
ARMSTRONG INTEGRATED LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**



ARMSTRONG INTEGRATED LIMITED

COMPANY INFORMATION

Directors C A Armstrong
J C Armstrong
R D Dawe (appointed 7 January 2021)

Company secretary J C Armstrong
Thompson Smith & Puxon (Secretarial Services) Limited

Registered number 04956493

Registered office 1 Wolverton Street
Manchester
M11 2ET

Independent auditor Grant Thornton UK LLP
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Bankers Barclays Bank Plc
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ARMSTRONG INTEGRATED LIMITED

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ARMSTRONG INTEGRATED LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

Introduction and principal activity

The principal activity of the Company during the year was the design, manufacture and installation of packaged plant room and integrated energy centres, the supply of pumps, pumping equipment, accessories and expansion tanks to the HVAC, Fire, OEM and end user market.

Business review

There was a loss for the year after taxation amounting to £4,193,532 (2020: £376,581). This loss was after exchange losses of £663,389 (2020: £7,374). The directors do not recommend payment of a dividend (2020: Nil).

During 2021 market conditions across the UK sectors improved compared to 2020 as a result of lockdowns being more sporadic in nature and restrictions easing as a result of the Covid 19 pandemic, the result of which saw overall increase in sales into the UK market of 16.10%. The export markets however declined compared to 2020 with a year on year decrease of 28.58% as the easing or lifting of restrictions throughout the rest of the world was slower than the UK.

The UK business compliments the activities of the rest of the Armstrong group, which operates out of eight countries across five continents.

Key performance indicators

Key performance indicators used by the Company are as follows:

	2021	2020
Sales Trend %	(6.8)%	(4.1)%
Gross Margin %	21.4%	27.1%
Operating Margin %	(10.7)%	(1.1)%

The Company uses multiple non-financial KPIs which include customer net promoter scores, the number of bill of material discrepancies, the amount of non conformance notices raised and closed as well as labour efficiency and effectivity percentages. Due to the commercial sensitivities around these non-financial KPIs, the actual performance against target has not been disclosed.

Principal risks and uncertainties

The main business risks are managed by operating to ISO standards for Quality, Environmental and Health and Safety. The Company operates with a global supply chain providing a geographically and technologically diverse supplier base. The Company customer base is also spread across the UK, European and Middle East & African territories which diversifies the risk both economically and politically. As part of a global group employee numbers, skills and knowledge can be utilised to meet local business needs.

ARMSTRONG INTEGRATED LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Brexit

Following further clarity around post-Brexit trading arrangements, as anticipated, the impact has been largely minimal.

Due to the global nature of the S.A. Armstrong Group (including legal presence in Continental Europe) benefitting from long-standing international customer and supplier relationships, the Logistics and Procurement functions worked very closely with key partners to ensure goods continued to be transported freely throughout the EU in a timely and cost-effective manner.

As legislation has continued to evolve, in addition to extensive in-house skills and experience, the business has trusted expert advisers to ensure necessary customs procedures are met and appropriate compliance in the relevant jurisdictions. Furthermore, the UK leadership team continues to review the operating environment and plan accordingly to minimise the risks associated with international trade.

Covid-19 pandemic

Since the World Health Organisation declared the outbreak of Covid-19 to be a pandemic, the spread of the virus has caused business disruption beginning in March 2020 with some supply chain interruptions and the closing of customers sites. Due to the nature of the products that Armstrong manufactures being essential to the ongoing operation of healthcare facilities, data centres, food and beverage manufacturers, gas transmission systems, pharmaceutical and research laboratories, the Armstrong manufacturing and assembly facilities have been able to remain open throughout the pandemic to serve our local and global markets.

In order to protect our employees as they continued this important work, we implemented a number of changes throughout our facilities. We stopped all non-essential visitors coming to our sites, introduced new and rigorous safety protocols which included temperature checks upon entry and exiting the building together with the wearing of personal protective equipment. Changes have been made to the office and workspaces to facilitate social distancing and additional cleaning regimes were introduced. Partial remote working arrangements were also adopted where required and when appropriate. Since all lockdowns and Covid protocols are no longer a requirement of the British Government since December 2021, these protocols are no longer in operation at our UK sites. However, the company is fully prepared to reinstate immediately should there be a requirement.

The UK government, similar to others around the world, introduced various emergency economic stimulus packages. Whilst the Group made very limited use of the Coronavirus Job Relief Scheme, it has not had to seek support from the Coronavirus Large Business Interruption Loan Scheme, instead continued to trade throughout the pandemic to the end of 2021, relying on its existing facilities and support from its ultimate parent Group, S A Armstrong Limited.

