.0m (15%) higher than the prior period mainly driven by a rebound in demand for the Group's cable gland and cleat products and hydraulic motors. This rebound followed a dip in demand during the height of the Covid pandemic in 2020 and 2021.

Despite strong revenue growth and strong profitability, FY22 was not without its challenges as the Group had to respond to unprecedented cost inflation which affected all aspects of the business; most significant were raw material, energy and wage inflation. In addition, material availability issues, exacerbated by ongoing Covid restrictions in China and the war in Ukraine, and a tight labour market, affected the Group.

The Group generated an operating profit of £4.4m in FY22 (2021: £5.4m) and profit after tax of £5.6m (2021: £5.4m). In the last quarter of FY22, the political and economic turmoil in the UK resulted in significant sterling foreign exchange volatility, which also adversely affected the Group's reported operating profit. Operating profit excluding unrealised gains and losses on derivative financial instruments and current asset investments was £7.2m in FY22 (2021: £6.6m). Unrealised losses on derivative financial instruments and current asset investments in FY22 were £2.9m (2021: £1.2m).

The Group generated an operating cash inflow of £6.5m in FY22 (2021: £16.1m) with a net cash outflow of £3.8m (2021: £8.1m inflow) before net revolver loan drawdowns in the period of £4.8m (2021: £9.5m repayment). In FY22, the Group invested £10.6m (2021: £5.2m) in new equipment and the ongoing roll out of the Group wide ERP system.

The net assets of the Group as at 4 November 2022 were £91.7m (2021: £84.9m).

Future outlook

The Group remains committed to its strategy of diversifying revenue streams by investing in new product development, investing in new machine tools and developing opportunities in new markets and geographical regions. However, the ongoing global economic and political uncertainty means that the Group has not budgeted for significant volume growth in 2023.

The cost challenges faced in FY22 will continue to have an impact in 2023 as the Group has responded to the cost of living crisis by increasing wages, in addition energy prices have remained high in the first quarter of 2023, as has general cost inflation, and the cost of borrowing continues to increase.

Section 172 Statement

The directors consider that in the period ended 4 November 2022, they have acted, both individually and collectively as a board, in a way that they consider, in good faith would be most likely to promote the success of the Company and its Group for the benefit of its members as a whole, in accordance with sections 172(1)(a) - (f) of the Companies Act 2006.

Employees

We are committed to our workforce; they are at the core of each business and the Group as a whole. The successful performance of the Group is reliant on their knowledge and skills and we continually invest in training for our employees. We strive to be a responsible and fair employer in how we approach the pay and benefits our employees receive. The health, safety and well-being of our employees is of fundamental importance to us.

Our employees have access to flexible and competitive benefits designed to support their health and wellbeing, protect against the unexpected and enable them to invest in their future. We recently launched the annual British Engines Group Wellbeing Survey, which asks employees about their health and wellbeing so we can better understand how they would like to be supported.

British Engines Limited

It is the policy of our Group to ensure that our recruitment and employee development decisions are impartial and objective and give full and fair consideration to all employment applications. Our goal is to create a diverse, inclusive and tolerant workforce.

We actively promote dialogue with employees through communication and consultation with the aim of enlisting the constructive participation of employees in promoting the productivity, competitiveness and prosperity of the Group.

Business Relationships – customers and suppliers

Our aim is to deliver the highest quality products and services to our customers so that we can build enduring relationships with them. We regularly look at the needs of our customers; our customers' requirements underpin the development of our product offering so that we can support them. Our vision is to add value through engineering excellence; we maintain regular and open communication with our customers, and continuously strive to exceed their expectations.

Our sector, like all sectors, relies heavily on its network of suppliers, and it is therefore important to engage the supply chain in our businesses, so that they develop with us. We implement processes and procedures to ensure that we are purchasing the right goods and services at a competitive cost at the same time as ensuring compliance with ethical and lawful working practices across our supply chain.

Community and environment

We take our responsibility to prevent pollution and protect the environment seriously. We are committed to using resources in a sustainable manner, while minimising the impact our business activities have on the environment. Our annual environmental objectives are developed as part of our process of continual improvement; this includes energy efficiency, waste minimisation, resource efficiency and recycling.

In the community, the Group works closely with schools, colleges and universities throughout the North East to encourage young people to consider a career in engineering. We are committed to helping develop and nurture homegrown talent in the North East and our apprentice scheme is testament to how much we have embraced this philosophy. The Group also sponsors a teacher to improve technical education for local schools in disadvantaged areas of the North East, with the aim of introducing more students to engineering related disciplines, opening up and improving their future career prospects.

Employees and management teams across the Group have actively worked together to provide support to groups and projects in the North East community for a number of years. The Group donates to a number of local charities, youth and community groups and is proud to support the Greggs Foundation Breakfast Club Programme, which aims to help primary school children to get a nutritious start to their school day.

Standards of business conduct

Our Group is built on strong moral and ethical values; we conduct business honestly and transparently and we want to work with customers and suppliers who have the same approach. Our Group Business and Ethics Policy is the primary behaviour guide for all employees and we ask all those associated with our operations to adhere to it. We are committed to maintaining an effective compliance programme with the aim of preventing, detecting and, if necessary, correcting any deviations from our policies and the law.

The need to act fairly as between members of the Company

The board of directors is accountable to the Company's shareholders; it takes their interests into account in its decision making and is accountable to them for the performance of the Group. An annual meeting is held with shareholders to update them on the Group's activities during the previous period, to present the financial results and to discuss any questions they may have.

Going concern

The Group has material assets and financial resources at its disposal, a strong order book and committed banking facilities, which are in place until March 2026. The Group has rigorous internal processes for reviewing cash flow forecasts, with ongoing review of bank covenants and cash headroom.

As such, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the board continues to adopt the going concern basis in preparing the Annual report and financial statements.

British Engines Limited

Principal risks and uncertainties

The management of the business and the execution of the Group's strategy are subject to a number of risks. The key business risks affecting the Group are considered to relate to:

Key risk	Mitigation
Significant, sustained downturn in the global economic environment	Reduce the Group's dependency on any one key industry, in particular the oil and gas industry. Continued product development resulting in a broader product range and broader product applications, enabling the Group to further diversify its revenue streams with a focus on growth industries.
Availability of key skills and industry knowledge	Provision of competitive remuneration, flexible benefits and terms of employment. Investment in the apprenticeship programs and other training and development. Focus on the health, safety and wellbeing of all employees.
IT security	The Group has a dedicated IT function, with a high degree of experience in maintaining and monitoring the IT infrastructure. Business data is regularly backed up and stored in a secure location and software is in place to restrict the impact of cyber-attacks. Regular notifications are sent to all staff regarding the importance of remaining vigilant of phishing emails.
Fraud	The Group has many controls and procedures in place to limit the risk of fraud including authorisation and approval mandates, ERP system automated controls, segregation of duties and dual sign off on particular processes.

Key performance indicators ("KPIs")

The board monitors progress on the overall Group strategy by reference to certain KPIs as follows:

All amounts in £000s	2022	2021
Turnover	129,692	112,708
Operating profit	4,386	5,382
Operating profit excluding unrealised gains and losses on derivative financial instruments and current asset investments	7,277	6,589
Net debt – comprising cash and cash equivalents, long-term deposits, revolver loans and amounts due under hire purchase agreements	17,263	11,246

Approved and signed on behalf of the board



L Joicey
Director
22 May 2023

British Engines Limited

Directors' report

The directors present their report and the audited consolidated financial statements of the Group and Company for the period ended 4 November 2022.

