

REGISTERED NUMBER: 11506274 (England and Wales)

UnitBirwelco Ltd

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 December 2019

Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

UnitBirwelco Ltd

**Contents of the Consolidated Financial Statements
for the Year Ended 31 December 2019**

	Page
Company Information	1
Chairman's Report	2
Group Strategic Report	3
Report of the Directors	7
Report of the Independent Auditors	8
Consolidated Income Statement	11
Consolidated Balance Sheet	12
Company Balance Sheet	13
Notes to the Consolidated Financial Statements	14
Consolidated Trading and Profit and Loss Account	20

UnitBirwelco Ltd

**Company Information
for the Year Ended 31 December 2019**

Directors:	A Dent C Wilkinson A Williams
Registered office:	5th Floor 40 Gracechurch Street London EC3V 0BT
Business address:	Unit House Elba Business Park Elba Crescent Swansea SA1 8QE
Registered number:	11506274 (England and Wales)
Auditors:	Haines Watts Wales LLP, Statutory Auditors 7 Neptune Court Vanguard Way Cardiff CF24 5PJ

UnitBirwelco Ltd

Chairman's Report for the Year Ended 31 December 2019

By the close of the previous financial year to December 2018, UnitBirwelco was regularly missing financial forecasts and trading at a loss. Crucially, insufficient revenue was being generated to sustain the company's long-term future. Senior management faced some stark choices: they could either seek to refinance and make the necessary 'root and branch' changes to structure and processes, or stumble on regardless until the company went out of business with all the pain and misery that would entail.

In the event, the directors chose the former and I am happy to report that UnitBirwelco is currently undergoing a positive transformation in all aspects of its business. However, while considerable progress has been achieved, it is impossible to ignore the inevitable social and business consequences of the Covid-19 pandemic. As a result, the Board will need to revise its plans to meet the continually changing circumstances, potentially requiring further sacrifices to be made during 2020 (further details are contained in the Strategic Review).

Radical change

Radical change on the scale introduced last year is never easy to implement. The task was made all the harder by the uncertain business and political climate this country had to endure in 2019. I therefore consider the turnaround of UnitBirwelco during this period to be a remarkable achievement.

A lot of the credit for the company's progress must go to the new CEO, Cy Wilkinson, and to incoming FD, Andrew Williams. Incumbent General Managers, Carl Blewer and Dave McIntyre, and new GM, Steve Foligno, also made a huge contribution, along with Lee Dixon who was brought in to help with quality control. Combined with the re-introduction of training, the entire workforce has been re-motivated, bringing instant benefits and a marked improvement in financial performance. The company owes a huge debt of gratitude to everyone involved.

Thanks, too, should go to our loyal customers and suppliers who remained faithful throughout this difficult period and without whom UnitBirwelco would likely have no future at all.

I should also place on record that none of this would have been possible without the unwavering financial support of lender ArchOver and its parent company, Hampden Holdings.

Improved financial performance

UnitBirwelco returned to profit in each of the seven months to end November, 2019, although the losses incurred earlier in the year and in the final month of December left the company showing an overall deficit for the twelve month period. Notwithstanding the impact of Covid-19 - the likely duration and effects of which we can only surmise at this relatively early stage - we enter 2020 with a dedicated team, greater financial stability, vastly improved business processes and a healthy order book.

Environmental responsibility

Preserving the planet for future generations is now widely recognised as being part of everyone's social and corporate responsibility. At UnitBirwelco we understand that we rely for our living on what are perceived to be 'dirty' sectors, such as oil and gas - industries that are not only massive, but which truly straddle the globe and are deeply embedded in most societies' economies. Despite the undeniable legitimacy of the 'green' agenda, change will not be achieved overnight. Companies which work within and around such sectors, including UnitBirwelco, are devoting considerable effort to reducing the environmental impact. Achieving greater efficiency will help reduce greenhouse gas emissions and, although there remains a long way to go, we are determined in our small way to be part of that effort.

Corporate Governance

Good governance is an essential requirement in today's business environment and, although we cannot claim to be at our final destination yet, we are striving to build an appropriate culture that is fit for the 2020s.

