

Registered number: 01942600

SCHNEIDER (GB) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023

MONDAY



AD6EHR55

A9

01/07/2024

#110

COMPANIES HOUSE

SCHNEIDER (GB) LIMITED

CONTENTS

	Page
Company Information	1
Strategic report	2 - 4
Directors' report	5
Directors' responsibilities statement	6
Independent auditor's report	7 - 10
Profit and loss account	11
Balance sheet	12
Statement of cash flows	13
Notes to the financial statements	14 - 28

SCHNEIDER (GB) LIMITED

COMPANY INFORMATION

Directors	F J Knörzer M I E Knörzer G Aubrey
Company secretary	M Sturm
Registered number	01942600
Registered office	16 Great Queen Street Covent Garden London WC2B 5AH
Independent auditor	Blick Röthenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

SCHNEIDER (GB) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

Introduction

The directors present their strategic report on the company for the year ended 31 December 2023. The principal activity of the company continued to be that of providing subcontracting services in the construction industry.

Business review and future developments

Turnover decreased from £27,663,120 in 2022 to £25,296,358 in 2023 and the year ended with a loss before tax of £1,403,997. The loss was driven by a significant dispute on one large residential project, combined with significant material and labour cost increases as the global economy recovers from the effects of the CoVID pandemic and the conflict in Ukraine.

The company's results also reflect the progress of several significant medium term projects which were won in 2021. Cumulative turnover over the last two years amounted to £52.9 million. Turnover is principally derived from eight contracts with an overall contract value in excess of £129 million over the contract life.

The pipeline of secured work at the year end shows £16 million of unfinished projects which will guarantee workload for about 1 year at this stage. We remain active in the marketplace; however, we maintain strict selectivity in which opportunities we pursue.

2023 also saw significant increases in interest rates which has led to changed conditions in project financing and has set new pressures across the whole construction sector. These changed conditions are reflected in our target markets and are manifested as a reduction in tendering activity. Pricing in our target markets is very competitive but the Directors will not sanction a 'race to the bottom' and our bid/tender strategy remains a disciplined approach as we look at new work, ensuring the financial, programme and cost viability of schemes, clients and sub-contractors. This approach is underpinned by strong internal processes aimed at minimising our operations and financial risks and include:

- Focused and selective tendering to projects where the company has the required experience and resources to deliver those projects.
- Project timescales are aligned with our processes, resource availability and manufacturing capacity.
- Strong liquidity management and financial flexibility.

We continue to focus on delivering exceptional facades to our clients and have confidence in our ability to both win new work, at the right terms, and deliver those projects in the current operating environment.

During 2023, global inflationary pressure was exacerbated by the continued war in Ukraine which continues to contribute to significant input price inflation and shortages of materials. This has impacted the 2023 financial performance.

We continue to manage inflation risk from inception to completion through our governance processes and mitigation strategies. The inflationary environment remained under close review in 2023 with its impact carefully managed and mitigated wherever possible. The Board will continue to monitor the impact of the war in Ukraine, other geo-political influences and inflation on the UK business environment and remains alert to the need to respond quickly to changes in market conditions. Our materials supply chain is heavily energy dependent, and the cost of the energy price rise has been passed on to us by our supply chain.

The key management objectives and performance indicators relate to prospective and achieved turnover, contract profitability and tight overhead control. As indicated above, turnover decreased year on year in line with anticipated contract activity. Gross profit has decreased to a gross loss of 1.5% (2022: gross profit of 3.7%) reflecting non recoverable price increases across the supply chain.

Overheads have increased by £269,719 to £1,137,897 in the year. The increase in administration costs is driven by a foreign currency loss of £68,870 compared to a foreign currency gain of £67,748 in the previous year and an increase in insurance expenditure of £118,793 in the year.

SCHNEIDER (GB) LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Business review and future developments (continued)

The company's balance sheet at 31 December 2023 reflects the stage of completion of a number of projects with a decrease in cash at bank to £1,821,493 reflecting the loss incurred in the year. The company has not made dividend payments to the parent company in the year.