Results and dividends

The results are set out in the consolidated profit and loss account on page 10. Dividends of 6.0 (2021: 3.0) pence per share were declared and paid in the period totalling £497,000 (2021: £248,000).

Research and development

A continuous programme of research and development is undertaken to introduce new products and to improve existing products and production processes. The total expenditure charged in the consolidated profit and loss account during the period was £2,533,000 (2021: £2,183,000).

Future developments

The directors have presented an indication of the likely future developments in the Group's business within the Strategic Report (see page 1).

Directors

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

A H Lamb (Chairman)	V Patterson	
H G Lamb	W M Teasdale	(resigned 13 December 2021)
S C Longo	C G Floyd	
J C Lamb	L Joicey	
R Dodd	R S Topliss	(appointed 1 February 2023)

Directors' liability insurance

The Company has maintained throughout the period directors' and officers' liability insurance for the benefit of the Company, the directors and its officers. The Company has entered into qualifying third party indemnity arrangements for the benefit of all its directors in a form and scope which comply with the requirements of the Companies Act 2006 and which were in force throughout the period and remain in force.

Employees

It is the policy of the Group to give full and fair consideration to employment applications made by disabled persons, having regard to their particular aptitudes and abilities and to continue the employment of, and to arrange appropriate training for employees who become disabled while employed by the Group.

It is the Group's policy that there shall be equal opportunity for employees or applicants for employment with the Group regardless of colour, race, nationality, ethnic origin, sex, sexual orientation or marital status.

The Group is openly and formally committed to the promotion of management-led voluntary employee involvement, especially through communication, consultation and joint problem solving with the aim of enlisting the constructive participation of employees in promoting the productivity, competitiveness and prosperity of the Group.

Engagement with employees, customers, suppliers and others

The directors have presented how they engage with employees, customers, suppliers and others within the Strategic Report (see page 1).

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Financial risk management

The Group's diverse operations expose it to a variety of financial risks that include the effect of changes in liquidity risk, interest rate risk, foreign exchange risk, commodity price risk and credit risk.

Liquidity risk

The Group actively maintains a mixture of long term and short-term debt finance that is designed to ensure it has sufficient funds for its operations and planned expansion.

Interest rate and foreign exchange risk

In order to manage interest rate risk and ensure the stability of cash outflows, the Group has a policy of hedging a significant proportion of its debt using derivative financial instruments. In addition, the Group uses foreign exchange derivative financial instruments to mitigate its exposure to foreign exchange rate fluctuation.

Commodity price risk

The Group is exposed to commodity price risk as a result of the raw material required for its manufacturing operations and its exposure to the oil and gas market sector. The Group mitigates the risk through long-term supplier partnerships.

Credit risk

The Group has implemented policies that require credit checks on potential new customers before sales are made. Credit limits are assessed on an ongoing basis and adjusted as appropriate.

Environmental sustainability

The Group recognises the impact climate change has on the environment and society, and is committed to measuring, managing and reducing the carbon emissions associated with our business operations.

The greenhouse gas emissions and energy consumption for the period ended 4 November 2022 was 3,363 (Electricity: 2,164, Gas: 1,199) (2021: 2,445 (Electricity: 1,289, Gas: 1,156)) tonnes CO₂ and 17.8m (Electricity: 11.2m, Gas: 6.6m) (2021: 12.4m (Electricity: 6.1m, Gas: 6.3m)) kWh. Our dataset covers 82% (2021: 56%) of the Group's operations by turnover and total reportable emissions are the equivalent of 26 (2021: 39) tonnes CO₂ per £m of associated Group turnover. Reporting follows the requirements of The Companies (Directors Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018. We have applied the most recent relevant emission factors from DEFRA's UK Greenhouse Gas (GHG) Conversion Factors for Company Reporting.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the 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 prepared the Group and Company financial statements 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). 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 Group and Company 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 and Company will continue in business.

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

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The directors are also responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

Directors' confirmations

In the case of each directors 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 Group's and Company's auditors are unaware, and
- they have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approved and signed on behalf of the board



L Joicey

Director

22 May 2023

Independent auditors' report to the members of British Engines Limited

Report on the audit of the financial statements

Opinion

In our opinion, British Engines 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 4 November 2022 and of the group's profit and the group's and company's cash flows for the 53 week period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including 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: Consolidated and Company balance sheets as at 4 November 2022; Consolidated profit and loss account, Consolidated statement of comprehensive income, Consolidated and Company statements of changes in equity and Consolidated and Company statements of cash flows for the period 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 or, 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.

Independent auditors' report to the members of British Engines Limited (continued)

Reporting on other information (continued)

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 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 period ended 4 November 2022 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 Statement of directors' responsibilities, 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 direct laws and regulations, for example UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 posting inappropriate journals to improve financial results and management bias in significant accounting estimates. Audit procedures performed by the engagement team included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Review of board meeting minutes;
- Evaluation of management's control designed to prevent and detect irregularities;
- Identifying and testing journal entries, in particular, any journal entries posted with unusual account combinations;
- Challenging assumptions and judgements made by management in their accounting estimates; and
- Review of legal expenditure in the year to identify potential non-compliance with laws and regulations.

Independent auditors' report to the members of British Engines Limited (continued)

Auditors' responsibilities for the audit of the financial statements (continued)

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

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.

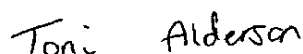
Other required reporting

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.



Toni Alderson (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
22 May 2023

British Engines Limited

Consolidated profit and loss account for the period ended 4 November 2022

	Notes	Period ended 4 November 2022	Period ended 29 October 2021
All amounts in £000s			
Turnover	5	129,692	112,708
Cost of sales		(87,736)	(78,419)
Gross Profit		41,956	34,289
Distribution costs		(14,433)	(11,552)
Administrative expenses		(19,216)	(17,530)
Movement in fair value of current asset investments		233	(1,458)
Movement in fair value of forward foreign exchange derivative financial instruments		(4,154)	1,120
Other operating income	7	-	513
Operating profit	6	4,386	5,382
Interest receivable and similar income	9	49	58
Interest payable and similar expenses	9	(710)	(666)
Movement in fair value of interest rate derivative financial instruments		1,118	188
Profit before tax		4,843	4,962
Tax on profit	10	720	438
Profit for the financial period		5,563	5,400
Profit attributable to:			
- Owners of the parent		4,436	4,656
- Non-controlling interests		1,127	744
		5,563	5,400

The Company has elected to take the exemption under section 408 of the Companies Act 2006 not to present the Company profit and loss account. The profit for the Company for the period was £681,000 (2021: £1,530,000).

