Professional Engineering Projects Limited

Annual Report and Financial Statements

For the year ended 31 December 2024

Company Registration No. 01103638 (England and Wales)

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Professional Engineering Projects Limited

Company Information

Directors	Nigel Wallbridge James McKnight Sean Fox (resigned 28 June 2024)
Company number	01103638
Registered office	1 Birdcage Walk London SW1H 9JJ
Independent Auditor	MHA 6th Floor 2 London Wall Place, London EC2Y 5AU
Bankers	National Westminster Bank PLC P o Box 113, Cavell House, 2A Charing Cross Road, London WC2H 0PD
Solicitors	Mills & Reeve LLP Botanic House, 100 Hills Road Cambridge CB2 1PH
	Bristows LLP 100 Victoria Embankment London EC4Y 0DH

Professional Engineering Projects Limited

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Professional Engineering Projects Limited

Directors' Report

For the year ended 31 December 2024

The directors present the annual report and financial statements for the year ended 31 December 2024.

Principal activities

The principal activities of the company are:

- the provision of training, consultancy and examination services, in the UK, Europe, the Middle East and Asia from training businesses based in London and Sheffield; and
- the provision of venue hire and catering services in London and Sheffield.

Directors

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

S Fox (resigned on 28th June 2024)

Nigel Wallbridge

James McKnight

Results and dividends

The results of the year are set out on page 9. The directors have not recommended payment of a dividend for the 2024 financial year.

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 directors to prepare final statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to safeguarding the assets of the company and to preventing and detecting fraud and other irregularities.

Statement of disclosure to auditor

Each of the directors in office at the date of approval of this annual report confirms that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' indemnity insurance

Indemnity insurance for the company directors is covered by the IMechE group policy.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

Strategic Report Exemption

In preparing this report, the directors have taken advantage of the strategic report exemption provided by section 414B of the Companies Act 2006.

Review of business

The results for the year are set out in the profit and loss account.

There has been growth in the Learning & Development and External Room Hire & Catering businesses. The External Room Hire & Catering operation showed a strong performance in 2024, demonstrated by revenue growth year on year. This business operates in a highly seasonal market and generated strong revenue from catering compared with other years. Learning & Development continued on an upward trajectory, driven by growth in both business-to-business and business-to-customer channels. Business-to-Business (B2B) growth came from a higher number of active customers purchasing across the portfolio. Business-to-Customer (B2C) growth has been stimulated by new locations and products to add to the existing programme (see note 2 for more information).

Following a strategic review, the business operating under the 'IMechE Argyll Ruane' brand, along with the subsidiary company 'IMechE Fife NDT Ltd', which operates in the same business area, were divested in 2024.

As part of the same review, future ownership options were finalised for the Sonaspection businesses, trading through the 'Sonaspection International Limited' and 'Sonaspection Inc' subsidiaries under the 'Sonaspection Worldwide Limited' holding company. This divestment concluded in February 2025. Finally, an application to strike off two of its wholly owned non-trading subsidiaries, namely IMechE Services Limited (Reg N 01361114) and Siantonas Ball Limited (Reg N 01655732) was made to the Companies House and accepted by them on 24 December 2024. These subsidiaries have since been dissolved in March 2025 and are no longer part of the IMechE group.

Intercompany loan

Due to legal advice sought in 2023, the Trustees concluded that a decision made in 2022 to write off a debt owed to IMechE by Professional Engineering Projects Ltd (PEP Ltd) was incorrect. This has been reported to the Charity Commission in the usual way for such instances, and the Charity Commission has confirmed support for the proposed decision-making process to rectify the situation. Based on additional professional advice, the loan has been reinstated in the 2024 accounts following the issuance of a new loan agreement and now restores the Charity's financial position, including interest to the same state as it would have been had the write-off never taken place.

Future developments

On 28 February 2025, Professional Engineering Projects Limited (Company no. 01103638), sold its subsidiary companies; Sonaspection International Limited (Company no. 02050101), Sonaspection Worldwide Limited (Company no. 04891363), and Sonaspection Incorporated, a company registered in the US, for consideration of £1.25m. Following the sale, these companies are no longer part of the IMechE Group

Specific industry risks

The directors continually assess and monitor the risks that are perceived to offer the greatest threat to the business. The reduction in the training budgets of UK engineering firms remains the key risk that is arising from macro-economic and political pressure which have resulted in increasing cost of living as well as the national insurance costs for employers going up.