Receivables have significantly decreased when compared to the previous year and reflect the stage of completion on invoicing and retention receivables which the directors anticipate recovering in line with contracted terms. The directors continue to monitor working capital demands to ensure continued liquidity. In this respect the company is able to call upon resources from its parent if required.

The results also reflect a reduction in warranty provisions of £470,375 to £1,998,134 as the outcome of warranty claims were realised.

The company continues to face a competitive trading environment and the directors continue to actively market and develop the company's business and are optimistic as to future prospects.

Corporate responsibility and environmental management

Schneider are focussed on being a good corporate citizen. We are committed to discharging our obligations and we actively look to reduce our impact on the environment, create sustainable benefits for our employees and to deliver opportunities for those looking to join the industry. To that end we are pleased to report that we continue to meet all our obligations in regard to environmental performance and apprenticeships. We are also running a successful internship programme where several interns have now achieved full time roles in the organisation. All staff are engaged with our sustainability training which will continue into 2024.

The Building Safety Act 2022 is now firmly embedded in England and Wales. Schneider continues to engage and collaborate with our clients to enhance our competence framework and management processes to meet the additional specific requirements.

We continue to explore opportunities to reduce the impact of our operations through sustainable use of materials, either new or recycled.

Employees

At Schneider our people are our biggest asset, they are the foundation of our success. We will continue to inspire and empower them by investing in training, promoting teamwork, and providing strong leadership.

We maintain a continued focus on safety of our people and those we interact with, both physical and psychological, in order to embed the appropriate culture and wellbeing focus.

We are committed to continuously enhancing our inclusive culture, giving everyone the opportunity to succeed irrespective of gender, race, religion, disability, age or orientation. We ensure no one is discriminated against, either directly or indirectly through any aspect of their employment.

Company staffing levels remained static in the year to meet the demands of project activity. The company remains committed to attract, develop, and retain key staff and policies in that regard are well embedded in the company culture. We maintain our focus on the quality of our product, installation, and client relations.

During 2023 we continued to maintain communication with all our staff to keep them informed about our latest developments and future strategies as the economic and political situation in Europe evolved.

SCHNEIDER (GB) LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2023

Health and Safety

The company continues to maintain our certification to ISO 45001. Our safety record for the year was exemplary, and our attention to investigating every incident, however small and disseminating lessons learned continues to reduce our incident frequency.

Schneider recognise that maintaining a positive culture of safe, healthy, and productive performance is influenced by workforce retention and stability on our projects. We are pleased to report that churn on our projects during 2023 remained very small.

Principal risks and uncertainties

The principal activity of the company is to provide subcontracting services in the construction industry, and future results will therefore be impacted by any change in building activity brought about by the prevailing economic conditions, cost escalation on our projects, or penalties incurred if projects are delivered late. In the day-to-day operations of the business, the company is exposed to various risks and uncertainties. The directors recognise their responsibility to manage these risks and have procedures in place to mitigate them.

The directors will continue to monitor these situations to ensure the company can react to changing situations as they arise. In the meantime, they will continue to monitor cashflows to ensure the company remains a going concern.

The directors acknowledge that the greatest risk to the company arises from cost overruns arising from site matters outside the company's control. Care is taken to minimise the effect of such dangers by careful specification at the contract stage and tight management and control of those operations for which the company is responsible. To keep cost under control, meetings with all relevant involved parties are held on a regular and continuous basis. However, despite careful planning, a residual risk remains which can have a significant impact on the results.

The directors perceive that the greatest uncertainty facing the company in the short and medium term is the impact of the conflict between Ukraine and Russia impacting our ability to procure and deliver materials to meet site schedules. The company is addressing this risk through contract negotiations and by taking measures to mitigate disruption as much as possible.

The company is liable to risks arising from the effect of foreign exchange variations. The effects of this are, wherever possible, minimised by the company endeavouring to ensure that dual payment terms are offered to clients reflecting the proportion of cost borne in sterling or euro. The company manages liquidity risk on projects at a group level and is able to call upon funding from its parent as required.