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Consolidated statement of comprehensive income for the period ended 4 November 2022

All amounts in £000s	Period ended 4 November 2022	Period ended 29 October 2021
Profit for the financial period	5,563	5,400
Other comprehensive income/(expense):		
Currency translation differences	1,742	(1,205)
Other comprehensive income/(expense)	1,742	(1,205)
Total comprehensive income for the period	7,305	4,195
Total comprehensive income attributable to:		
- Owners for the parent	5,968	3,581
- Non-controlling interests	1,337	614
	7,305	4,195

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Consolidated and Company balance sheets as at 4 November 2022

All amounts in £000s	Notes	2022	2021	2022	2021
Fixed assets					
Intangible assets	11	4,732	5,393	-	-
Tangible assets	12	66,403	64,987	-	-
Investment properties	13	1,930	2,295	-	-
Subsidiary undertakings	28	-	-	11,986	12,191
		73,065	72,675	11,986	12,191
Current assets					
Inventories	14	34,141	26,467	-	-
Debtors (Including amounts due after more than one year: £10,147,000 (2021: £5,468,000))	15	39,915	32,599	45	-
Investments	16	2,114	1,942	-	-
Cash at bank and in hand		6,682	5,363	102	101
		82,852	66,371	147	101
Creditors:					
amounts falling due within one year	17	(52,906)	(45,234)	(759)	(1,102)
Net current assets/(liabilities)		29,964	21,137	(612)	(1,001)
Total assets less current liabilities		103,011	93,812	11,374	11,190
Creditors: amounts falling due after more than one year	18	(11,307)	(8,916)	-	-
Net assets		91,704	84,896	11,374	11,190
Capital and reserves					
Called up share capital	23	8,282	8,282	8,282	8,282
Other reserves	23	8,073	8,460	202	202
At 31 October 2020 and 30 October 2021		62,438	58,999	2,706	1,424
Profit/(loss) for the period attributable to the owners		4,436	4,656	681	1,530
Other changes in retained earnings		1,422	(1,217)	(497)	(248)
Retained earnings		68,296	62,438	2,890	2,706
Total equity attributable to owners of the parent		84,651	79,180	11,374	11,190
Non-controlling interests		7,053	5,716	-	-
Total equity		91,704	84,896	11,374	11,190

The notes on pages 17 to 42 form part of these financial statements.

The financial statements on pages 10 to 42 were authorised for issue by the board of directors on 22 May 2023 and were signed on its behalf.



On behalf of the board

L Joicey

Director

22 May 2023

British Engines Limited

Registered Number 07159707

British Engines Limited

Consolidated statement of changes in equity for the period ended 4 November 2022

All amounts in £000s	Notes	Called-up share capital	Other reserves	Retained earnings	Total	Non- controlling interest	Total equity
Balance as at 30 October 2020		8,282	8,566	58,999	75,847	5,611	81,458
Profit for the period		-	-	4,656	4,656	744	5,400
Other comprehensive expense for the period		-	-	(1,075)	(1,075)	(130)	(1,205)
Total comprehensive income for the period		-	-	3,581	3,581	614	4,195
Transfer	23	-	(106)	106	-	-	-
Dividends	23	-	-	(248)	(248)	(509)	(757)
Total transactions with owners, recognised directly in equity		-	(106)	(142)	(248)	(509)	(757)
Balance as at 29 October 2021		8,282	8,460	62,438	79,180	5,716	84,896
Profit for the period		-	-	4,436	4,436	1,127	5,563
Other comprehensive income for the period		-	-	1,532	1,532	210	1,742
Total comprehensive income for the period		-	-	5,968	5,968	1,337	7,305
Transfer	23	-	(387)	387	-	-	-
Dividends	23	-	-	(497)	(497)	-	(497)
Total transactions with owners, recognised directly in equity		-	(387)	(110)	(497)	-	(497)
Balance as at 4 November 2022		8,282	8,073	68,296	84,651	7,053	91,704

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Company statement of changes in equity for the period ended 4 November 2022

All amounts in £000s	Called-up share capital	Other reserves	Retained earnings	Total
Balance as at 30 October 2020	8,282	202	1,424	9,908
Profit for the period	-	-	1,530	1,530
Total comprehensive income for the period	-	-	1,530	1,530
Dividends	-	-	(248)	(248)
Total transactions with owners, recognised directly in equity	-	-	(248)	(248)
Balance as at 29 October 2021	8,282	202	2,706	11,190
Profit for the period	-	-	681	681
Total comprehensive income for the period	-	-	681	681
Dividends	-	-	(497)	(497)
Total transactions with owners, recognised directly in equity	-	-	(497)	(497)
Balance as at 4 November 2022	8,282	202	2,890	11,374

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Consolidated statement of cash flows for the period ended 4 November 2022

All amounts in £000s	Notes	Period ended 4 November 2022	Period ended 29 October 2021
Net cash from operating activities	24	8,466	17,487
Taxation paid		(1,926)	(1,384)
Net cash generated from operating activities		6,540	16,103
Cash flow from investing activities			
Purchase of intangible assets		(677)	(201)
Purchase of tangible assets		(9,886)	(5,029)
Proceeds from disposal of tangible assets		34	539
Proceeds from disposal of investment property		509	-
Inception of long-term deposits		(427)	(605)
Maturity of long-term deposits		542	977
Interest received		50	76
Net cash flow used in investing activities		(9,855)	(4,243)
Cash flow from financing activities			
Inception of hire purchase agreements		5,762	831
Repayment of obligations under hire purchase agreements		(3,639)	(3,219)
Receipts from revolver loan facility		5,750	2,000
Repayment of revolver loan facility		(1,000)	(11,500)
Repayment of other loans		(178)	(533)
Dividend paid to owners of the parent		(497)	(248)
Dividend paid to non-controlling interest		-	(509)
Interest paid		(913)	(965)
Receipts under foreign exchange derivative financial instruments		276	941
Payments under foreign exchange derivative financial instruments		(1,307)	(71)
Net cash flow used in financing activities		(4,254)	(13,273)
Net movement in cash and cash equivalents		939	(1,413)
Cash and cash equivalents at the beginning of the period		5,193	6,708
Exchange gains/(losses) on cash and cash equivalents		194	(102)
Cash and cash equivalents at the end of the period		6,326	5,193
Cash and cash equivalents consists of:			
Cash at bank and in hand		6,682	5,363
Bank overdraft		(356)	(170)
Cash and cash equivalents		6,326	5,193

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Company statement of cash flows for the period ended 4 November 2022

All amounts in £000s	Notes	Period ended 4 November 2022	Period ended 29 October 2021
Net cash used in operating activities	24	(202)	(1,243)
Cash flow from investing activities			
Dividends received from subsidiaries		700	1,531
Net cash flow generated from investing activities		700	1,531
Cash flow from financing activities			
Dividend paid to equity holders		(497)	(248)
Net cash flow used in financing activities		(497)	(248)
Net movement in cash and cash equivalents		1	40
Cash and cash equivalents at the beginning of the period		101	61
Cash and cash equivalents at the end of the period		102	101
Cash and cash equivalents consists of:			
Cash at bank and in hand		102	101
Cash and cash equivalents		102	101

The notes on pages 17 to 42 form part of these financial statements.

British Engines Limited

Notes to the financial statements

1 General Information

The Group manufactures and sells a range of engineering products and services for a variety of markets worldwide. The Company acts as a holding company.

The Company is a private company limited by shares and incorporated and registered in England, United Kingdom. The address of its registered office is 11 Glasshouse Street, St Peters, Newcastle upon Tyne, Tyne & Wear, NE6 1BS.

2 Statement of compliance

The Group and individual financial statements for British Engines 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" ('FRS102') and the Companies Act 2006.

3 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these consolidated and separate financial statements are set out below. The policies have been consistently applied to all the periods presented, unless otherwise stated.

Basis of Preparation

These consolidated and separate financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of certain financial assets and liabilities at fair value.

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group and Company accounting policies. The areas involving a higher degree of judgement where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

The Company has taken advantage of the exemption in section 408 of the Companies Act from disclosing its individual profit and loss account.

Going concern

The Group has material assets and financial resources at its disposal, a strong order book and committed banking facilities, which are in place until March 2026. The Group has rigorous internal processes for reviewing cash flow forecasts, with ongoing review of bank covenants and cash headroom.

