

**FLO-MECH. LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2024**

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**FLO-MECH. LIMITED**

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**COMPANY INFORMATION**

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**Directors**

Mr Alan J Elderkin  
Mrs Patricia M Elderkin  
Mr Stuart J Elderkin  
Mr Andrew J Elderkin  
Mr Robin A Cattermole  
Mr Simon A R Dealtrey  
Mr Terence C Putson

**Company secretary**

Mr D P Black

**Registered number**

01190214

**Registered office**

Flo-Mech House  
Paxton Road  
Orton Goldhay  
Peterborough  
Cambridgeshire  
PE2 5YA

**Independent auditors**

MHA  
Chartered Accountants & Statutory Auditor's  
1 The Forum  
Minerva Business Park  
Lynch Wood  
Peterborough  
PE2 6FT

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**Introduction**

The directors have pleasure in presenting their strategic report for the year ended 31 October 2024 .

**Principal activities**

The principal activities of the Company during the year were designing, selling and installing plant used in commercial food processing.

**Business review**

This year has again been a successful year with another profitable year being projected. The approach adopted by the directors of providing excellent customer care, a high level of professional service and support continues to be the basis of our operation. The directors remain confident that this philosophy will continue to contribute to our success in what is an increasingly competitive and changing trading environment. We have already secured several high value contracts for the coming year and already expect that in 2024/25 we will exceed the figures achieved in 2023/24.

Other factors have also had an impact on the Company's accounts, including energy price rises and continued supply chain challenges, though these have eased this year. These events continue to have an influence on the Company's performance and strategies, with ongoing pressure on import/export costs.

Ongoing conflicts and other global trends have highlighted the scale of unforeseen events we can face and has emphasised the prudence of our approach to funding the business. The Directors has always taken the stance that with sufficient liquid assets, namely cash at bank, it would be best placed to ensure business continuity and retain its important and experienced workforce both through foreseeable and unforeseen difficult times.

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**Principal risks and uncertainties**

The Directors strategy has focused on providing excellent customer service to its customer base. As of this customer support teams have been developed to ensure the Company achieves the high standards demanded by management. The Company has a broad range of customers which it services and management have taken the deliberate decision to ensure that the selection of projects undertaken within a given trading period is fairly matched with the resources available to achieve the internally demanded standards. As such, the Company has a firm policy not to accept all contracts offered to them, if, in the opinion of management, accepting all contracts offered means that performance standards may be compromised.

The Company uses financial instruments such as cash, debtors and creditors in order to raise finance. These instruments expose the Company to financial risks which are detailed below:

*Price risk*

Wherever possible we look to pass on any increases in costs. We have exclusions built into our quotation and order acknowledgement documents which indicate our right to reassess costs. For more dynamic costs, such as transport, we specifically state that costs will be reviewed at, for example, point of shipment and adjusted as necessary. Where suppliers give advance notice of increases, we often bulk buy or bring forward future purchases to secure the lower price.

*Interest rate risk*

The Company is exposed to interest rate fluctuations on its cash holdings. The Directors review its banking facilities on a monthly basis.

*Credit risk*

The principal credit risk for the Company arises from its trade debtors. Whilst many of its debtors are 'blue chip' household name companies, to ensure this risk is managed effectively the Directors set limits for customers based on a combination of payment history and third-party credit reference. Credit limits are reviewed by the credit controller on a regular basis in conjunction with debt ageing and collection history.

*Liquidity risk*

The Directors seeks to manage financial risk by ensuring sufficient liquidity is available to meet its foreseeable needs and to invest cash in notice bank accounts safely and profitably.

*Foreign exchange risk*

The Company's risk to FX fluctuations arises where overseas contracts are priced and paid using foreign currencies. Where appropriate the Directors will enter into foreign exchange currency contracts to mitigate this risk. In addition, the Company holds several foreign currency bank accounts negating the need for conversion and with it the potential losses due to fluctuations. These funds can also similarly be utilised to pay its foreign suppliers again overcoming potential exchange rate risk.

**Financial key performance indicators**

The directors believe the financial key performance indicators for this business are turnover and profit on ordinary activities before tax, as disclosed in these financial statements.