Summary

From a business perspective, UnitBirwelco is out of intensive care and on the road to recovery. However, the challenges to the competitive industries in which most of our customers operate and, by extension, to UnitBirwelco itself, remain. Latterly, Covid-19 has arrived on the scene as an unforeseen and unwelcome threat, casting its dark shadow across every aspect of our lives. The company will almost certainly suffer a loss of revenue which will impact our cash flow and test our resolve to the limit.

Having seen how the team has pulled together in these difficult times, I can say with confidence that the company is far better placed to cope with these pressures than it was only a year ago. Taking into account some more positive factors, such as greater political and economic certainty on the domestic front, I and my Board colleagues are optimistic that the sacrifices made over the past year will bring stability and ultimately result in greater financial rewards for all. In the meantime, I would like to thank everyone involved for their efforts and fortitude. I wish them good health.

UnitBirwelco Ltd

**Group Strategic Report
for the Year Ended 31 December 2019**

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

2019 was the year in which the UnitBirwelco group of companies realised the gravity of the issues they faced and started to put into place the accounting and reporting building blocks that would see a real business transformation. These included improving reporting deadlines and the format of the information supplied to senior management, the tight control of costs and repairing the company's cash position. There was also expenditure on upgrading the computing systems to help with the information flow throughout the group and to make sure that the IT systems were fit for purpose and secure.

Senior management are now able to review monthly management accounts within a seven day window following the previous month's end. The information supplied enables the GMs, CEO and Chairman to interrogate the financial information in far greater detail which improves planning and the control of business costs.

Further analysis of this information and the use of KPI's on key metrics will further improve the management of the company and during 2020 further improvements to the analysis of sales and marketing information will also take place. With the business dependent on borrowing and support from its parent, a key bellwether for 2019 was the need for the company to produce a positive EBITDA in the accounts, which I am pleased to report it did.

The focus for 2020 will be to make sure that there is a determined effort to generate cash each month. This will be achieved by the company improving turnover not only through its current customer base, but through widening its customer base both in the UK and overseas with a focus on North Africa and the Middle East. Recognising the risks of group having such a narrow customer base, management has focused on the diversification of both products and customers.

With the creation of a three-year budget in the final quarter of 2019 (which may be subject to revision due to the Covid-19 shutdown), management are in a better position to compare the performance for each of the three operating companies not only in terms of turnover, but for each cost line. Such detailed analysis of the management accounts takes place each month.

It is also worth noting that, due to the size and nature of the some of the contracts being won, further support by way of Parental Guarantees is being provided by Hampden Holdings Limited which will increase the likelihood of significant growth in the period 2020-2022.

Although cash remains an issue of concern, due in part to the payment cycles adopted by several of UnitBirwelco's major customers and the way large engineering projects are funded, the company, with the support of the ArchOver funding platform, is able to accommodate these short term blips and lessen cash flow risk. Tight management of working capital will continue to be a major requirement of the finance department.

The balance sheet still contains a major debt with an American company, Birwelco USA Inc (BUSA). A review of how this debt was created and signed board papers clearly identifying this debt as owed means that, at the date of writing this report, the author is comfortable with both the debt's value and its recoverability. However, this has to be qualified by the fact that the knock-on effects of Covid-19 on BUSA are currently unknown.

UnitBirwelco Ltd

Group Strategic Report for the Year Ended 31 December 2019

Review of business

Events of 2018 acted as the catalyst for major change at UnitBirwelco. Following an in-depth business assessment in Q1 2019, detailed plans were formulated to transform the group into a professional, structured and progressive operation geared for growth.

As part of the make-over process, an extensive management restructuring took place along with other essential actions to stabilise operations.

Having taken some difficult decisions, we now have an experienced team in place which includes General Managers leading each of our three divisions and a new Group Finance Director. Further senior appointments have been made to take specific responsibility for Group Quality, Health & Safety, Integrated Systems, PR & Marketing and Human Resources. The new team is working together to drive change, business development and growth across the group.