As such, the directors have a reasonable expectation that the Company and the Group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the board continues to adopt the going concern basis in preparing the Annual report and financial statements.

Basis of consolidation

The Group consolidated financial statements include the financial statements of the Company and all of its subsidiary undertakings made up to 4 November.

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.

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Any subsidiary undertakings sold or acquired during the period are included up to, or from, the dates of change of control.

British Engines Limited

3 Summary of significant accounting policies (continued)

Basis of consolidation (continued)

Where control of a subsidiary is lost, the gain or loss is recognised in the consolidated profit and loss account. The cumulative amounts of any exchange differences on translation, recognised in equity, are not included in the gain or loss on disposal and are transferred to retained earnings. The gain or loss also includes amounts included in other comprehensive income that are required to be reclassified to profit or loss but excludes those amounts that are not required to be reclassified.

All intra-Group transactions, balances, income and expenses are eliminated on consolidation.

Foreign currency

Functional and presentation currency

The Group financial statements are presented in pound sterling and rounded to thousands.

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

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

All foreign exchange gains and losses are presented in the profit and loss account within 'Administrative expenses'.

Translation

The trading results of Group undertakings are translated into sterling at the average exchange rates for the period. The assets and liabilities of overseas undertakings, including goodwill and fair value adjustments arising on acquisition, are translated at the exchange rates ruling at the period end. Exchange adjustments arising from the retranslation of opening net investments and from the translation of the profits or losses at average rates are recognised in 'Other comprehensive income' and allocated to non-controlling interest as appropriate.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or services rendered, net of returns, discounts and rebates allowed by the Group and value added taxes.

The Group recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Group retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Group's sales channels have been met, as described below.

Sales of goods

Revenue is recognised once the risks and rewards of ownership are passed to the customer based on individual agreement terms either on delivery or despatch.

Rendering of services

Revenue is recognised on the accruals basis over the period in which services are performed.

Where the billing profile differs from the revenue recognition profile the differences are recognised in the balance sheet as accrued income or deferred revenue as appropriate.

British Engines Limited

3 Summary of significant accounting policies (continued)

Exceptional items

The Group classifies certain non-recurring or one-off charges or credits that have a material impact on the Group's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the Group.

Employee benefits

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

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 services are received.

Defined contribution pension plans

The Group operates a number of country-specific defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions 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.

Annual bonus plan

The Group operates a number of annual bonus plans for some 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 a reliable estimate of the obligation can be made.

Long term incentive plan

The Group operates a cash-settled long term incentive plan for certain members of management. The plan is based on the business's performance over a five year period against target on a variety of measures. A liability for the plan is raised on the estimated amount payable under the terms of the incentive scheme plans.

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 equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

Current tax

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

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These 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 recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

British Engines Limited

3 Summary of significant accounting policies (continued)

Business combinations and goodwill

Business combinations are accounted for by applying the purchase methods.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life. Where the Group is unable to make a reliable estimate of useful life, goodwill is amortised over a period not exceeding 10 years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the profit and loss account. Reversals of impairment are recognised when the reasons for the impairment no longer apply.

Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

- Intellectual property 10 years
- Software 3 to 7 years
- Development expenditure 2 to 5 years

Amortisation is charged to cost of sales or administrative expenses in the profit and loss account depending on the assets being amortised.

Where factors, such as technological advancement or changes in market price, indicate that residual value or useful life have changed, the residual value, useful life or amortisation rate are amended prospectively to reflect the new circumstances.

The assets are reviewed for impairment if the above factors indicate that the carrying amount may be impaired.

Costs associated with maintaining computer software are recognised as an expense as incurred.

Expenditure on research activities, undertaken with the prospect of gaining new technical knowledge and understanding, is charged to the profit and loss account as an expense in the period in which it is incurred.

British Engines Limited

3 Summary of significant accounting policies (continued)

Intangible assets (continued)

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, including development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets when the following criteria are met:

- it is technically feasible to complete the project so that it will be available for use;
- management intends to complete the asset and use it or sell it;
- there is an ability to use or sell the asset;
- it can be demonstrated how the asset will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the assets are available; and
- the expenditure attributable to the asset during its development can be reliably measured.

Other development expenditure that does not meet the criteria is recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Tangible assets

Tangible assets are stated at cost (or valuation) less accumulated depreciation and accumulated impairment losses. Cost includes the original purchase price, costs directly attributable to bringing the asset to its working condition for its intended use, dismantling and restoration costs.

Land and buildings

Land and buildings include freehold and leasehold factories and offices. Land and buildings are stated at valuation less accumulated depreciation and accumulated impairment losses.

Plant and machinery, fixtures and fittings, tools and equipment

Plant and machinery, fixtures and fittings, tools and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation and residual values

Freehold land is not depreciated. Depreciation on other assets is calculated, using the straight-line method, to allocate the depreciable amount to their residual values over their estimated useful lives, as follows:

- | | |
|----------------------------|--|
| • Freehold buildings | 50 years |
| • Long leasehold land | The remaining lease period |
| • Long leasehold buildings | The shorter of 50 years and the remaining lease period |
| • Plant and machinery | 5 to 20 years |
| • Fixtures and fittings | 3 to 5 years |

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent additions and major components

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the Group and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

British Engines Limited

3 Summary of significant accounting policies (continued)

Tangible assets (continued)

Assets in the course of construction

Assets in the course of construction are stated at cost. These assets are not depreciated until they are available for use.

Derecognition

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 profit and loss and included in 'Administrative expenses'.

Investment properties

Properties held for long term investment are classified as investment properties. Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure. Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit on revaluation is recognised in the profit and loss account in the period and accumulated in the revaluation reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is transferred to the profit and loss account reserve.

Leased assets and assets held under hire purchase contracts

At inception the Group assesses agreements that transfer the right to use assets. The assessment considers whether the agreement contains a lease based on the substance of the arrangement.

Assets held under hire purchase contracts

The capital element of hire purchase contracts is recorded as a liability on inception of the arrangement. Hire purchase repayments are apportioned between capital repayment and finance charge, using the effective interest rate method, to produce a constant rate of charge on the balance of the capital repayments outstanding.

Finance leased assets

Leases of assets that transfer substantially all the risks and rewards incidental to ownership are classified as finance leases. The Group does not hold any finance leased assets.

Operating lease assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the profit and loss account on a straight-line basis over the period of the lease.

Lease incentives

Incentives received to enter into an operating lease are credited to the profit and loss account, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Group has taken advantage of the exemption in respect of lease incentives on leases in existence on the date of transition to FRS102 and continues to credit such lease incentives to the profit and loss account over the period to the first review date on which the rent is adjusted to market rates.

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

British Engines Limited

3 Summary of significant accounting policies (continued)

Impairment of non-financial assets (continued)

If the recoverable amount of the assets (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the profit and loss account, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit and loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the profit and loss account.

Goodwill is allocated on acquisition to the cash generating unit expected to benefit from the synergies of the combination. Goodwill is included in the carrying value of cash generating units for impairment testing.

Investments – Company

Investments in a subsidiary company are held at cost less accumulated impairment losses.

Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to sell after taking into account amounts provided for foreseeable losses to the completion of contract less progress payments on account. Inventories are recognised as an expense in the period in which the related revenue is recognised.

Cost includes the purchase price, including taxes and duties, labour and an appropriate proportion of overheads directly attributable to bringing the inventory to its present location and condition based on normal levels of activity.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to complete and sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three month or less. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

Provisions and contingencies

Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount of the obligation can be estimated reliably.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations might be small.