Whilst the level of orders placed by customers were adversely affected during the year particularly in the traditional HVAC and buildings business as construction businesses temporarily closed, other areas – most notably data centre, fire systems and gas transmission – have proven to be much more resilient.

Financial Instruments

The Company uses various financial instruments. These include group loans, cash and other items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these instruments exposes the Company to a number of financial risks, which are described in more detail below.

The main risks arising from the Company's financial instruments are market risk, cash flow interest rate risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

ARMSTRONG INTEGRATED LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Market Risk

Market risk encompasses three types of risk, being currency risk, interest rate risk and price risk. The Company's policies for managing interest rate risk are considered along with those for managing cash flow interest rate risk and are set out in the subsection entitled "interest rate risk" below.

Currency risk

The Company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible the assets held in foreign currency are matched to an appropriate level of borrowings in the same currency. In relation to transaction risk, as far as possible the assets and liabilities held in foreign currency are matched or hedged. Most non-UK sales are in US Dollars and where possible these are offset with procurement in the same currency.

Price risk

The Group sells its products in a competitive marketplace. Its competitors generally are exposed to the same risks with respect to increasing costs of inputs such as raw materials and wages. To the extent the price of their inputs increase, the Company and its competitors raise prices to cover increased costs.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The Company policy throughout the year has been to ensure continuity of funding through borrowings from its ultimate parent company, S A Armstrong Limited.

Interest rate risk

The Company finances its operations through a mixture of non-interest bearing borrowings from its ultimate parent undertaking. The Company exposure to interest rate fluctuations on its borrowings is managed using both fixed and floating interest rate facilities. The Company regularly reviews interest rates, along with economic trends and indicators to manage the fixed and floating interest rate facilities. At the year end all borrowing facilities were comprised of floating rate borrowings.

The interest rate exposure of the financial assets and liabilities of the Company as at 31 December 2021 is shown in the table below. The table includes trade debtors and creditors as these do not attract interest and are therefore subject to fair value interest rate risk.

	Floating £000	Zero £000
Cash	901	-
Invoice discounting	(462)	-
Trade debtors	-	9,053
Amounts owed by group and related undertakings	-	2,702
Trade creditors	-	(6,660)
Amounts owed to group and related undertakings	-	(26,118)

ARMSTRONG INTEGRATED LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Credit risk

The Company's principal financial assets are trade debtors. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk, the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the Company on a regular basis in conjunction with debt aging and collection history. The Company and a number of its subsidiaries also maintain credit insurance over its trade debtors to mitigate credit risk.

There are concentrations of credit risk with exposure being spread over a large number of customers.

Section 172(1) of the Companies Act 2006

In accordance with section 172 of the Companies Act 2006, the Directors – collectively and individually – confirm that during the year ended 31 December 2021, they acted in good faith and have upheld their duty to promote the success of the Company to the benefit of its members as a whole.

The Directors look to operate the business according to the founding principles that are distilled into three Core Values:

1. Community
2. Service
3. Learning and Innovation

The Core Values are embraced by the directors when undertaking their duties and they actively promote these to employees throughout the Armstrong Group.

Community and Environment

The Company continues to focus on environment and community activity. During the year, the Company continued to support local schools and charities, including Mary Stevens Hospice and the Midlands Air Ambulance.

Armstrong's commitment to sustainability is articulated through our Planet Proposition charter. This is a global initiative that encompasses the energy efficient solutions we provide our customers, the energy efficiency of our own plants and our interaction with the communities in which we operate.

In the UK, by monitoring our electricity, gas and water consumption on a monthly basis and implementing simple measures like installing LED lighting and adjusting heating and cooling set points, we've reduced our GHG emissions in 2021 by 10% compared to 2020 (214 vs 238 tonnes CO₂e). We have also generated 1,117,224 kWh of electricity on site through our 250kW solar PV system by the end of 2021.

We are ISO 14001 certified at all of our locations and continue to develop innovative energy solutions, as well as producing case studies and white papers to help our customers reduce their environmental impact.

The Armstrong Group continues to invest in product development, particularly focuses on reducing the lifetime costs of operation through innovative design that reduces energy usage.

Employees

The Company considers the growth and development of its employees to be very important. A dedicated Learning and Development team promote this through the Armstrong Learning Academy, where employees are encouraged to access training courses and materials to promote their learning and development.

ARMSTRONG INTEGRATED LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Business Relationships

The Board are committed to developing and maintaining key supplier relationships that includes both our customers and suppliers. The Board always tries to ensure that it has visibility of these relationships at all times so that it is able to these considerations into account when it makes key decisions.

In order to grow the business into new and existing markets, the Company needs to develop and maintain strong client relationships. Customer satisfaction is important to the Company and it actively seeks formal feedback through post project customer questionnaires in order to highlight areas for improvement. Operating a global supply chain means that supplier relationships are critical to meeting our customer needs. We value all of our suppliers and have a number of framework agreements in place with key suppliers to provide transparency and security.