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



M I E Knörzer
Director

Date: 24/06/2024

SCHNEIDER (GB) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors present their report and the financial statements for the year ended 31 December 2023.

Results and dividends

The loss for the year, after taxation, amounted to £1,352,501 (2022 -profit of £151,292).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

F J Knörzer
M I E Knörzer
G Aubrey

Matters covered in the Strategic Report

As permitted by s414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has 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 company's auditor is aware of that information.

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



M I E Knörzer
Director

Date: 24.06.2024

SCHNEIDER (GB) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2023

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SCHNEIDER (GB) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER (GB) LIMITED FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion

We have audited the financial statements of Schneider (GB) Ltd (the 'company') for the year ended 31 December 2023, which comprise the profit and loss account, the balance sheet, the statement of cash flows and the notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SCHNEIDER (GB) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER (GB) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

SCHNEIDER (GB) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER (GB) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, 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:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the construction sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested a sample of journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 3 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

SCHNEIDER (GB) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SCHNEIDER (GB) LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2023

Auditor's responsibilities for the audit of the financial statements (continued)

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Blick Rothenberg Audit LLP

Mark Hart FCA CTA (senior statutory auditor)

for and on behalf of
Blick Rothenberg Audit LLP

Chartered Accountants
Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 24 June 2024

SCHNEIDER (GB) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2023

	Note	2023 £	2022 £
Turnover	4	25,296,358	27,633,120
Cost of sales		(25,679,462)	(26,601,490)
Gross (loss)/profit		(383,104)	1,031,630
Administrative expenses		(1,137,897)	(868,178)
Other operating income	5	-	12,389
Operating (loss)/profit	6	(1,521,001)	175,841
Interest receivable and similar income	9	117,004	8,969
(Loss)/profit before taxation		(1,403,997)	184,810
Tax on (loss)/profit	10	51,496	(33,518)
(Loss)/profit for the financial year		(1,352,501)	151,292

There are no items of other comprehensive income for the year or the prior year other than the (loss)/profit for the year. Accordingly, no statement of other comprehensive income has been presented.

SCHNEIDER (GB) LIMITED**BALANCE SHEET
AS AT 31 DECEMBER 2023**

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	11	32,725	62,340
Current assets			
Debtors: amounts falling due after more than one year	12	2,981,573	3,673,242
Debtors: amounts falling due within one year	12	11,265,692	14,504,874
Cash at bank and in hand	13	1,821,493	3,328,898
		<u>16,068,758</u>	<u>21,507,014</u>
Creditors: amounts falling due within one year	14	(12,609,569)	(16,280,865)
Net current assets		<u>3,459,189</u>	<u>5,226,149</u>
Total assets less current liabilities		<u>3,491,914</u>	<u>5,288,489</u>
Creditors: amounts falling due after more than one year	15	(113,320)	(72,690)
Provisions for liabilities			
Deferred tax	16	-	(14,329)
Other provisions	17	(1,998,134)	(2,468,509)
		<u>(1,998,134)</u>	<u>(2,482,838)</u>
Net assets		<u>1,380,460</u>	<u>2,732,961</u>
Capital and reserves			
Called up share capital	18	80,001	80,001
Profit and loss account	19	1,300,459	2,652,960
Total equity		<u>1,380,460</u>	<u>2,732,961</u>

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



M. I. E. Knörzer
Director

Date: 24.06.2024

The notes on pages 14 to 28 form part of these financial statements.