An analysis of overheads resulted in operational costs being brought under firm control. Overheads remain under constant review and regular action will be taken as necessary to improve them still further.

After initial stabilisation and during Q4 2019, we conducted a strategic analysis of the group using a cross-functional team which subsequently developed a business strategy linked to functional strategies, translated into roadmaps and action plans to drive the implementation programme.

The detailed strategy is designed to bring necessary transformation and modernisation to all areas of the group.

Huge progress was achieved during the last financial year. The strategy developed in Q4 2019 was being deployed through all functions in the group and across all senior management, including the General Managers. The functional strategies included PR & Marketing/Sales, Finance & IT, HR and Quality, Health & Safety and Integrated Systems.

Focus was maintained on growth and sales opportunities through frequent sales and operations planning meetings at divisional level and through quarterly sales meetings at group level. We are confident that this, along with our renewed activity in PR and marketing, implemented through a PR roadmap, coupled with a further strengthening of the commercial team, will lead to growth opportunities in the future.

As part of our plan to be more visible in our market place, we will continue to raise our profile by attending relevant trade conferences in the UK and worldwide, including ADIPEC in Abu Dhabi in November 2020 - the largest conference of its kind in the world, which we also attended in 2019.

Products and product development

To add to our ISO9001, ISO14001 and OHSAS18001 accreditation, we have renewed our certification to AMSE standards U, S and R and more recently to EN1090 Ex Class 4. These standards and systems help to ensure we are working in a safe and quality driven environment, but also encourage us to develop and improve our product and service offering to the optimum level.

Birwelco recently launched its Flare Gas Recovery System, an important product introduction which delivers significant environmental benefits for customers operating flares.

Human resources

We have engaged HR expertise and developed an HR strategy to ensure we embed the four main elements:

- Succession management
- Training and continuous development
- Skills & employee satisfaction
- Policies & procedures.

Quarterly progress presentations have been planned with the senior management team and monthly reviews are taking place to ensure we stay on track and that we remain focused on the priorities.

Environment, Social and Governance (ESG)

In two of our three divisions, we actively drive environmental improvements through our Environmental Management systems and our ISO14001 accreditation. During 2020, we will begin the implementation of ISO14001 at Unit Superheater Engineering as part of our push for group wide systems integration across our three sites.

This, along with our plans to implement group-wide safety and quality management systems, is supported by senior management and an additional quality and integrated systems manager at operational level.

We currently employ 14 apprentices across the group, both in craft and technical roles, as well as graduates and sandwich year students complementing our skilled engineers and craftsmen.

UnitBirwelco Ltd

**Group Strategic Report
for the Year Ended 31 December 2019**

As we go into 2020, we have increased the level of university engagement by planning for further recruitment of sandwich year placements in Q3 2020 and a postgraduate placement focused on elements of our environmental improvement strategy outside ISO14001 - primarily on the development of product and process improvements to enable us to manufacture more environmentally friendly products.

As a group, we are determined to make our contribution by reducing our carbon footprint, helping our customers and suppliers to reduce their carbon footprint and work is ongoing to make sure we meet Government targets.

In order to ensure high standards, we have developed a roadmap in line with the Institute of Directors' 'good governance manifesto'. The roadmap is owned by senior management and is being implemented and monitored through regular review meetings. An element of good governance is the much improved and detailed level of management information and reporting on a monthly basis and monitored through monthly group management meetings, held around our three sites.

2020 and Covid-19

All the hard work and sacrifices made last year have undoubtedly put UnitBirwelco on a far more solid footing than at the close of the previous year. However, the management team's transformation plans to boost revenue, cash and profits will be adversely affected by the impact of Covid-19. We are heading into unknown territory and being forced to learn as we go rather than from past experience. Knowing that we are not alone is small consolation.

We have been forced to take immediate and necessary action to protect the business from a steep and sudden downturn. With immediate effect:

- 9 Unit Engineers & Constructors ('UECL') employees have been laid off because projects that were scheduled for 2020 have been delayed for an unknown period of time
- 59 UECL employees have been furloughed under the Government Scheme who we will strive to reinstate once a normal pattern of work resumes
- Several UECL personnel focused on future business and sales activities are working from home
- Birwelco continues to operate with the whole team working from home
- Employees of Unit Superheater Engineering are currently operating with additional safety measures in place or working from home

None of these decisions has been taken lightly and we sincerely hope that, once the crisis has past, the Group will be able to return to its intended growth trajectory.