Going concern

The company meets its working capital requirements through management of its own working capital. The directors prepare annual budgets and forecasts in order to ensure that they have sufficient facilities in place. In addition, the Board, in formulating its plan and strategy for the future development of the business, has considered a period beyond that for which formal budgets and forecasts are prepared.

A specific cash flow forecast has been prepared to December 2026 for the company. This forecast shows that the company has adequate cash resources available to it without any need for parental support or external funding, despite the negative net assets shown in the balance sheet.

Accordingly, the directors have identified no material uncertainties that may cause significant doubt over the company's ability to continue as a going concern and believe it is appropriate to prepare the accounts on a going concern basis. More details are provided in note 1.2.

Financial risk

The directors consider annually the risks facing the company and are satisfied that wherever possible steps have been taken to mitigate those risks.

Key Performance Indicators

The directors assessed the performance indicators and considered that the following are key within the decision-making process. As at the 31 December 2024:

- Turnover reduced by 34% to £4,535k (2023: £6,903k) following the sale of IMechE Argyll Ruane.
- Profit before interest and tax rose back to £519k (2023: £236k loss). Material amounts were written off the investment value of subsidiaries in 2023, which accounts for the loss.
- Profit for the financial year after interest and tax was £15k (2023: £523k loss).
- Cash at bank and in hand was rebuilt to £725k, a growth of 71% (2023: £425k).
- Individual divisions have their own KPIs such as number of course attendees, number of courses and attendees per course. The venue and room hire business is measured on occupancy rates.

Approved by the Board on 4 August 2025 and signed on its behalf by:

James Mcknight

J McKnight - Director

To the Members of Professional Engineering Projects Limited

Opinion

We have audited the financial statements of Professional Engineering Projects Limited (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Statement of Changes in Equity, and notes to the financial statements, including 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 2024, and of its profit 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 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.

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.

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.

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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in 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; 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' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out in the Directors' report, 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.

Auditor 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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud is detailed below:

- Obtaining an understanding of the legal and regulatory frameworks that the entity operates in, focusing on those laws and regulations that had a direct effect on the financial statements;
- Enquiry of management and those charged with governance to identify any instances of known or suspected instances of fraud;

- Enquiry of those in management functions around actual and potential litigation and claims;
- Enquiry of those in management functions to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness;
- Evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

Stuart McKay BSc FCA DChA (Senior Statutory Auditor)

For and on behalf of

MHA

Statutory Auditor

London, United Kingdom

Date: 05/08/2025

MHA is the trading name of MHA Audit Services LLP, a limited liability partnership in England and Wales (registered number OC455542)

Professional Engineering Projects Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2024

	Notes	2024 £	2023 £
Turnover	2	4,535,270	6,902,964
Cost of sales		(2,079,657)	(2,769,038)
Gross profit		2,455,613	4,133,926
Administrative expenses		(1,893,347)	(3,579,975)
Other income		14,750	-
Operating profit	4	577,016	553,951
Write down of investment value	10	(280,437)	(1,240,000)
Dividends receivable	3	222,392	450,000
Profit/(Loss) before interest & tax		518,971	(236,049)
Interest payable and similar expenses	6	(450,119)	(286,710)
Profit / (Loss) before taxation		68,852	(522,759)
Taxation	7	(54,220)	-
Profit/(Loss) for the financial year	17	14,632	(522,759)
Total comprehensive profit/(loss) for the year		14,632	(522,759)
Retained earnings at 1 January		(3,186,824)	(2,664,065)
Reinstatement of FY22 Loan write off	17	(842,292)	-
Retained earnings at 31 December		(4,014,484)	(3,186,824)

The notes on pages 12 to 22 form part of the financial statements.

Professional Engineering Projects Limited

Balance Sheet

As at 31 December 2024

	Notes	2024	2024	2023	2023
		£	£	£	£
Fixed assets					
Intangible assets	**8**		41,584		282,609
Tangible assets	**9**		8,765		135,673
Investments	**10**		1,100,234		1,380,671
			1,150,583		1,798,953
Current assets					
Debtors	**12**	781,895		1,221,615	
Cash at bank and in hand		725,481		425,197	
		1,507,376		1,646,812	
Debtors: amounts falling due after one year	**13**	353,500			
Creditors: amounts falling due within one year	**14**	(1,893,645)		(2,332,357)	
Net current liabilities			(32,769)		(685,545)
Total assets less current liabilities			1,117,824		1,113,408
Creditors: amounts falling due after one year	**15**		(5,132,296)		(4,300,230)
Total liabilities			(4,014,482)		(3,186,822)
Capital and reserves					
Called up share capital	**16**		2		2
Reserves	**17**		(4,014,484)		(3,186,824)
Total equity			(4,014,482)		(3,186,822)

These 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 4 August 2025.