SCHNEIDER (GB) LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 £	2022 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(1,352,501)	151,292
Adjustments for:		
Depreciation of tangible assets	31,153	29,137
Government grants	-	(6,533)
Interest received	(117,004)	(8,969)
Taxation (credit)/charge	(51,496)	33,518
Decrease/(increase) in debtors	4,008,018	(643,859)
(Decrease)/increase in creditors	(3,630,666)	3,553,152
(Decrease) in provisions	(470,375)	(1,350,878)
Corporation tax (paid)	(40,000)	(143,112)
Net cash (used in)/ generated from operating activities	(1,622,871)	1,613,748
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,538)	(14,841)
Interest received	117,004	8,969
Government grants	-	6,533
Net cash generated from investing activities	115,466	661
Net (decrease)/increase in cash and cash equivalents	(1,507,405)	1,614,409
Cash and cash equivalents at beginning of year	3,328,898	1,714,489
Cash and cash equivalents at the end of year	1,821,493	3,328,898
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,821,493	3,328,898
	1,821,493	3,328,898

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

1. General information

The company is incorporated in Great Britain and registered in England and Wales. Its principal place of business is Unit 8, Baden Place, Crosby Row, London, SE1 1YW. The company's principal activity is that of providing subcontracting services in the construction industry.

The financial statements are prepared in Sterling (£), which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company enters into contracts as a subcontractor and these contracts are fulfilled with the support of its fellow group companies. Therefore in assessing going concern, the directors also consider the position of the group as a whole.

Having considered post year end trading, financial results, cash reserves and the ongoing support of the ultimate parent undertaking, and after making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates and value added tax. The company's income is derived from construction contracts.

Construction contracts

Income from long term contracts is recognised as contract activity progresses calculated with reference to the stage of completion certified by external valuers.

Profit is recognised on long-term contracts on the percentage of completion basis, if the final outcome can be estimated reliably, by including in the profit and loss account turnover and related costs as contract activity progresses. Losses and contingencies on long term contracts are recognised in full when such losses can be foreseen.

Contract work in progress is included in debtors as amounts recoverable on contracts. Progress payments receivable are deducted from amounts recoverable on contracts and any excess included in creditors as payments on account.

Where costs have been incurred in excess of the stage of completion, these are included within stocks and work in progress.

Retentions

Retentions represent the difference between the cumulative income recognised on contracts and the cumulative stage payments invoiced. Retentions are usually held for a period of between twelve to twenty-four months following the practical completion of the contract. At the balance sheet date, the directors assess retentions balances for impairment. Where the retention is found not to be recoverable due to a dispute with the client, impairment is charged against revenue. Where non-recovery is as a result of the inability of a client to meet its obligations, the impairment is charged to administrative expenses.

2.4 Government grants

Grants are accounted under the accruals basis as permitted by FRS102. Grants of a revenue nature are recognised in the profit and loss account in the same period as the relevant expenditure.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 12.5% per annum
Motor vehicles	- 20% per annum
Fixtures and fittings and computer equipment	- 20% - 33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.6 Financial instruments (continued)

Financial liabilities

Basic financial liabilities, including trade and other creditors, loans from fellow group companies that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

Impairment of financial assets

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

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

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

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the 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 are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.7 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.8 Share capital

Ordinary shares are classified as equity.

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is 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 profit or loss account.

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

2.10 Operating leases

Rentals paid under operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Finance costs

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

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.14 Provisions for warranty works

Amounts required for warranty work to be undertaken on projects are charged as an expense to the profit and loss account in the year that the company becomes aware of the obligation, and are measured at the best estimate of the expenditure required to settle the obligation. The obligations are discounted where material.

2.15 Contingent liabilities

The company provides certain guarantees and warranties as part of its contract terms in respect of projects undertaken which are generally of ten to twelve years duration. Provision is made for claims arising on those projects in line with contract terms.

2.16 Dividends

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

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical judgements and estimations that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

The recognition of revenue and profit on long-term contracts

Management judgement is required to determine the appropriateness of calculating the revenue and profit to be recognised. This includes estimating the total expected costs to complete each contract, the future profitability of the contract and also the percentage of completion at the balance sheet date. These judgements directly influence the revenue and profit that can be recognised in relation to such contracts. Material changes in these estimates could affect the overall amounts recognised on individual contracts.

Provisions for remedial work

Management review provisions for remedial work arising on contracts on an annual basis to determine the nature of the work required and the associated costs. Provisions are made on a case by case basis.