In particular:

- Restructuring provisions are recognised when the Group has a detailed, formal plan for the restructuring and has raised a valid expectation in those affected by either starting to implement the plan or announcing its main features to those affected and therefore has a legal or constructive obligation to carry out the restructuring; and
- Provision is not made for future operating losses.

British Engines Limited

3 Summary of significant accounting policies (continued)

Provisions and contingencies (continued)

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as a finance cost.

Contingencies

Contingent liabilities are not recognised, except those acquired in a business combination. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the Group's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Contingent assets are not recognised. Contingent assets are disclosed in the financial statements when an inflow of economic benefits is probable.

Financial instruments

The Group has chosen to adopt Sections 11 and 12 of FRS102 in respect of financial instruments.

Financial assets

Basic financial assets, including trade and other receivables, cash and bank balances and including deposits held at call with banks with original maturities of both three months or less and more than three months, are initially recognised at transaction price, 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.

Such assets are subsequently carried at amortised cost using the effective interest rate method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the profit and loss account.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not been previously recognised. The impairment reversal is recognised in the profit and loss account.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the profit and loss account, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and other loans received from unconnected parties and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at the market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

British Engines Limited

3 Summary of significant accounting policies (continued)

Financial instruments (continued)

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, then the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of interest rate swaps are recognised in the profit and loss account, change in the fair value of forward foreign exchange contracts are recognised in the profit and loss account.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Government grants

Capital grants are credited to a deferral account and released to revenue over the expected useful economic lives of the relevant assets.

Grants of a revenue nature are credited to the profit and loss account in the period to which they relate.

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.

Distributions 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 shareholders. These amounts are recognised in the statement of changes in equity.

Related party transactions

The Group discloses transactions with related parties which are not wholly owned within the same group. Where appropriate, transactions of a similar nature are aggregated unless, in the opinion of the directors, separate disclosure is necessary to understand the effect of the transactions on the Group financial statements.

British Engines Limited

4 Critical accounting judgements and estimation uncertainty

Estimate 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.

Judgements

In the process of applying the Group's accounting policies, management does not consider that it has made any judgements which would have a significant effect on the amounts recognised in the consolidated financial statements.

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 of assets and liabilities within the next financial period are addressed below.

Fair value measurements

Where available fair value measurements are derived from prices quoted in active markets for identical assets or liabilities. In the absence of such information other observable inputs are used to estimate fair value. For derivative contracts where publically available information is not available estimations are generally determined using models and other valuation methods, the key inputs for which include future prices, volatility and market liquidity, as appropriate.

British Engines Limited

5 Turnover

Analysis of turnover by geography:

All amounts in £000s	2022	2021
United Kingdom	31,616	35,890
Europe	31,406	27,559
Americas	28,581	16,180
Central and Northern Asia	13,755	14,018
Australia and South East Asia	12,017	9,854
Middle East	11,286	8,770
Africa	1,031	437
	129,692	112,708

Analysis of turnover by category:

All amounts in £000s	2022	2021
Sales of goods	119,973	103,468
Rendering of services	9,719	9,240
	129,692	112,708

6 Operating profit

All amounts in £000s	Note	2022	2021
Operating profit is stated after charging/(crediting):			
Amortisation of intangible fixed assets	11	1,431	1,479
Depreciation of tangible fixed assets	12	6,589	6,289
Profit on disposal of tangible fixed assets		(26)	(287)
Profit on disposal of investment property		(34)	-
Inventory recognised as an expense		45,506	41,922
Impairment of inventory		370	1,130
(Reversal of impairment)/impairment of trade receivables		(73)	38
Operating lease charges		1,482	1,540
Movement in fair value of current asset investments		(233)	1,458
Movement in fair value of forward foreign exchange derivative financial instruments		4,154	(1,120)
Foreign exchange losses/(gains)		727	(766)
Research and development expenditure		2,533	2,183

Fees payable to the Company's auditor and its associates for the audit of the parent company and the Group's consolidated financial statements

115 15

Fees payable to the Company's auditor and its associates for other services:

- The audit of the Company's subsidiaries

- 85

- Tax advisory services

- 1

- Tax compliance services

- 2

Total amount payable to the Company's auditors and their associates

115 103

British Engines Limited

7 Other operating income

All amounts in £000s	2022	2021
Grants receivable under the Coronavirus Job Retention Scheme	-	513

8 Employees and directors

Group

The average monthly number of persons (including executive directors) employed by the Group during the period was:

Number	2022	2021
Production	883	820
Administration	301	296
	1,184	1,116

Staff costs for the above persons comprise:

All amounts in £000s	2022	2021
Wages and salaries	40,885	36,527
Social security costs	4,097	3,626
Other pension costs (note 20)	3,583	3,189
	48,565	43,342

Company

The Company had no employees during 2022 or 2021.

Directors' emoluments

All amounts in £000s	2022	2021
Aggregate emoluments	1,579	1,527

Post-employment benefits are accruing for five directors (2021: five) under a defined contribution scheme. No directors (2021: none) were members of defined benefit schemes. The total pension contributions paid by the Group on behalf of the directors were £111,000 (2021: £88,000).

Highest paid director

All amounts in £000s	2022	2021
Aggregate emoluments	450	382
Pension contributions	4	20
	454	402

Key management compensation

Key management personnel comprise the Company's directors, details of whose remuneration are given above.

British Engines Limited

9 Net interest expense

All amounts in £000s	2022	2021
Interest receivable and similar income		
Bank interest received	7	7
Interest on deposits	42	51
	49	58
Interest payable and similar expenses		
Interest expense on revolving facility	390	429
Hire purchase interest	279	237
Bank interest payable	41	-
	710	666

10 Tax on profit

(a) Analysis of credit in period

All amounts in £000s	2021	2021
Current tax		
UK corporation tax on profit for the period	672	520
Foreign corporation tax on profit for the period	1,467	812
Adjustments in respect of prior periods	65	350
Total current tax	2,204	1,682
Deferred tax		
Origination and reversal of timing differences	(1,191)	(574)
Adjustments in respect of prior periods	(927)	(440)
Effect of change in tax rates	(806)	(1,106)
Total deferred tax	(2,924)	(2,120)
Tax on profit	(720)	(438)

(b) Factors affecting tax credit for the period

The tax credit assessed for the period is higher (2021: higher) than the standard rate of corporation tax in the UK. The differences are explained below:

All amounts in £000s	2022	2021
Profit before taxation	4,843	4,962
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	920	943
<i>Effects of:</i>		
Expenses not deductible for tax purposes	264	379
Income not taxable	(21)	(95)
Enhanced capital allowances	(383)	-
Patent box	(475)	(600)
Foreign corporation tax rates	677	133
Adjustments in respect of prior periods	(862)	(90)
Change in tax rates	(806)	(1,106)
Movement in deferred tax assets not recognised	(34)	(2)
Tax on profit	(720)	(438)

(c) Factors that may affect future tax changes

The main rate of corporation tax in the UK is 19% with effect from 1 April 2017. An increase in the main rate of corporation tax to 25% from 1 April 2023 is included in the Finance Act 2021 which received Royal Assent on 10 June 2021. Deferred taxes at the balance sheet date have been measured using the enacted rates as at 4 November 2022.