Signed on its behalf by:

James Mcknight

J. McKnight - Director
Company Registration No. 01103638

The notes on pages 12 to 22 form part of the financial statements.

Professional Engineering Projects Limited

Statement of Changes in Equity

As at 31 December 2024

	Notes	Share Capital	Profit and loss reserves	Total
		£	**£**	**£**
For the year ended 31 December 2024:				
Balance as at 1 January 2024		2	(3,186,824)	(3,186,822)
Profit for the year		-	14,632	14,632
Reinstatement of IMechE Loan		-	(842,292)	(842,292)
Balance as at 31 December 2024		2	(4,014,484)	(4,014,482)
For the year ended 31 December 2023:				
Balance as at 1 January 2023		2	(2,664,065)	(2,664,063)
(Loss) for the year	**17**	-	(522,759)	(522,759)
Balance as at 31 December 2023		2	(3,186,824)	(3,186,822)

The notes on pages 12 to 22 form part of the financial statements.

1 Accounting policies

Company information

Professional Engineering Projects Limited is a private company limited by shares (Registered number 01103638) incorporated and domiciled in England and Wales. The registered office is 1 Birdcage Walk, London, SW1H 9JJ. The principal activities of the company are set out in the Directors' Report.

1.1 Basis of preparation

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

A Statement of Cash Flows has not been prepared on the grounds that the company is exempt from preparing such a statement under FRS102 as a wholly owned subsidiary of the Institution of Mechanical Engineers (IMechE).

1.2 Going concern

The directors have identified no material uncertainties that may cause significant doubt over the company's ability to continue as a going concern and believe it is appropriate to prepare the accounts on a going concern basis but also to update to reflect foreseeable future.

Whilst the financial statements report net current liabilities of £32k, they continue to be prepared on a going concern basis

The company returned to making a trading profit in 2024 and its longer-term forecast for 2025 demonstrates that the remaining underlying investments and activities are forecast to continue to deliver positive profitability and cashflow.

The directors, therefore, believe that the going-concern basis of accounting continues to be appropriate in preparing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue for room hire and catering is recognised at the time of the event to which they relate.

Revenue for training is recognised at the time the training is delivered.

Revenue from contracts for the provision of professional services is recognized by reference to the stage of completion when the stage of completion, cost incurred and costs to complete can be estimated reliably. When the outcome cannot be estimated reliably, revenue is recognized only to the extent of the expenses recognized that are recoverable.

1 Accounting policies (continued)

1.4 Intangible fixed assets

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably. Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives to 5 years.

Intangible assets created internally are recognised where they are expected to lead to future revenues in excess of cost and amortised over a useful life of five years. Values are reviewed annually for impairment.

Acquired goodwill is written off in equal annual installments over its estimated useful economic life.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation.

Expenditure below £1,000 is not capitalised.

Depreciation is calculated so as to write off the cost of fixed assets on a straight-line basis at the following rates:

1. Leasehold buildings: over the life of the lease
2. Furniture and equipment: 20% to 33.3% per annum
3. Plant and equipment: 10 to 20% per annum
4. Fixed assets are regularly reviewed to consider whether they have been impaired and to ensure that the depreciation costs reflect their working life.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset and is credited or charged to the profit and loss.

1.6 Fixed asset investments

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating polices of the entity so as to benefits from its activities.

Investments in subsidiaries are measured at cost less impairment, an annual assessment is completed to identify whether there has been an impairment to the carrying value of the investment.

1.7 Financial assets

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

Financial instruments are recognized in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Basic financial assets, which include debtors and cash bank balances, are initially measured at transaction price including transaction cost and are subsequently carried at amortized cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

1 Accounting policies (continued)

1.7 Financial assets (continued)

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortized cost using the effective interest method, less any impairment.

Interest is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount of initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognized only when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flow have been affected. The impairment loss is recognized in profit or loss.

1.8 Financial liabilities

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

Financial liabilities at fair value through Statement of Income and Retained Earnings

Financial liabilities classified as other financial liabilities are stated at fair value with any gains or losses arising on remeasurement recognized in profit or loss.

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

Employee benefits

The cost of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets. Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1 Accounting policies (continued)

1.8 Financial liabilities (continued)

Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions are charged to the profit and loss account in the year are payable.