Impairment of retentions

Management review retentions recoverable on an annual basis. In determining whether there is an impairment, management determine their best estimate of the probability of recovery based on the eventual outcome of contract negotiations. In arriving at this judgement, management consider historical experience and current trends.

4. Turnover

The whole of the company's turnover is attributable to construction contracts, arising in the United Kingdom.

5. Other operating income

	2023	2022
	£	£
Sundry income	-	5,856
Government grants receivable	-	6,533
	-	12,389

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

6. Operating (loss)/profit

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

	2023	2022
	£	£
Tangible fixed assets - depreciation	31,153	29,137
Fees payable to the company's auditor for the audit of the company's annual financial statements	30,925	29,450
Fees payable to the company's auditor for non audit services	3,450	3,300
Foreign exchange loss/(gain)	68,870	(67,748)
Other operating lease rentals	159,596	179,344
Defined contribution pension cost	66,421	61,009

7. Employees

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

	2023	2022
	£	£
Wages and salaries	2,164,431	2,246,359
Social security costs	247,095	265,595
Cost of defined contribution scheme	66,421	61,009

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

	2023	2022
	No.	No.
Production	36	39
Support	1	3
Management	3	2
Directors	3	3

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

8. Directors' remuneration

	2023 £	2022 £
Directors' emoluments	215,463	219,213
Directors' pension costs	6,300	6,413
	<u>221,763</u>	<u>225,626</u>

During the year retirement benefits were accruing to 1 director (2022 -1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £215,463 (2022 -£219,213).

The directors are considered the company's key management personnel.

9. Interest receivable and similar income

	2023 £	2022 £
Bank interest receivable	<u>117,004</u>	<u>8,969</u>

10. Taxation

	2023 £	2022 £
Current tax on profits for the year	(37,167)	37,167
Total current tax	<u>(37,167)</u>	<u>37,167</u>
Deferred tax		
Origination and reversal of timing differences	(14,329)	(3,649)
Total deferred tax	<u>(14,329)</u>	<u>(3,649)</u>
Tax on (loss)/profit	<u>(51,496)</u>	<u>33,518</u>

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2022 - lower than) the effective rate of corporation tax in the UK of 23.5% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
(Loss)/profit before taxation	<u>(1,403,997)</u>	<u>184,810</u>
(Loss)/profit multiplied by the effective rate of corporation tax in the UK of 23.5% (2022 - 19%)	<u>(329,939)</u>	<u>35,114</u>
Effects of:		
Expenses not deductible for tax purposes	530	126
Timing differences in respect of fixed assets including depreciation and capital allowances	(7,369)	1,870
Short-term timing difference leading to a decrease in taxation	-	(3,649)
Changes in provisions leading to an increase in taxation	(1,182)	57
Changes in tax rate	8,803	-
Loss carry back claim	(37,167)	-
Utilisation of tax losses	37,167	-
Unrelieved tax losses carried forward	277,661	-
Total tax charge for the year	<u>(51,496)</u>	<u>33,518</u>

Factors that may affect future tax charges

From 1 April 2023 the corporation tax rate increased to 25%.

At 31 December 2023, the company has unrelieved tax losses of £1,184,000 available to set against future taxable profits. At 31 December 2023 the company has a potential deferred tax asset of £296,000 which has not been recognised due to the uncertainty as timing of the recovery of the deferred tax asset.

SCHNEIDER (GB) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023****11. Tangible fixed assets**

	Plant and machinery £	Motor vehicles £	Fixtures and fittings and computer equipment £	Total £
Cost				
At 1 January 2023	112,280	21,074	56,378	189,732
Additions	-	-	1,538	1,538
At 31 December 2023	<u>112,280</u>	<u>21,074</u>	<u>57,916</u>	<u>191,270</u>
Depreciation				
At 1 January 2023	78,041	15,806	33,545	127,392
Charge for the year	14,035	4,215	12,903	31,153
At 31 December 2023	<u>92,076</u>	<u>20,021</u>	<u>46,448</u>	<u>158,545</u>
Net book value				
At 31 December 2023	<u>20,204</u>	<u>1,053</u>	<u>11,468</u>	<u>32,725</u>
At 31 December 2022	<u>34,239</u>	<u>5,268</u>	<u>22,833</u>	<u>62,340</u>