**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 OCTOBER 2024**

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**Research and development & Future developments**

This year we have continued to focus and commit more time and resources to research and development as we believe this will continue to provide an increasingly significant contribution towards activity and profit levels in the future. We continue to invest in research and development and with our customer base increasingly pushing for gains in efficiency and alternative, greener fuels we see sustainability being a key driver going forward.

The Company's technical department now has a well-established dedicated Research & Development and Energy & Sustainability section which includes the Innovations Committee, demonstrating the continuing importance placed on this aspect of the Company's business and their belief of its growing importance to their ongoing success. The Company continues to heavily invest in IT equipment and software to support this area of their business activity. The resulting commercial viability now being realised from earlier years' activity in this area, is now an integral and increasing part of this Company's business activities and success, with customer interest and technological advancements reinforcing the importance of our continued commitment to this area of our business.

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

.....  
**Mr Alan J Elderkin**  
Director

Date: 31 July 2025

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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The directors present their report and the financial statements for the year ended 31 October 2024.

**Directors' responsibilities statement**

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

**Results and dividends**

The profit for the year, after taxation, amounted to £1,744,499 (2023 - £2,200,459).

Particulars of dividends paid are detailed in note 12 to the financial statements.

**Directors**

The directors who served during the year were:

Mr Alan J Elderkin  
Mrs Patricia M Elderkin  
Mr Stuart J Elderkin  
Mr Andrew J Elderkin  
Mr Robin A Cattermole  
Mr Simon A R Dealtrey  
Mr Terence C Putson

**Matters covered in the Strategic report**

Details concerning principal risks and uncertainties (including financial instruments), future developments and Research and Development are included in the Strategic Report.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Auditors**

The auditor, MHA, previously traded through the legal entity MacIntyre Hudson LLP. In response to regulatory changes, MacIntyre Hudson LLP ceased to hold an audit registration with the engagement transitioning to MHA Audit Services LLP.

MHA will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

.....  
**Mr Alan J Elderkin**

Director

Date: 31 July 2025

Flo-Mech House  
Paxton Road  
Orton Goldhay  
Peterborough  
Cambridgeshire  
PE2 5YA

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLO-MECH. LIMITED**

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**Opinion**

We have audited the financial statements of Flo-Mech. Limited (the 'Company') for the year ended 31 October 2024, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 October 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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

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

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLO-MECH. LIMITED (CONTINUED)**

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**Other information**

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

We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

**Matters on which we are required to report by exception**

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

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

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

**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FLO-MECH. LIMITED (CONTINUED)

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**Auditors' responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- Enquiry of management and those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff 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, and 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' 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 Auditors' 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.

Andrew Moyser FCCA FCA (Senior Statutory Auditor)  
For and on behalf of MHA, Statutory Auditor

London, United Kingdom

Date: 31 July 2025

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

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 OCTOBER 2024**

	Note	2024 £	2023 £
Turnover	4	<b>25,829,365</b>	29,425,698
Cost of sales		<b>(17,943,595)</b>	(20,692,243)
<b>Gross profit</b>		<b>7,885,770</b>	8,733,455
Administrative expenses		<b>(6,389,894)</b>	(6,694,207)
<b>Operating profit</b>	5	<b>1,495,876</b>	2,039,248
Interest receivable and similar income	9	<b>627,943</b>	450,888
Interest payable and similar expenses	10	-	(683)
<b>Profit before tax</b>		<b>2,123,819</b>	2,489,453
Tax on profit	11	<b>(379,320)</b>	(288,994)
<b>Profit for the financial year</b>		<b>1,744,499</b>	2,200,459

There were no recognised gains and losses for 2024 or 2023 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 13 to 30 form part of these financial statements.

All amounts relate to continuing operations.