British Engines Limited

11 Intangible assets

Group					
All amounts in £000s	Goodwill	Development Expenditure	Software	Intellectual property	Total
Cost					
At 30 October 2021	6,590	9,892	9,426	303	26,211
Additions	-	-	677	-	677
Disposals	-	-	(192)	-	(192)
Foreign exchange	256	-	19	-	275
At 4 November 2022	6,846	9,892	9,930	303	26,971
Accumulated amortisation					
At 30 October 2021	4,646	9,666	6,203	303	20,818
Charge for the period	490	129	812	-	1,431
Disposals	-	-	(192)	-	(192)
Foreign exchange	163	-	19	-	182
At 4 November 2022	5,299	9,795	6,842	303	22,239
Net book amount					
At 4 November 2022	1,547	97	3,088	-	4,732
At 29 October 2021	1,944	226	3,223	-	5,393

The individual intangible assets, excluding goodwill, which are material to the financial statements are

	Carrying amount (All amounts in £000s)		Remaining amortisation period (years)	
	2022	2021	2022	2021
Software				
Enterprise management system	2,581	2,729	5	4

Company

The Company had no intangible assets at 4 November 2022 (2021: £Nil).

British Engines Limited

12 Tangible assets

Group

All amounts in £000s	Freehold land and buildings	Long leasehold land and buildings	Plant, machinery, fixtures and fittings	Capital in progress	Total
Cost or valuation					
At 30 October 2021	15,297	6,923	103,869	5,600	131,689
Additions	14	-	4,916	2,553	7,483
Transfer between categories	-	-	5,868	(5,868)	-
Disposals	-	-	(4,531)	(5)	(4,536)
Foreign exchange	147	5	831	-	983
At 4 November 2022	15,458	6,928	110,953	2,280	135,619
Accumulated depreciation					
At 30 October 2021	938	415	65,349	-	66,702
Charge for the period	241	121	6,227	-	6,589
Disposals	-	-	(4,529)	-	(4,529)
Foreign exchange	24	-	430	-	454
At 4 November 2022	1,203	536	67,477	-	69,216
Net book amount					
At 4 November 2022	14,255	6,392	43,476	2,280	66,403
At 29 October 2021	14,359	6,508	38,520	5,600	64,987

The net carrying amount of assets held under hire purchase arrangements included in plant, machinery, fixtures and fittings is £16,153,000 (2021: £11,982,000).

Freehold and leasehold properties were valued by external valuers, Gavin Black & Partners, Chartered Surveyors, in April 2019. The properties were valued on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors.

If the freehold and long leasehold land and buildings were restated on a historic cost basis the amounts would be:

All amounts in £000s	2022	2021
Cost	19,777	19,611
Accumulated depreciation	(4,526)	(4,246)
Net book value	15,251	15,681

Company

The Company had no tangible assets at 4 November 2022 (2021: £Nil).

British Engines Limited

13 Investment properties

Group	
All amounts in £000s	Total
Valuation as at 30 October 2021	2,295
Additions	109
Disposals	(474)
Valuation as at 4 November 2022	1,930

Investment properties were valued by external valuers, Gavin Black & Partners, Chartered Surveyors, in April 2019. The properties were valued on the basis of open market value in accordance with the Appraisal and Valuation Manual of The Royal Institute of Chartered Surveyors. The directors have undertaken their own assessment of the value of the investment properties as at 4 November 2022.

If the investment properties were restated on a historic cost basis the amounts would be:

All amounts in £000s	2022	2021
Cost	1,357	1,398
Accumulated depreciation	(15)	(67)
Net book value	1,342	1,331

Company

The Company had no investment properties at 4 November 2022 (2021: £Nil).

14 Inventories

Group		
All amounts in £000s	2022	2021
Raw materials and consumables	13,459	10,229
Work in progress	8,270	4,541
Finished goods and goods for resale	14,231	11,741
	35,960	26,511
Less: progress payments on account	(1,819)	(44)
	34,141	26,467

Inventories are stated after provisions for impairment of £4,744,000 (2021: £7,240,000).

Company

The Company had no inventories at 4 November 2022 (2021: £Nil).

15 Debtors

	Group		Company	
All amounts in £000s	2022	2021	2022	2021
Falling due after more the one year				
Deferred taxation (note 21)	8,392	5,468	45	-
Derivative financial instruments (note 22)	1,755	-	-	-
Falling due within one year				
Trade receivables	23,483	21,160	-	-
Corporation tax	713	1,239	-	-
Other receivables	1,780	958	-	-
Derivative financial instruments (note 22)	266	259	-	-
Accrued income	1,648	1,925	-	-
Prepayments	1,878	1,590	-	-
	39,915	32,599	45	-

Trade debtors are stated after provisions for impairment of £109,000 (2021: £216,000).

British Engines Limited

16 Investments

Group		
All amounts in £000s	2022	2021
Unlisted equity instruments	1,633	1,400
Long-term deposits	481	542
	2,114	1,942

Unlisted equity instruments are carried at fair value. The fair value at 4 November 2022 was determined using pricing from the most recent share issue.

Long-term deposits have an original maturity of more than 3 months. At the balance sheet date the average maturity of the deposits was 7 months (2021: 6 months). The average interest rate was 5.9% (2021: 6.1%).

Company

The Company had no current asset investments at 4 November 2022 (2021: £Nil).

17 Creditors: amounts falling due within one year

	Group		Company	
All amounts in £000s	2022	2021	2022	2021
Revolver loan (note 19)	14,250	9,500	-	-
Other loans (note 19)	433	547	-	-
Bank overdraft (note 19)	356	170	-	-
Trade creditors	15,267	17,001	-	-
Amounts owed to Group undertakings	-	-	759	1,102
Hire purchase agreements (note 19)	3,660	2,798	-	-
Other taxation and social security	1,360	1,149	-	-
Other creditors	7,289	7,042	-	-
Derivative financial instruments (note 22)	2,882	362	-	-
Accruals	5,172	2,718	-	-
Deferred income	2,237	3,947	-	-
	52,906	45,234	759	1,102

Amounts owed to subsidiary and related undertakings are unsecured, interest free and are repayable on demand.

18 Creditors: amounts falling due after more than one year

Group		
All amounts in £000s	2022	2021
Other loans (note 19)	3,600	3,664
Hire purchase agreements (note 19)	6,160	4,683
Derivative financial instruments (note 22)	1,062	40
Other creditors	485	529
	11,307	8,916

Company

The Company had no creditors falling due after more than one year at 4 November 2022 (2021: £Nil).

British Engines Limited

19 Loans and other borrowings

Group		
All amounts in £000s	2022	2021
Revolver loan	14,250	9,500
Bank overdraft	356	170
Other loans	4,033	4,211
Hire purchase agreements	9,820	7,481
	28,459	21,362

Revolver loan

On 20 March 2023 the Group agreed new banking facilities with National Westminster Bank plc and Lloyds Bank plc including an increase in the revolving credit facility to £23,000,000 from £20,500,000 to cover working capital and liquidity commitments. The facility is committed through to March 2026. Interest is charged based at SONIA plus a fixed margin. A commitment fee is charged on the undrawn amount. This facility is secured by a debenture over the Group's assets.

Bank overdraft

The Group's financing facility also includes an overdraft facility of £2,646,000 (2021: £2,580,000) to cover ad-hoc working capital and liquidity commitments. Interest is charged at a fixed rate.

Hire Purchase

The future minimum payments under hire purchase agreements are as follows:

All amounts in £000s	2022	2021
No later than one year	3,724	3,007
Later than one year and not later than five years	6,955	5,006
Total gross payments	10,679	8,013
Less: finance charges	(859)	(532)
Carrying amount of liability	9,820	7,481

The Group uses hire purchase agreement to acquire plant and machinery to be used in the Group's manufacturing operations.