UnitBirwelco Ltd

**Group Strategic Report
for the Year Ended 31 December 2019**

Principal risks and uncertainties

Senior management are aware that the group faces a number of specific challenges over the next year and remain confident in the mitigation of these issues in the short, medium and long term. The areas that will require specific actions are identified below:

Cashflow Risk and working capital requirements: while maintaining and reducing creditor balances. The payment of large quarterly VAT payments requires considerable cash management and careful management of the ongoing projects. The delay to payment of VAT allowed by HM Govt. during Spring and Summer 2020 will be helpful.

Staffing Risks: the uncertainty engendered by Covid-19 led us, with regret, to reduce our staff numbers. Being able to recruit sufficient experienced and qualified people to help us meet our growth targets when the upturn happens is already an identified risk and a challenge for business to overcome.

Technology Risk: the group is aware that the industry will for the future need to see significant changes to meet the environmental requirements society demands. The UnitBirwelco group will, by strengthening its links to local Universities and undertaking a number of initiatives, create products that have environmental improvements at their core.

Product Risk: a relatively narrow base of products that are normally customer specified has been identified as a risk to further growth. The company will therefore diversify its product offering within the same sectors and look to increase the number of customers.

Coronavirus (Covid-19) Pandemic Risk: It is impossible to predict either the likely duration of the current Coronavirus pandemic or to be definitive about its financial impact on the world's major economies, including the UK. However, with the improvements made to processes and structure within UnitBirwelco, we are confident that the group is better able to withstand these pressures and to service its existing and growing customer base. The strengthened financial position will also enable UnitBirwelco to meet its environmental and social commitments for the foreseeable future.

Overall, the senior management remain confident that the business can consolidate its financial position during 2020 with improved Gross Margins, EBITDA and a return to profitability.

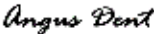
Unitbirwelco stakeholders

I would like to thank the teams across our three divisions for their efforts and dedication during a time of rapid and radical change. Their experience and response to new business practices has been, and will be, invaluable as we continue the transformation. Everyone has to recognise that change is both inevitable and constant.

I would like to express my thanks to our loyal customers and suppliers who have worked with and continue to work with and engage with our business. We will ourselves endeavour to be a good supplier, customer and to be better in everything that we do to ensure we deserve your continuing support.

We are a well-backed organisation and the support from our parent company and ultimate parent company has ensured we are well placed to enjoy a successful future. None of us knows how the Covid-19 situation is going to play out, but our outlook remains positive as we continue our transformation and sales & marketing activity which will enable us to take advantage of the upturn when it comes. Thank you.

On behalf of the board:

DocuSigned by:

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A Dent - Director

17 April 2020

UnitBirwelco Ltd

**Report of the Directors
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

Directors

A Dent has held office during the whole of the period from 1 January 2019 to the date of this report.

Other changes in directors holding office are as follows:

C Wilkinson and A Williams were appointed as directors after 31 December 2019 but prior to the date of this report.

I P M Anderson ceased to be a director after 31 December 2019 but prior to the date of this report.

Statement of directors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;

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

Statement as to disclosure of information to auditors

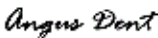
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

Auditors

The auditors, Haines Watts Wales LLP, Statutory Auditors, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

On behalf of the board:

DocuSigned by:

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A Dent - Director

17 April 2020

**Report of the Independent Auditors to the Members of
UnitBirwelco Ltd**

Opinion

We have audited the financial statements of UnitBirwelco Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Balance Sheet, Company Balance Sheet and Notes to the Financial Statements, 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 group's and of the parent company affairs as at 31 December 2019 and of the group's 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to note 2 in the financial statements which provides details of the company's trading performance and the uncertainty arising from the COVID-19 pandemic. The events or conditions detailed indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. In addition, included within Debtors is an amount of £1,207,904 due from Birwelco USA Inc. Failure to recover that amount would be likely to create a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of these matters.