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

12. Debtors

	2023 £	2022 £
Due after more than one year		
Trade debtors	1,467,258	2,146,235
Other debtors	18,000	21,923
Prepayments and accrued income	1,496,315	1,505,084
	<u>2,981,573</u>	<u>3,673,242</u>
Due within one year		
Trade debtors	1,903,667	4,299,725
Other debtors	38,192	435,554
Prepayments and accrued income	34,685	50,913
Amounts recoverable on long-term contracts	9,167,655	9,674,356
Corporation tax receivable	121,493	44,326
	<u>14,247,265</u>	<u>18,178,116</u>

Prepayments and accrued income due after more than one year of £1,496,315 (2022: £1,505,084) relate to an amount recoverable from the company's parent in respect of potential warranty works to be undertaken by the company under the terms of its contracts. The parent company acts as a subcontractor under those contracts.

13. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>1,821,493</u>	<u>3,328,898</u>

14. Creditors: amounts falling due within one year

	2023 £	2022 £
Payments received on account	2,287,189	2,550,034
Trade creditors	364,853	703,724
Other taxation and social security	141,434	163,772
Accruals and deferred income	9,816,093	12,863,335
	<u>12,609,569</u>	<u>16,280,865</u>

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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

	2023 £	2022 £
Other creditors	665	-
Accruals and deferred income	112,655	72,690
	<u>113,320</u>	<u>72,690</u>

16. Deferred taxation

	2023 £
At beginning of year	(14,329)
Credited to profit or loss	14,329
At end of year	<u>-</u>

The deferred taxation balance is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	-	15,585
Short term timing differences	-	(1,256)
	<u>-</u>	<u>14,329</u>

17. Provisions

	2023 £
At 1 January 2023	2,468,509
Released in the year	(470,375)
At 31 December 2023	<u>1,998,134</u>

Provisions relate to potential warranty works to be undertaken by the company under the terms of its contracts. The warranty period is for between ten and twelve years' duration.

The provision amount represents the gross amount due under the terms of the contract; however, £1,496,315 (2022: £1,505,084) would be recoverable from the company's parent which acts as a subcontractor under those contracts. The corresponding amount is shown within Debtors: amounts falling due after one year.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

18. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
80,001 (2022 -80,001) Ordinary shares of £1.00 each	<u>80,001</u>	<u>80,001</u>

19. Reserves

Profit and loss account

The profit and loss account represents all current and prior period profits and losses.

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from the company in a independently administered fund. The pension charge represents contributions payable by the company to the fund and amounts to £66,421 (2022: £61,009) of which £Nil (2022: £5,025) was outstanding at the year end.

21. Analysis of net funds

	At 1 January 2023 £	Cash flows £	At 31 December 2023 £
Cash at bank and in hand	<u>3,328,898</u>	<u>(1,507,405)</u>	<u>1,821,493</u>

22. Commitments under operating leases

At 31 December 2023 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	112,950	179,224
Later than 1 year and not later than 5 years	65,000	73,911
	<u>177,950</u>	<u>253,135</u>

23. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 paragraph 33.1A from disclosing transactions with entities which are part of the same wholly owned group as the company is included within group accounts that are publicly available.

SCHNEIDER (GB) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

24. Ultimate parent undertaking and controlling party

The immediate parent company is Schneider Beteiligungsgesellschaft GmbH, a company incorporated in Germany. Consolidated financial statements for this company are not prepared.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up and of which the company is a member is Schneider Holding GmbH, the registered office of which is Rechenberger Str. 7-9, D-74597 Stimpfach, Germany. Consolidated financial statements are available from www.unternehmensregister.de.

In the opinion of the directors the ultimate controlling party is Mrs M I Knörzer.