Other Loans

Future capital repayments due under other loans are as follows:

All amounts in £000s	2022	2021
No later than one year	433	547
Later than one year and not later than five years	2,236	2,190
Later than five years	1,364	1,474
	4,033	4,211

Other loans include an amount of £3,592,000 (2021: £3,755,000) due to The Durham, Gateshead, Newcastle upon Tyne, Northumberland, South Tyneside and Sunderland Combined Authority and an amount of £441,000 (2021: £456,000) due to Newcastle University Ventures Limited the non-controlling equity shareholder in Tyne Pressure Testing Limited.

Security has been provided over the loan from The Durham, Gateshead, Newcastle upon Tyne, Northumberland, South Tyneside and Sunderland Combined Authority via fixed and floating charges over the assets of Tyne Pressure Testing Limited and the Group's shareholding in Tyne Pressure Testing Limited.

Company

The Company had no loans and other borrowings at 4 November 2022 (2021: £Nil).

British Engines Limited

20 Post-employment benefits

Group

The Group operates a number of defined contribution pension schemes, the assets of which are held separately from those of the Group in independently administered funds.

The amount recognised as an expense for the defined contribution scheme was:

All amounts in £000s	2022	2021
Current period contributions	3,583	3,189

21 Deferred Taxation

All amounts in £000s	Group	Company
At 1 November 2021	5,468	-
Deferred tax credit recognised in profit for the period	1,191	12
Adjustment in respect of prior periods	927	22
Effect of change in tax rates	806	11
At 4 November 2022	8,392	45

	Group		Company	
All amounts in £000s	2022	2021	2022	2021
Capital allowances	1,569	638	-	-
Tax losses	6,650	4,725	45	-
Other timing differences	173	105	-	-
Total asset	8,392	5,468	45	-

The Group has £Nil (2021 £25,000) of unprovided tax credits. The net deferred tax asset expected to reverse in 2023 is £485,000.

The Company has £Nil (2021: £Nil) of unprovided tax credits. The net deferred tax asset expected to reverse in 2023 is £Nil.

British Engines Limited

22 Financial instruments

Group

The Group has the following financial instruments:

All amounts in £000s	Notes	2022	2021
Financial assets at fair value through profit or loss			
- Investments in unlisted equity instruments	16	1,633	1,400
- Derivative financial instruments	15	2,021	259
		3,654	1,659
Financial assets that are debt instruments measured at amortised cost			
- Trade receivables	15	23,483	21,160
- Other receivables	15	1,780	958
- Accrued income	15	1,648	1,925
- Investments in long-term deposits	16	481	542
		27,392	24,585
Financial liabilities measured at fair value through profit and loss			
- Derivative financial instruments	17/18	(3,944)	(402)
Financial liabilities measured at amortised costs			
- Revolver loan	19	(14,250)	(9,500)
- Bank overdraft	19	(356)	(170)
- Other loans	19	(4,033)	(4,211)
- Hire purchase agreements	19	(9,820)	(7,481)
- Trade creditors	17	(15,267)	(17,001)
- Other creditors	17	(7,289)	(7,042)
- Accruals	17	(5,172)	(2,718)
		(56,187)	(48,123)

Derivative financial instruments – Foreign currency contracts

The Group enters into foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables. At 4 November 2022, the outstanding contracts all mature within 26 months (2021: 14 months) of the period end. The Group has contracts to sell up to USD47,450,000, EUR36,400,000, AUD3,900,000 and CAD2,700,000 and receive a fixed sterling amount (2021: USD19,000,000, EUR7,850,000).

The forward currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates of GBP:USD, GBP:EUR, GBP:AUD, and GBP:CAD. The fair value of the foreign currency contracts is £3,095,000 liability (2021: £29,000 asset).

Derivative financial instruments – Interest rate swaps

The Group has entered into interest rate swaps to receive interest at SONIA and pay interest at a fixed rate. The swaps are based on a principal amount of £7,000,000 (2021: £7,000,000) and mature in 2028.

The interest rate swaps are measured at fair value which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward interest rates for LIBOR and SONIA. The fair value of the interest rate swaps is £1,159,000 asset (2021: £167,000 liability).

The Group has entered into interest rate swaps to receive interest at UK Base Rate and pay interest at a fixed rate. The swaps are based on a principal amount equivalent to the outstanding liability on associated hire purchase agreements and mature in line with the associated hire purchase agreements.

The interest rate swaps are measured at fair value which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward interest rates for UK Base Rate. The fair value of the interest rate swaps is £13,000 asset (2021: £5,000 liability).

British Engines Limited

22 Financial instruments (continued)

Company

The Company has the following financial instruments:

All amounts in £000s	Notes	2022	2021
Financial liabilities measured at amortised costs			
- Amounts owed to Group undertakings	18	759	1,102

23 Called up share capital and other reserves

Ordinary shares of £1 each

Allotted and fully paid

Group and Company

Number 000s

£'000

At 29 October 2021 and 4 November 2022

8,282

8,282

Other reserves

Other reserves consist of the following amounts:

Group

All amounts in £000s	Capital redemption reserve	Merger reserve	Revaluation reserve	Total
At 30 October 2021	202	1,783	6,475	8,460
Transfer to retained earnings	-	-	(387)	(387)
At 4 November 2022	202	1,783	6,088	8,073

The capital redemption reserve was established in connection with the repurchases of shares of the Company.

The merger reserve was established as a consequence of the Company becoming the single parent of the Group following a group reorganisation in 2010.

The revaluation reserve was established on revaluation of the Group's tangible fixed assets and investment properties and reflects the unrealised surplus on revaluation of the assets.

Company

The Company other reserves comprise the capital redemption reserve as shown above.

Dividends

All amounts in £000s	2022	2021
Equity – ordinary		
Paid 6.0 pence (2021: 3.0 pence) per £1 share	497	248

British Engines Limited

24 Notes to the cash flow statement

All amounts in £000s	Group		Company	
	2022	2021	2022	2021
Profit for the financial period	5,563	5,400	681	1,530
Adjustments for:				
Tax on profit	(720)	(438)	(8)	28
Income from fixed asset				
Investments	-	-	(737)	(1,559)
Net interest (income)/expense	(457)	420	-	-
Operating profit/(loss)	4,386	5,382	(64)	(1)
Amortisation of intangible assets	1,431	1,479	-	-
Depreciation of tangible assets	6,589	6,289	-	-
Profit on disposal of tangible assets	(26)	(287)	-	-
Profit on disposal of investment property	(34)	-	-	-
Grants received	3	812	-	-
Grants released	(46)	(559)	-	-
Fair value movement of foreign currency derivative financial instruments	4,154	(1,120)	-	-
Fair value movement of investments in unlisted equity instruments	(233)	1,458	-	-
Other non-cash movements	570	(494)	-	-
Working capital movements:				
- Increase in inventories	(7,322)	(1,005)	-	-
- (Increase)/decrease in debtors	(2,954)	2,520	-	-
- Increase in payables	1,948	3,012	(138)	(1,242)
Cash flow from operating activities	8,466	17,487	(202)	(1,243)

Analysis of changes in net debt

Group

All amounts in £000s	At 30 October	Cash flow	Fair value, exchange movements and non-cash transactions	At 4 November
	2021			2022
Cash at bank and in hand	5,363	1,099	220	6,682
Bank overdraft	(170)	(160)	(26)	(356)
Cash and cash equivalents	5,193	939	194	6,326
Long-term deposits	542	(115)	54	481
Revolver loans	(9,500)	(4,750)	-	(14,250)
Other loans	(4,211)	178	-	(4,033)
Hire purchase agreements	(7,481)	(2,123)	(216)	(9,820)
Derivative financial instruments	(143)	1,256	(3,036)	(1,923)
Total	(15,600)	(4,615)	(3,004)	(23,219)

Company

All amounts in £000s	At 30 October	Cash flow	At 4 November
	2021		2022
Cash at bank and in hand	101	1	102

British Engines Limited

25 Contingent liabilities

Group

The Group issues guarantees in the normal course of business, the amount of which fluctuates from time to time.