Other information

The directors are responsible for the other information. The other information comprises the information in the Annual Report, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Report of the Independent Auditors to the Members of UnitBirwelco Ltd

Opinions 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

The impact of uncertainties due COVID -19 on our audit

The Directors' view on the impact of COVID-19 is disclosed on pages 5 and 6 and in note 2 in the financial statements.

Uncertainties related to the effects of COVID -19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability and valuation of assets, appropriateness of the going concern basis of preparation of the financial statements and associated disclosures. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

The COVID -19 viral pandemic is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We have applied a standardised approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the COVID -19 pandemic.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Group Strategic Report or in preparing the Report of the Directors.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page seven, 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 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 parent 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

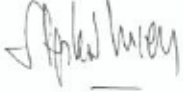
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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 Report of the Auditors.

**Report of the Independent Auditors to the Members of
UnitBirwelco Ltd**

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 a Report of the Auditors 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.



Stephen Lucey (Senior Statutory Auditor)
for and on behalf of Haines Watts Wales LLP, Statutory Auditors
7 Neptune Court
Vanguard Way
Cardiff
CF24 5PJ

Date: 17 April 2020

UnitBirwelco Ltd

**Consolidated Income Statement
for the Year Ended 31 December 2019**

	Notes	Year Ended 31.12.19 £	Period 8.8.18 to 31.12.18 £
Turnover		18,290,695	3,190,152
Cost of sales		(14,556,695)	(2,413,152)
Gross profit		3,734,000	777,000
Administrative expenses		(3,248,259)	(1,385,826)
Operating profit/(loss)		485,741	(608,826)
Loan write off	4	(76,218)	336,365
Profit on realisation of assets acquired	4	-	1,565,236
		409,523	1,292,775
Interest payable and similar expenses		(751,377)	(1,499)
(Loss)/profit before taxation	5	(341,854)	1,291,276
Tax on (loss)/profit		-	(27,410)
(Loss)/profit for the financial year		(341,854)	1,263,866
(Loss)/profit attributable to: Owners of the parent		(341,854)	1,263,866

The notes form part of these financial statements

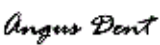
UnitBirwelco Ltd (Registered number: 11506274)

Consolidated Balance Sheet
31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	7	116,731	-
Tangible assets	8	752,236	675,861
Investments	9	-	-
		<u>868,967</u>	<u>675,861</u>
Current assets			
Stocks	10	101,587	119,125
Debtors	11	5,621,589	2,877,044
Cash at bank and in hand		229,092	223,115
		<u>5,952,268</u>	<u>3,219,284</u>
Creditors			
Amounts falling due within one year	12	(7,172,641)	(2,289,880)
Net current (liabilities)/assets		<u>(1,220,373)</u>	<u>929,404</u>
Total assets less current liabilities		<u>(351,406)</u>	<u>1,605,265</u>
Capital and reserves			
Called up share capital	14	2,000,100	100
Other reserves	15	(3,664,817)	-
Fair value reserve	15	391,299	341,299
Retained earnings	15	922,012	1,263,866
Shareholders' funds		<u>(351,406)</u>	<u>1,605,265</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 April 2020 and were signed on its behalf by:

DocuSigned by:

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A Dent - Director

UnitBirwelco Ltd (Registered number: 11506274)

Company Balance Sheet
31 December 2019

	Notes	2019 £	2018 £
Fixed assets			
Intangible assets	7	-	-
Tangible assets	8	-	-
Investments	9	5,200	200
		<u>5,200</u>	<u>200</u>
Current assets			
Debtors	11	1,917,175	213,100
Creditors			
Amounts falling due within one year	12	(3,703,934)	(330,043)
Net current liabilities		<u>(1,786,759)</u>	<u>(116,943)</u>
Total assets less current liabilities		<u>(1,781,559)</u>	<u>(116,743)</u>
Capital and reserves			
Called up share capital	14	2,000,100	100
Other reserves	15	(3,664,817)	-
Retained earnings	15	(116,842)	(116,843)
Shareholders' funds		<u>(1,781,559)</u>	<u>(116,743)</u>
Company's loss for the financial year		<u>-</u>	<u>(116,843)</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 17 April 2020 and were signed on its behalf by:

DocuSigned by:

Angus Dent

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A Dent - Director

The notes form part of these financial statements

UnitBirwelco Ltd

**Notes to the Consolidated Financial Statements
for the Year Ended 31 December 2019**

1. Statutory information

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

2. Accounting policies**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The group financial statements consolidate the financial statements of the parent company, UnitBirwelco Ltd and its subsidiaries for the year ended 31 December 2019. No profit and loss account is presented for the company as permitted by Section 408 of the Companies Act 2006.

Related party exemption

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

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

Turnover

Turnover represents amounts chargeable, net of value added tax, in respect of the sale of engineering and construction services to the power and petrochemical industries.

Goodwill

Goodwill is the difference between the fair value of consideration paid for an acquired entity and the aggregate of the fair value of that entity's identifiable assets and liabilities.

Positive goodwill is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful economic life. It is reviewed for impairment at the end of the first full financial year following the acquisition and in other periods if events or changes in circumstances indicate that the carrying value may not be recoverable.

Goodwill is amortised over 10 years.

Intangible assets

Patents are valued at cost and are amortised over 10 years or estimated useful life.

Tangible fixed assets

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

Plant and machinery	- 10% on cost
Motor vehicles	- 25% on reducing balance

Stocks, work in progress and amounts recoverable on contracts

Stocks and work in progress are valued at the lower of cost and net realisable value.

Profit on long-term contracts is taken as the work is carried out if the final outcome has been assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs (as defined above) as contract activity progresses. Turnover is calculated as that proportion of total contract value which costs incurred to date bear to total expected costs for that contract. Full provision is made for losses on all contracts in the year in which they are first foreseen.

UnitBirwelco Ltd**Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019****2. Accounting policies - continued****Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

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

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The financial statements have been prepared on a going concern basis despite the loss for the period of £341,854 and a negative reserves balance of £351,406.

Included within Debtors are balances of £1,207,904 due from a former related party, Birwelco USA Inc. Having due regard to the subsequent trading performance and future prospects for that company, the directors are of the opinion that the balances will be settled in full.

Since the balance sheet date, the Group has been able to continue to trade and pay its debts as they fall due.

The company's ability to continue to trade is dependent on continued support from its ultimate controlling party, Hampden Holdings Ltd, which has confirmed that it is willing and able to provide such support.

In addition, the directors believe that the Group has, over a number of years, generated significant internal intellectual property, which will enable it to continue to provide innovative solutions to its customers.

On this basis, the directors believe that the going concern basis is appropriate to the preparation of these financial statements.

In March 2020, the World Health Organization declared the outbreak of Coronavirus Disease (COVID-19) as a pandemic, which continues to spread across the UK. The spread of COVID-19 has caused significant volatility in the UK and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the UK and international economies. As such the directors are unable to determine if it will have a material impact on its operations. The Directors recognise that there may be substantial uncertainties that cast significant doubt about the ability of the Company to continue as a going concern but believe that the actions that have been taken to mitigate the risks, means it is still appropriate to adopt the going concern basis in preparing its financial statements.

UnitBirwelco Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

3. Employees and directors

The average number of employees during the year was 141 (2018 - 82).

4. Exceptional items

	Year Ended 31.12.19 £	Period 8.8.18 to 31.12.18 £
Loan write off	(76,218)	336,365
Profit on realisation of assets acquired	-	1,565,236
	<u>(76,218)</u>	<u>1,901,601</u>

The exceptional item relates to the write off of a previous director's loan account in Birwelco Limited.