BALANCE SHEET  
AS AT 31 OCTOBER 2024

	Note	2024 £	2023 £
<b>Fixed assets</b>			
Tangible assets	13	194,144	149,550
<b>Current assets</b>			
Stocks	14	1,458,649	1,457,563
Debtors: amounts falling due within one year	15	12,682,663	9,826,757
Current asset investments	16	7,618,479	7,229,065
Cash at bank and in hand	17	2,567,657	3,525,285
		<u>24,327,448</u>	<u>22,038,670</u>
Creditors: amounts falling due within one year	18	(13,063,220)	(10,513,465)
<b>Net current assets</b>		<u>11,264,228</u>	<u>11,525,205</u>
<b>Total assets less current liabilities</b>		<u>11,458,372</u>	<u>11,674,755</u>
<b>Provisions for liabilities</b>			
Deferred tax	19	(41,719)	(2,601)
Other provisions	20	(202,000)	(202,000)
		<u>(243,719)</u>	<u>(204,601)</u>
<b>Net assets</b>		<u><u>11,214,653</u></u>	<u><u>11,470,154</u></u>
<b>Capital and reserves</b>			
Called up share capital	24	10,000	10,000
Profit and loss account	25	11,204,653	11,460,154
		<u><u>11,214,653</u></u>	<u><u>11,470,154</u></u>

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

.....  
**Mr Alan J Elderkin**  
Director

Date: 31 July 2025

The notes on pages 13 to 30 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 OCTOBER 2024**

	Share capital £	Profit and loss account £	Total equity £
<b>At 1 November 2022</b>	10,000	11,259,695	11,269,695
<b>Comprehensive income for the year</b>			
Profit for the year	-	2,200,459	2,200,459
<b>Total comprehensive income for the year</b>	-	2,200,459	2,200,459
Dividends paid	-	(2,000,000)	(2,000,000)
<b>At 1 November 2023</b>	10,000	11,460,154	11,470,154
<b>Comprehensive income for the year</b>			
Profit for the year	-	1,744,499	1,744,499
<b>Total comprehensive income for the year</b>	-	1,744,499	1,744,499
Dividends paid	-	(2,000,000)	(2,000,000)
<b>At 31 October 2024</b>	<u>10,000</u>	<u>11,204,653</u>	<u>11,214,653</u>

The notes on pages 13 to 30 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**1. General information**

Flo-Mech. Limited ("the Company") is a private company limited by shares, incorporated in England and Wales under the Companies Act.

The registered number and address of the registered office is given in the Company information.

The nature of the Company's operations and its principal activities are set out in the Strategic report on page 1.

The functional and presentational currency of the Company is pounds sterling (£), rounded to the nearest whole pound.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

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

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Flo-Mech Holdings Limited as at 31 October 2024 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis which assumes that the company and group will continue in operational existence for the foreseeable future. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

Based on these assessments and having regards to the resources available to the entity and group, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Revenue - Contracts**

Revenue represents, in the case of contracts, the proportion of contract value applicable to activity in the year, ascertained by reference to the costs incurred to date. Expected margin is accounted for at the point when installation and commissioning has been completed or separately definable performance obligations in the contract have been met.

Estimates of total contract costs and revenues are reviewed periodically, and the cumulative effects of changes are recognised in the period in which they are identified. All known or anticipated losses are provided for in full as soon as they are foreseen. All costs incurred are recorded as cost of sales, with accrued costs being included within Accruals. Overheads are not apportioned to contracts.

Revenue recognised in excess of amounts billed are classified as amounts recoverable on contracts and included in debtors. Revenue in excess of amounts billed for contracts which have not met installation, commissioning or separately definable performance obligations are recognised in work in progress. Where revenue is billed in advance for contracts which have not met installation, commissioning or separately definable performance obligations, the balance is recognised as part of creditors due within one year, as payments received on account.

**Revenue - Spares**

Revenue from the sale of spares is recognised when all of the following conditions are satisfied:

- > the Company has transferred the significant risks and rewards of ownership to the buyer;
- > the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the spares sold;
- > the amount of revenue can be measured reliably;
- > it is probably that the Company will receive the consideration due under the transaction; and
- > the costs incurred or to be incurred in respect of the transaction can be measured reliably.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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2. Accounting policies (continued)

2.4 Revenue (continued)

**Revenue - Inspection, services and contract inspection**

Revenue from inspection, services and contract inspection is recognised in the period in which the services are provided in accordance with the contract when all of the following conditions are satisfied:

- > the amount of revenue can be measured reliably;
- > it is probable that the Company will receive the consideration due under the contract;
- > the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- > the costs incurred and the costs to complete the contract can be measured reliably.