Company

The Company has guaranteed all outstanding liabilities of the subsidiary companies listed below in order that they qualify for the exemption for audit under Section 479A of the Companies Act 2006 in respect of the period ended 4 November 2022. Such guarantees are enforceable against British Engines Limited by any person to whom to any such liability is due.

B.E.L. Properties Limited	BEL Engineering (UK) Limited	BEL Estates Limited
BEL Group Investments Limited	BEL Valves Limited	British Engines (UK) Limited
CMP Products Limited	Michell Bearings Limited	Rotary Power Ltd.
Stadium Export Services Limited	Stephenson Gobin Limited	The Crown Inn (Elton) Limited

The contingent liability at 4 November 2022 was £56,042,000 (2021: £2,085,000).

26 Capital and other commitments

Group

At the period end, the Group had the following capital commitments:

All amounts in £000s	2022	2021
Contracts placed for future capital expenditure not provided in the financial statements		
- Plant and equipment	3,263	2,125
	3,263	2,125

The Group had the following future minimum lease payments under non-cancellable operating leases for each of the following periods:

All amounts in £000s	2022	2021
Payments due:		
Not later than one year	1,098	1,155
Later than one year and not later than five years	2,069	2,232
More than five years	1,000	1,290
	4,167	4,677

The Group had the following future minimum lease receipts under non-cancellable operating leases in relation to investment properties for each of the following periods:

All amounts in £000s	2022	2021
Receipts due:		
Not later than one year	-	50
Later than one year and not later than five years	-	150
	-	200

The Group had no other off-balance sheet arrangements (2021: £Nil).

Company

The Company had no capital or other commitments at 4 November 2022 (2021:£Nil).

British Engines Limited

27 Controlling party

The smallest and largest undertaking for which the Company is a member and for which consolidated financial statements are prepared is British Engines Limited. The immediate and ultimate parent company is 2291 LEB Limited, a company incorporated and registered in Jersey, Channel Islands, which has no controlling party.

28 Subsidiary Undertakings

Company	
All amounts in £000s	
At 30 October 2021	12,191
Preference shares redeemed in period	(205)
At 4 November 2022	11,986

British Engines Limited

28 Subsidiary Undertakings (continued)

A full list of the subsidiary undertakings included in consolidated financial statements is as follows:

Name	Nature of business	Country of incorporation	Interest
B.E.L. Properties Limited *	Property rental to Group companies and third parties	UK	100%
BEL Engineering (UK) Limited	Subcontract engineering services	UK	100%
BEL Estates Limited *	Property rental to third parties	UK	100%
BEL Group Investments Limited *	Investment holding company	UK	100%
BEL Industrial Products (Shanghai) Ltd *	Distribution of cable glands	China	100%
BEL Valves Inc	Sale of high pressure valves	USA	90%
BEL Valves Limited	Manufacturer of valves	UK	100%
British Engines (India) PVT Limited *	Manufacture of cable glands and components for hydraulic pumps and motors	India	80%
British Engines (UK) Limited *	Provision of administration services	UK	100%
CMP Edmonton Limited	Sales and marketing agency	Canada	100%
CMP Products (Korea) Limited	Distribution of cable glands	Republic of Korea	100%
CMP Products (Middle East) FZCO	Sales and marketing agency	UAE	100%
CMP Products Germany GmbH	Sales and marketing agency	Germany	100%
CMP Products Limited	Manufacturer of cable glands	UK	100%
CMP Products LLC	Non-trading	Russia	100%
CMP Products Pty Limited	Sales and marketing agency	Australia	100%
CMP Products SA (Pty) Limited	Sales and marketing agency	South Africa	100%
CMP Products South East Asia Pte Ltd	Sales and marketing agency	Singapore	100%
CMP Products Texas Inc	Sales and marketing agency	USA	100%
Michell Bearings Inc	Sales and marketing agency	USA	74%
Michell Bearings (India) LLP	Manufacturer of hydrodynamic bearings	India	74%
Michell Bearings Limited	Manufacturer of hydrodynamic bearings	UK	74%
Rotary Power Inc	Sales and marketing agency	USA	100%
Rotary Power Ltd	Manufacturer of hydraulic pumps and motors	UK	100%
Rotary Power GmbH	Distribution and service of hydraulic pumps and motors	Germany	100%
Stadium Export Services Limited	Supplier of packaging and distribution services	UK	100%
Stephenson Gobin Limited	Manufacturer of light engineering products	UK	100%
The Crown Inn (Elton) Limited *	Hotel and restaurant	UK	100%
Tyne Pressure Testing Limited	Provision of hyperbaric testing services	UK	76%

* Direct ownership by the Company

British Engines Limited

28 Subsidiary Undertakings (continued)

All subsidiary undertakings incorporated in the United Kingdom have a registered office address of 11 Glasshouse Street, St Peters, Newcastle upon Tyne NE6 1BS. The registered offices of subsidiary undertakings incorporated outside of the United Kingdom are shown in the table below:

Name	Registered Office
BEL Industrial Products (Shanghai) Ltd	Room 203, Zone B, No 1000 Jinsui Road, Pudong 201206 Shanghai, China.
BEL Valves Inc	9000 Monroe, Houston, Texas 77061, USA.
British Engines (India) PVT Limited	No 6A, Attibele Industrial Area, Hosur Road, Bangalore – 562107, Karnataka, India.
CMP Edmonton Limited	700,850 2 nd Street SW, Calgary, Alberta, Canada.
CMP Products (Korea) Limited	1603-ho, B-Dong, (H suite Haeundae) 601, Haeun-daero, Haeundae-gu, Busan, 48087, Republic of Korea
CMP Products (Middle East) FZCO	2W-410, Dubai Airport Free Zone, PO BOX 371725, Dubai UAE.
CMP Products Germany GmbH	Lukasstraße 25a, 52070 Aachen, Germany.
CMP Products LLC	Leninskaya Sloboda 26, bld. 28, Moscow, 115280, Russia.
CMP Products Pty Limited	Perth Office Unit 3-22 Harland Avenue, Malaga, Perth, WA, 6090, Australia.
CMP Products SA (Pty) Limited	49 New Road, Block A Ground Floor, Midrand, Gauteng, 1682, South Africa.
CMP Products South East Asia Pte Ltd	163 Penang Road, #02-03 Winsland House II, 238463, Singapore.
CMP Products Texas Inc	5222 N. Sam Houston Parkway E, Houston, Texas, 77032, USA.
Michell Bearings Inc	Corporation Trust Center, 1209 North Orange Street, Wilmington, New Castle, Delaware, 19801, USA.
Michell Bearings (India) LLP	No 8D, Attibele Industrial Area, Hosur Road, Bangalore – 562107, Karnataka, India.
Rotary Power Inc	6009 West 41 st Street, Suite 2, Sioux Falls, SD, 57106, USA.
Rotary Power GmbH	Lukasstraße 25a, 52070 Aachen, Germany.