5. (Loss)/profit before taxation

The loss (2018 - profit) is stated after charging:

	Year Ended 31.12.19 £	Period 8.8.18 to 31.12.18 £
Depreciation - owned assets	84,912	34,461
Other intangible fixed assets amortisation	1,869	-
	<u>86,781</u>	<u>34,461</u>

6. Individual statement of comprehensive income

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

7. Intangible fixed assets

Group

	Goodwill £	Patents and licences £	Other intangible fixed assets £	Totals £
Cost				
Additions	81,218	-	37,382	118,600
Additions on acquisition	70,834	166,666	-	237,500
At 31 December 2019	<u>152,052</u>	<u>166,666</u>	<u>37,382</u>	<u>356,100</u>
Amortisation				
Amortisation for year	-	-	1,869	1,869
Amortisation on acquisition	70,834	166,666	-	237,500
At 31 December 2019	<u>70,834</u>	<u>166,666</u>	<u>1,869</u>	<u>239,369</u>
Net book value				
At 31 December 2019	<u>81,218</u>	<u>-</u>	<u>35,513</u>	<u>116,731</u>

UnitBirwelco Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

8. Tangible fixed assets

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Cost				
At 1 January 2019	679,877	-	30,445	710,322
Additions	138,450	16,222	-	154,672
Disposals	(2,005)	-	-	(2,005)
Additions on acquisition	-	152,519	-	152,519
At 31 December 2019	816,322	168,741	30,445	1,015,508
Depreciation				
At 1 January 2019	29,480	-	4,981	34,461
Charge for year	71,379	6,672	6,861	84,912
Depreciation on acquisition	-	143,899	-	143,899
At 31 December 2019	100,859	150,571	11,842	263,272
Net book value				
At 31 December 2019	715,463	18,170	18,603	752,236
At 31 December 2018	650,397	-	25,464	675,861

9. Fixed asset investments

Company

	Shares in group undertakings £
Cost	
At 1 January 2019	200
Additions	5,000
At 31 December 2019	5,200
Net book value	
At 31 December 2019	5,200
At 31 December 2018	200

The company's investments at the balance sheet date in the share capital of its subsidiaries are the following:

	Ordinary shares of	% Holding
Unit Engineers & Constructors Limited	£1 each	100
Unit Superheater Engineering Limited	£1 each	100
Birwelco Limited	£1 each	100

All of the subsidiaries above were incorporated in England & Wales.

The principal activities of these were in the engineering trade.

During the year, Unitbirwelco Ltd purchased the shareholding in Birwelco Ltd, this purchase resulting in goodwill of £81,218.

UnitBirwelco Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

10. Stocks

	Group	
	2019	2018
	£	£
Stocks	90,867	23,100
Work-in-progress	10,720	96,025
	<u>101,587</u>	<u>119,125</u>

11. Debtors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade debtors	2,585,155	1,629,669	-	-
Amounts owed by group undertakings	100	-	619,754	213,100
Amounts recoverable on contract	1,448,779	1,069,295	-	-
Other debtors	1,284,421	90,133	1,210,800	-
Prepayments	303,134	87,947	86,621	-
	<u>5,621,589</u>	<u>2,877,044</u>	<u>1,917,175</u>	<u>213,100</u>

12. Creditors: amounts falling due within one year

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Hire purchase contracts	-	22,786	-	-
Payments on account	524,262	95,259	-	-
Trade creditors	1,027,282	442,982	-	-
Amounts owed to group undertakings	3,859,279	345,981	3,684,970	326,543
Tax	31,495	27,410	-	-
Social security and other taxes	413,679	224,088	-	-
VAT	445,462	182,651	-	-
Other creditors	266,118	596,353	-	-
Accrued expenses	605,064	352,370	18,964	3,500
	<u>7,172,641</u>	<u>2,289,880</u>	<u>3,703,934</u>	<u>330,043</u>

13. Secured debts

The following secured debts are included within creditors:

	Group	
	2019	2018
	£	£
Hire purchase contracts	<u>-</u>	<u>22,786</u>

The group has entered into a deed of charge containing both a fixed and floating charge over secured assets with Archover Limited.

Santander Bank plc hold fixed and floating charges over the assets of Birwelco Limited totalling £395,000.