**2.5 Research and development**

Research and development expenditure is written off in the year in which it is incurred.

**2.6 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.7 Tangible fixed assets**

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

At each reporting date the Company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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**2. Accounting policies (continued)**

**2.7 Tangible fixed assets (continued)**

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

Depreciation is provided on the following basis:

Motor vehicles	-	25%	straight-line
Office equipment	-	10%	straight-line
Computer equipment	-	25%	straight-line
Engineers' equipment	-	10%	straight-line

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

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

**2.8 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.9 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.10 Current asset investments**

Current asset investments are represented by funds held on deposits that mature in more than three months from the date of deposit but ultimately mature within one year of deposit. Interest earned thereon is accrued over the period of the deposit and recognised in the Statement of Comprehensive Income.

**2.11 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**2. Accounting policies (continued)**

**2.12 Creditors**

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**2.13 Dividends**

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

**2.14 Operating leases: the Company as lessee**

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

**2.15 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**2. Accounting policies (continued)**

**2.16 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Research and development tax credits are recognised in the year in which they are incurred and are matched against the related claim.

**2.17 Financial instruments**

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet when the Company becomes party to the contractual provisions of the instrument.

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

**Basic financial assets**

Basic financial assets, which include trade and other debtors, cash and bank balances, are initially measured at their transaction price (adjusted for transaction costs except in the initial measurement of financial assets that are subsequently measured at fair value through profit and loss) and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other debtors due with the operating cycle fall into this category of financial instruments.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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2. Accounting policies (continued)

2.17 Financial instruments (continued)

**Basic financial liabilities**

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

Basic financial liabilities, which include trade and other creditors, bank loans and other loans are initially measured at their transaction price (adjusting for transaction costs except in the initial measurement of financial liabilities that are subsequently measured at fair value through profit and loss). When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future payments discounted at a market rate of interest, discounting is omitted where the effect of discounting is immaterial.

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

Trade creditors are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade creditors are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Derecognition of financial instruments**

**Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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2. Accounting policies (continued)

2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

Under the terms of the contract for sale, the company provides warranty to customers on certain plant and machinery which are not a separate element. The expected future cost to be incurred relating to the warranty are recognised as a cost of sale. The costs of warranties are determined at the time of the sale, and a corresponding provision for warranty costs recognised. Warranties and similar costs can be measured reliably because management have historical evidence of the costs associated with various products.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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

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

**Key source of estimation uncertainty - Revenue recognition on contracts**

Recognition of revenue and profit is based on judgments made in respect of the ultimate profitability of a contract. Such judgements are arrived at through the use of estimates in relation to the costs and value of work performed to date and to be performed in bringing contracts to completion. The Company has appropriate control procedures to ensure all estimates are determined on a consistent basis and subject to appropriate review and authorisation.

**Key source of estimation uncertainty - Warranty provision**

Under the terms of the contract for sale, the company provides warranty to customers on certain plant and machinery which are not a separate element.

Warranties and similar costs can be measured reliably because management have historical evidence of the costs associated with various products. By the nature of the provision, it requires management's estimation to determine the likely warranty costs based upon known or projected issues that may need rectifying.

**Key source of estimation uncertainty - Determining residual values and useful economic lives of property, plant and equipment**

The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgment is applied by management when determining the residual values for plant, machinery and equipment. When determining the residual value, management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

**Key source of estimation uncertainty - Recoverability of receivables**

The Company when required establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability, the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

**Key source of estimation uncertainty - Research and development tax relief**

The Company claims research and development tax credits and applies judgments in allocation of costs and apportionment of staff time to attract an enhanced relief.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

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**4. Turnover**

An analysis of turnover by class of business is as follows; Contracts £20,801,207 (2023: £26,774,019), Goods £2,942,916 (2023: £2,466,543), Services £1,694,335 (2023: £1,250,279).