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



C A Armstrong
Director

Date: **MAY 15 2023**

ARMSTRONG INTEGRATED LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the year ended 31 December 2021.

Results and dividends

The loss for the year, after taxation, amounted to £4,193,532 (2020: loss £376,581).

The directors do not recommend payment of a dividend (2020: £Nil).

Directors

The directors who served during the year were:

C A Armstrong
J C Armstrong
R D Dawe (appointed 7 January 2021)

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ARMSTRONG INTEGRATED LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Going concern

As at 31 December 2021 the Company is in a net liabilities position of £9,238,371 (2020: £5,044,839).

The Company meets its day to day working capital requirements through a combination of its cash balances, bank overdraft facilities and advances from its ultimate parent company, S A Armstrong Limited, a company incorporated in Canada. The Company is supported by its ultimate parent undertaking S A Armstrong Limited.

The directors have prepared forecasts for the period to 30 June 2024. The results of the forecasts project that the business remains a Going Concern based on the continued support from the ultimate parent undertaking S A Armstrong Limited. To further strengthen the Company's position S A Armstrong have instigated a restructure transaction to take place in 2023.

The directors have received confirmation of the continued support from its ultimate parent undertaking and on this basis and having reviewed the Company's budgets and cash flow forecasts, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements, and, therefore, adopt the going concern basis in preparing the accounts.

Future developments

The directors expect that the present level of activity will be sustained for the foreseeable future. The Company is supported by its ultimate parent undertaking, S A Armstrong limited, a company incorporated in Canada.

In addition, the Company will be restructured during 2023, which will result in the net liabilities position being stabilized, through a debt for equity transaction issue with it's ultimate parent company, S A Armstrong Limited.

Qualifying third party indemnity provisions

The Company has agreed to indemnify its directors against third party claims which may be brought against them and has put in place a directors and officers insurance policy.

ARMSTRONG INTEGRATED LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Streamlined energy and carbon reporting (SECR)

The following SECR disclosures presents our carbon footprint within the United Kingdom across Scope 1 and 2 emissions. We have followed the 2019 HM Government Environmental Reporting Guidelines and used the GHG Reporting Protocol – Corporate Standard as well as the 2021 GHG UK Reporting Conversion Factors revised January 2022.

	2021	2020
Energy consumption (kWh)		
Natural Gas	782,447	778,075
Electricity	312,524	406,902
Total consumption (kWh)	1,094,971	1,184,977
Scope 1 emissions of Carbon Dioxide (metric tonnes)		
Natural Gas	143.31	143.01
Scope 2 Emissions of Carbon Dioxide (metric tonnes)		
Electricity	66.36	94.87
Total emissions (metric tonnes)	209.67	237.88

The Company has taken the following measures to improve energy efficiency and reduce energy consumption through various UK projects including:

- Installation of energy efficient LED lighting in office and production areas.
- By the end of 2021, our 250 kWp solar PV system had generated 1,117,224 kWh of electricity and exported 120,150 kWh to the grid.
- Trials were commenced on recovering rainwater for use in hydraulic testing. Once the system is successfully proven, the system will be replicated across the whole plant.

Armstrong is a signatory to the World Green Building Council's Net Zero Carbon Buildings Commitment and aims to reach Net Zero in our buildings by the end of 2030.

We also report our GHG emissions to CDP (formerly the Carbon Disclosure Project) and EcoVadis.

Matters covered in the Strategic Report

In accordance with s414C(11) of the Companies Act, the Company has chosen to include information in respect of its exposure to risk in the Strategic Report. This information would otherwise be required by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and reports) Regulations 2008' to be contained in the Directors' Report.

ARMSTRONG INTEGRATED LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

Disclosure of information to auditor

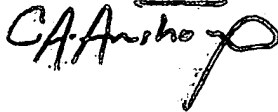
The directors confirm that:

- so far as each director is 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.
-

Post balance sheet events

The organisation was party to a Cyber Threat in March 2023, since which time the company has fully recovered without incident. The case was reported to the ICO UK as per statutory requirements, whom have closed the case with no action required.

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



C A Armstrong
Director

Date: **MAY 15 2023**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMSTRONG INTEGRATED LIMITED

Opinion

We have audited the financial statements of Armstrong Integrated Limited (the 'Company') for the year ended 31 December 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMSTRONG INTEGRATED LIMITED
(CONTINUED)**

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

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

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

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the 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 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.