14. Called up share capital

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
2,000,100	Ordinary	£1	<u>2,000,100</u>	<u>100</u>

UnitBirwelco Ltd

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 December 2019

14. Called up share capital - continued

2,000,000 Ordinary shares of £1 were issued during the year for cash of £2,000,000.

15. Reserves

Group

	Retained earnings £	Other reserves £	Fair value reserve £	Totals £
At 1 January 2019	1,263,866	-	341,299	1,605,165
Deficit for the year	(341,854)			(341,854)
Fair Value Adjustment	-	-	50,000	50,000
Acquisition Reserve	-	(3,664,817)	-	(3,664,817)
At 31 December 2019	<u>922,012</u>	<u>(3,664,817)</u>	<u>391,299</u>	<u>(2,351,506)</u>

Company

	Retained earnings £	Other reserves £	Totals £
At 1 January 2019	(116,842)	-	(116,842)
Profit for the year	-		-
Acquisition Reserve	-	(3,664,817)	(3,664,817)
At 31 December 2019	<u>(116,842)</u>	<u>(3,664,817)</u>	<u>(3,781,659)</u>

16. Ultimate controlling party

The company's immediate parent undertaking is Archover Holdings Limited which is incorporated in England & Wales.

The company's ultimate parent company and controlling party is Hampden Holdings Limited, a company registered in England & Wales. Copies of the consolidated financial statements of Hampden Holdings Limited can be obtained from its registered office at Hampden House, Great Hampden, Great Missenden, Buckinghamshire, HP16 9RD.

UnitBirwelco Ltd

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 December 2019

	Year Ended 31.12.19		Period 8.8.18 to 31.12.18	
	£	£	£	£
Sales		18,290,695		3,190,152
Cost of sales				
Purchases	6,263,807		1,248,299	
Obsolete stock adjustment	-		50,000	
Plant hire	221,007		-	
Wages	6,369,547		1,081,730	
Other direct costs	147,883		4,556	
Sub contractors	1,534,270		-	
Workshop costs	-		28,567	
Travel and subsistence	20,181		-	
		<u>14,556,695</u>	<u></u>	<u>2,413,152</u>
Gross profit		3,734,000		777,000
Expenditure				
Rent and rates	560,331		158,235	
Insurance	183,617		53,042	
Light and heat	63,073		31,689	
Wages	1,464,076		561,474	
Pensions	71,492		11,153	
Computer software and maintenance	89,680		13,030	
Telephone	19,712		6,683	
Post and stationery	24,614		4,233	
Advertising	5,077		-	
Travelling	55,943		13,860	
Motor expenses	36,442		22,175	
Security	10,687		-	
Health and safety	37,680		87,145	
Repairs and renewals	33,969		14,440	
Cleaning	28,502		2,888	
Customer entertaining	1,958		754	
Staff training	9,779		16,751	
Sundry expenses	21,082		17,796	
Consultancy	41,185		15,589	
Subscriptions	25,499		3,775	
Management charges	-		264,000	
Legal fees	326,273		32,691	
Auditors' remuneration	30,485		18,502	
Foreign exchange losses	15,151		831	
Amortisation of intangible fixed assets	1,869		-	
Depreciation of tangible fixed assets	84,913		34,460	
		<u>3,243,089</u>	<u></u>	<u>1,385,196</u>
		490,911		(608,196)
Finance costs				
Bank charges	5,170		630	
Loan interest	751,377		1,499	
		<u>756,547</u>	<u></u>	<u>2,129</u>
Carried forward		(265,636)		(610,325)

This page does not form part of the statutory financial statements

UnitBirwelco Ltd

Consolidated Trading and Profit and Loss Account
for the Year Ended 31 December 2019

	Year Ended 31.12.19		Period 8.8.18 to 31.12.18	
	£	£	£	£
Brought forward		(265,636)		(610,325)
Exceptional items				
Loan write off	(76,218)		336,365	
Profit on realisation of assets acquired	-		1,565,236	
		<u>(76,218)</u>	<u>1,565,236</u>	<u>1,901,601</u>
Net (loss)/profit		<u>(341,854)</u>		<u>1,291,276</u>