The analysis of turnover by geographical market required by paragraph 68 (5) of schedule 1 of the Large and Medium-Sized Companies & Groups (Accounts and Reports) Regulations 2008 has not been provided as, in the opinion of the directors, such disclosure would be seriously prejudicial to the interests of the Company.

**5. Operating profit**

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

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Research & development charged as an expense	<b>900,547</b>	977,400
Exchange differences	<b>(32,999)</b>	(17,782)
(Profit)/loss on disposal	<b>(8,484)</b>	5,399
Impairment of inventory	<b>50,000</b>	-
	<u><b>50,000</b></u>	<u>-</u>

**6. Auditors' remuneration**

	<b>2024</b>	<b>2023</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<b>35,000</b>	32,000
	<u><b>35,000</b></u>	<u>32,000</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

7. Employees

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

	2024 £	2023 £
Wages and salaries	5,006,655	5,457,095
Social security costs	591,210	933,917
Cost of defined contribution scheme	77,527	72,095
	<u>5,675,392</u>	<u>6,463,107</u>

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

	2024 No.	2023 No.
Engineering	25	23
Office and Management	34	33
	<u>59</u>	<u>56</u>

8. Directors' remuneration

	2024 £	2023 £
Directors' emoluments	2,114,868	2,768,932
Company contributions to defined contribution pension schemes	11,921	4,000
	<u>2,126,789</u>	<u>2,772,932</u>

During the year retirement benefits were accruing to 4 directors (2023 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £416,456 (2023 - £837,467).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2023 - £NIL).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

9. Interest receivable

	2024 £	2023 £
Bank interest receivable	<u>627,943</u>	<u>450,888</u>

10. Interest payable and similar expenses

	2024 £	2023 £
Other interest payable	<u>-</u>	<u>683</u>

11. Taxation

	2024 £	2023 £
<b>Corporation tax</b>		
Current tax on profits for the year	340,202	325,337
Adjustments in respect of previous periods	-	(30,233)
	<u>340,202</u>	<u>295,104</u>
<b>Total current tax</b>	<u>340,202</u>	<u>295,104</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	39,118	(6,110)
<b>Total deferred tax</b>	<u>39,118</u>	<u>(6,110)</u>
<b>Tax on profit</b>	<u>379,320</u>	<u>288,994</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2023 - lower than) the standard rate of corporation tax in the UK of 25% (2023 - 25%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>2,123,819</u>	<u>2,489,453</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 25%)	523,276	622,363
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	27,145	17,895
Capital allowances for year in excess of depreciation	(16,601)	(19,717)
Adjustments to tax charge in respect of prior periods	-	(30,233)
Other timing differences leading to an increase/(decrease) in taxation	39,118	(6,110)
Adjustment in research and development tax credit leading to an increase decrease in the tax charge	(193,618)	(259,342)
Change in rate of tax charge	-	(35,862)
<b>Total tax charge for the year</b>	<u><u>379,320</u></u>	<u><u>288,994</u></u>

12. Dividends

	2024 £	2023 £
Dividends paid	<u><u>2,000,000</u></u>	<u><u>2,000,000</u></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

13. Tangible fixed assets

	Motor vehicles	Office equipment	Computer equipment	Engineers' equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 November 2023	74,769	50,265	163,918	33,095	322,047
Additions	90,485	14,781	27,718	-	132,984
Disposals	(34,048)	-	-	-	(34,048)
At 31 October 2024	131,206	65,046	191,636	33,095	420,983
<b>Depreciation</b>					
At 1 November 2023	58,590	30,741	60,677	22,489	172,497
Charge for the year on owned assets	32,801	5,554	47,440	2,595	88,390
Disposals	(34,048)	-	-	-	(34,048)
At 31 October 2024	57,343	36,295	108,117	25,084	226,839
<b>Net book value</b>					
At 31 October 2024	73,863	28,751	83,519	8,011	194,144
At 31 October 2023	16,179	19,524	103,241	10,606	149,550

14. Stocks

	2024	2023
	£	£
Finished goods held for resale	1,108,066	783,414
Work in progress - costs in excess of income	350,583	674,149
	1,458,649	1,457,563