1.9 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 Related party transactions

As the Company is a wholly owned subsidiary of the Institution of Mechanical Engineers, the Company has taken advantage of the exemption contained in FRS 102 and has therefore not disclosed transactions or balances with entities which from part of the group (or investees of the group qualifying as related parties).

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 400 of the Companies Act 2006 as it is a subsidiary undertaking of the Institution of Mechanical Engineers, incorporated by Royal Charter in England and Wales, and is included in the consolidated accounts of that entity. Details of the subsidiary companies are set out in Note 11.

The consolidated financial statements of the Institution of Mechanical Engineers, within which this company is included, can be obtained from the address given in Note 19.

1.12 Critical accounting estimates and judgements

Investments

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 estimates 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 estimates and assumptions which have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below:

Investments

The company makes an annual assessment of the carrying value of investments. For dormant companies the investment value is limited to the balance sheet value of the subsidiary. For active trading companies a judgement is applied based on the balance sheet value, profitability and dividend history and forecasts.

Bad debt provision

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for the net carrying amount of the debtors.

2 Turnover

An analysis of the company's turnover is as follows:

	2024 £	2023 £
External Room Hire & Catering	1,530,533	1,278,707
Internal Room Hire & Catering	375	371,715
Training Income – 'Learning & Development'	3,004,362	2,753,743
Training Income – 'IMechE Argyll Ruane'	-	2,498,799
	4,535,270	6,902,964

3 Dividend Receivable

	2024 £	2023 £
Siantonas Ball Ltd	222,392	-
Sonaspection International Ltd	-	450,000
	222,392	450,000

A Dividend of £222,392 was received from Siantonas Ball Ltd, a wholly owned subsidiary, during the year. (2023: £450,000 from Sonaspection International Limited)

4 Operating profit

	2024 £	2023 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	11,572	4,233
Audit Fee	15,185	20,895
Depreciation of tangible fixed assets	8,547	63,218
Amortisation of intangible assets	14,109	85,030
	49,413	173,376

5 Employment costs

The average monthly number of persons (including directors) employed by the company during the year was 24 (2023 - 45).

Their aggregate remuneration comprised:

	2024	2023
	£	£
Wages and salaries	1,147,846	1,941,641
Social security costs	116,533	199,888
Pension costs	53,205	117,120
Benefits in kind	25	197,059
Total	1,317,609	2,455,708

	2024	2023
Directors' remuneration	4,500	3,000

One director was paid during 2024 (2023: 1)

6 Interest payable and similar expenses

	2024	2023
Interest on financial liabilities measured at amortised cost:	£	£
Interest payable to group undertakings	449,444	285,789
Interest payable on COVID Bounce Back bank loan	675	921
	450,119	286,710

7 Taxation

	2024	2023
	£	**£**
Current tax		
UK corporation tax on profits for the current period	54,220	-

The actual charge for the year can be reconciled to the expected charge/(credit) for the year based on the profit or loss
and the standard rate of tax as follows:

	2024	2023
Profit/(loss) before taxation	68,852	(522,759)
Expected tax charge based on the standard rate of corporation tax in the UK of 25% (2023: 25%)	17,213	(122,848)
Fixed asset differences	894	918
Disallowable costs	87,801	2,193
Dividends received	(55,598)	(105,750)
Impairment of investment	55,673	291,400
Other timing differences	-	763
Gain on disposal of subsidiary	(48,075)	-
Use of losses brought forward	(3,688)	(66,675)
	54,220	**-**

8 Fixed assets (Intangible)

	Goodwill	Software	WIP - LND	Total
	£	£	£	£
Cost				
At 1 January 2024	3,021,164	550,552	7,310	3,579,026
Additions in the year	-	8,080	-	8,080
Reclass from WIP		7,310	(7,310)	-
Disposals in the year	-	(502,302)		(502,302)
At 31 December 2024	3,021,164	63,640	-	3,084,804
Amortisation				
At 1 January 2024	3,021,164	275,253	-	3,296,417
Amortisation charged for the year	-	64,620	-	64,620
Disposals in the year	-	(317,817)		(317,817)
At 31 December 2024	3,021,164	22,056	-	3,043,220
Net Book Value				
At 31 December 2024	-	41,584	-	41,584
At 31 December 2023	-	275,299	7,310	282,609