An impairment write-back of £50,000 (2023: £nil) has been recognised in the year in relation to finished goods.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

15. Debtors

	2024 £	2023 £
Trade debtors	11,048,129	6,031,784
Other debtors	905,884	226,764
Prepayments and accrued income	590,946	96,477
Amounts recoverable on contracts	137,704	3,471,732
	<u>12,682,663</u>	<u>9,826,757</u>

16. Current asset investments

	2024 £	2023 £
Funds placed on term deposits	<u>7,618,479</u>	<u>7,229,065</u>

Funds placed in deposit have a maturity date of 95 days from request of withdrawal. At the balance sheet date no request had been made. The average interest rate was 5.17% (2023: 4.5%).

17. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	<u>2,567,657</u>	<u>3,525,285</u>

18. Creditors: Amounts falling due within one year

	2024 £	2023 £
Payments received on account	6,946,710	3,390,905
Trade creditors	3,645,717	2,402,896
Other taxation and social security	712,553	1,211,041
Accruals and deferred income	1,758,240	3,508,623
	<u>13,063,220</u>	<u>10,513,465</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

19. Deferred taxation

	2024 £	2023 £
At beginning of year	2,601	8,711
Charged/(credited) to profit or loss	39,118	(6,110)
<b>At end of year</b>	<b>41,719</b>	<b>2,601</b>

The provision for deferred taxation is made up as follows:

	2024 £	2023 £
Accelerated capital allowances	41,719	2,601
	<b>41,719</b>	<b>2,601</b>

20. Provisions

	Warranty provision £
At 1 November 2023	202,000
Charged to profit or loss	163,207
Utilised in year	(163,207)
<b>At 31 October 2024</b>	<b>202,000</b>

**Warranty provision**

Under the terms of the contract for sale, the company provides warranty to customers on certain plant and machinery which are not a separate element. The expected future cost to be incurred relating to the warranty are recognised as a cost of sale. The costs of warranties are determined at the time of the sale, and a corresponding provision for warranty costs recognised. Warranties and similar costs can be measured reliably because management have historical evidence of the costs associated with various products.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024**

**21. Pension commitments**

The Company operates two defined contribution pension schemes. One is a self administered pension scheme for some of its directors, and the other is a group personal pension scheme for its employees and other directors. The assets of the schemes are held separately from those of the Company in independently administered funds.

The pension cost charge represents contributions payable by the Company to the funds and amounted to £77,527 (2023: £72,095).

No contributions were payable to the funds at the Balance sheet date in the current or prior year.

**22. Commitments under operating leases**

At 31 October 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £	2023 £
<b>Other</b>		
Not later than 1 year	186,077	192,695
Later than 1 year and not later than 5 years	168,874	239,377
	<u>354,951</u>	<u>432,072</u>

**23. Related party transactions**

During the year the Company paid rent amounting to £75,000 (2023: £75,000) to Flo-Mech No.2 Pension Scheme. The pension scheme has trustees in common with directors of the Company.

Dividends totalling £1,300,000 (2023: £1,300,000) were paid to Flo-Mech Holdings Limited, the ultimate parent company, who at the Balance sheet date owned 65% of the Company. Furthermore, directors and other shareholders were paid dividends of £700,000 (2023: £700,000).

The Company has taken advantage of the exemption 33.7A in FRS 102 from the requirement to disclose directors remuneration as they believe key management personnel to be the same as Directors. See note 8 for disclosure of directors remuneration.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2024

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24. Share capital

	2024	2023
	£	£
<b>Allotted, called up and fully paid</b>		
10,000 (2023 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

25. Reserves

**Profit and loss account**

The profit and loss account represents cumulative profit or losses, net of dividends paid and other adjustments.

26. Controlling party

The Company's immediate and ultimate parent company is Flo-Mech Holdings Limited, a company which is incorporated in England and Wales. The registered office is Flo-Mech House, Paxton Road, Orton Goldhay, Peterborough, PE2 5YA.

The ultimate controlling party is Mr Alan J Elderkin.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.