9 Fixed assets (Tangible)

	Plant and machinery	Fixtures, fitting & equipment		Total
	£	£		£
Cost				
At 1 January 2024	731,579	176,805		908,384
Additions in the year	3,687	-		3,687
Disposals in the year	(735,266)	(149,573)		(884,839)
At 31 December 2024	**-**	**27,232**		**27,232**
Depreciation				
At 1 January 2024	647,039	125,671		772,710
Depreciation charged for the year	24,496	16,787		41,283
Disposals in the year	(671,535)	(123,991)	-	(795,526)
At 31 December 2024	**-**	**18,467**		**18,467**
Net Book Value				
At 31 December 2024	-	8,765		8,765
At 31 December 2023	84,540	51,134		135,674

10 Fixed Assets (Investments)

	2024	2023
Cost or valuation	**£**	**£**
At 1 January	1,380,671	2,620,671
Impairment for the year	(280,437)	(1,240,000)
Carrying amount		
At 31 December	1,100,234	1,380,671

11 Subsidiaries

Details of the company's subsidiaries at 31 December 2024 are as follows:

Subsidiary undertakings	Country of incorporation (or residence)	Proportion of ownership interest and voting power held (%)	Nature of activities
Sonaspection International Limited	England and Wales	100% through Sonaspection Worldwide Limited	Flawed Sample manufacturing
Sonaspection Worldwide Limited	England and Wales	100 % direct	Holding company
Sonaspection Incorporated	USA	100% through Sonaspection Worldwide Limited	Flawed Sample manufacturing

12 Debtors: amounts falling due within one year

	2024	2023
	£	**£**
Trade debtors	560,385	1,071,665
Provision for bad debt	(2,448)	(4,925)
Prepayments and accrued income	39,135	121,080
Amounts due from fellow group undertakings	59,823	33,795
Other Debtor	125,000	-
	781,895	1,221,615

13 Debtors: amounts falling due after more than one year

Other debtors	353,500	-
	353,500	-

14 Creditors: amounts falling due within one year

	2024 £	2023 £
Bank loan	10,225	9,973
Trade creditors	345,592	220,690
Other creditors	524,595	777,148
Taxation & social security	(1,473)	100
Corporation tax	54,220	-
Amounts due to parent undertaking	960,486	160,273
Amounts due to other group undertakings	-	1,164,173
Total	1,893,645	2,332,357

15 Creditors: amounts falling due after more than one year

	2024 £	2023 £
Bank loan	11,369	21,595
Loan from parent undertaking	5,120,927	4,278,635
Total	5,132,296	4,300,230

The bank loan was issued under the Covid-19 'Bounce-back' scheme in January 2021. There is no interest and no repayments in the first 12 months and the loan then bears interest at 2.5% and is repayable over a five-year period.

The loan is interest bearing at 2% above the base rate of NatWest bank and is repayable on 53 weeks' notice by either party. It is secured by a general charge over all the assets of the company and its subsidiaries by means of a debenture. The loan was reinstated in 2024 after it was concluded that a decision made in 2022, to write-off the debt owed to IMechE was incorrect.

16 Called up share capital

	2024 £	2023 £
Ordinary share capital		
Issued and fully paid		
2 Ordinary Shares of £1 each	2	2

17 Reserves

	2024	2023
	£	£
At the beginning of the year	(3,186,824)	(2,664,065)
Reinstatement of FY22 Loan write off	(842,292)	-
Profit/(loss) for the year	14,632	(522,759)
At the end of the year	(4,014,484)	(3,186,824)

As a result of legal advice sought in 2023, it was concluded that a decision made in 2022, to write-off a debt of £842k owed to IMechE by IMechE's trading subsidiary Professional Engineering Projects Limited ('PEP Limited'), was incorrect. Based on additional professional advice the loan has been reinstated in the 2024 accounts following the issuance of a new loan agreement and now restores the financial position, including interest to the same state as it would have been had the write-off never taken place.

18 Post balance sheet event

In February 2025, Sonaspection International Limited, including its subsidiary Sonaspection Incorporated, a company registered in the USA, and Sonaspection Worldwide Ltd were acquired by Onyx Holdings Limited, a company incorporated in Jersey, for consideration of £1.48m.

19 Parent undertaking

The company's ultimate parent company and controlling party is the Institution of Mechanical Engineers (IMechE) which is incorporated in England and Wales by Royal Charter. The IMechE is a registered charity. It heads the smallest and largest group for which group accounts are prepared.

Copies of the parent's consolidated financial statements may be obtained from the Finance Director, 1 Birdcage Walk, London SW1H 9JJ.