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 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.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMSTRONG INTEGRATED LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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

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

Responsibilities of directors

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMSTRONG INTEGRATED LIMITED
(CONTINUED)**

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAS (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006;
- We obtained an understanding of how the Company was complying with those legal and regulatory frameworks by making enquiries of management. We enquired of management whether they were aware of instances of non-compliance with laws and regulations, or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results to relevant supporting documentation;
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. The engagement team's discussions in respect of potential non-compliance with laws and regulations and fraud included the risk of fraud in revenue recognition. Audit procedures performed by the engagement team included:
 - Evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - Challenging assumptions and judgments made by management in its significant accounting estimates;
 - Identifying and testing of unusual journal entries; and
 - Identifying and testing related party transactions;
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it;
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the Company operates and the engagement team's understanding of, and practical experience through training and participation with audit engagements of a similar nature; and



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ARMSTRONG INTEGRATED LIMITED
(CONTINUED)**

- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - The Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement; and
 - The Company's control environment including the adequacy of procedures for authorisation of transactions.

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.

Grant Thornton UK LLP

Michael Lowe
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Manchester
Date: 16/5/2023

ARMSTRONG INTEGRATED LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	39,060,321	41,902,467
Cost of sales		(30,717,039)	(30,545,405)
Gross profit		8,343,282	11,357,062
Administrative expenses		(12,516,012)	(11,803,929)
Operating loss	5	(4,172,730)	(446,867)
Interest receivable and similar income	9	-	70,286
Interest payable and similar expenses	10	(20,802)	-
Loss before tax		(4,193,532)	(376,581)
Tax on loss	11	-	-
Loss and total comprehensive income for the financial year		(4,193,532)	(376,581)

There was no other comprehensive income for 2021 (2020: £Nil).

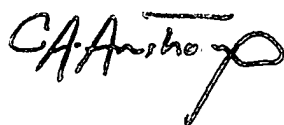
The notes on pages 18 to 32 form part of these financial statements.

ARMSTRONG INTEGRATED LIMITED
REGISTERED NUMBER:04956493

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	12	5,396,165	3,686,918
Investments	13	1,421,997	1,421,997
		<u>6,818,162</u>	<u>5,108,915</u>
Current assets			
Stocks	14	4,919,960	3,158,857
Debtors: amounts falling due within one year	15	15,382,339	11,874,795
Cash at bank and in hand	16	900,756	1,672,424
		<u>21,203,055</u>	<u>16,706,076</u>
Creditors: amounts falling due within one year	17	<u>(36,818,803)</u>	<u>(26,477,518)</u>
Net current liabilities		<u>(15,615,748)</u>	<u>(9,771,442)</u>
Total assets less current liabilities		<u>(8,797,586)</u>	<u>(4,662,527)</u>
Provisions for liabilities			
Other provisions	18	(440,785)	(382,312)
		<u>(440,785)</u>	<u>(382,312)</u>
Net liabilities		<u>(9,238,371)</u>	<u>(5,044,839)</u>
Capital and reserves			
Called up share capital	19	500,000	500,000
Profit and loss account	20	(9,738,371)	(5,544,839)
		<u>(9,238,371)</u>	<u>(5,044,839)</u>

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



MAY 15 2023

C A Armstrong
 Director

The notes on pages 18 to 32 form part of these financial statements.

ARMSTRONG INTEGRATED LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	500,000	(5,544,839)	(5,044,839)
Comprehensive income for the year			
Loss for the year	-	(4,193,532)	(4,193,532)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(4,193,532)	(4,193,532)
Total transactions with owners	-	-	-
At 31 December 2021	<u>500,000</u>	<u>(9,738,371)</u>	<u>(9,238,371)</u>

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	500,000	(5,168,258)	(4,668,258)
Comprehensive income for the year			
Loss for the year	-	(376,581)	(376,581)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(376,581)	(376,581)
Total transactions with owners	-	-	-
At 31 December 2020	<u>500,000</u>	<u>(5,544,839)</u>	<u>(5,044,839)</u>

The notes on pages 18 to 32 form part of these financial statements.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. General information

Armstrong Integrated Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at 1 Wolverton Street, Manchester, M11 2ET.

The principal activity of the Company is that of the design, manufacture and installation of packaged plant room and integrated energy centres, the supply of pumps, pumping equipment, accessories and expansion tanks to the HVAC, Fire, OEM and end user market.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties 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 Company's financial statements are presented in Sterling and all values are rounded to the nearest pound (£) except when otherwise stated.

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

The Company is exempt from preparing consolidated financial statements under section 400 of the Companies Act 2006 on the grounds that it is a wholly owned subsidiary and its results are consolidated in the immediate parent company's financial statements. Therefore, these financial statements present the Company as an individual company and not about its group.

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).

This information is included in the consolidated financial statements of Armstrong Pumps Limited as at 31 December 2021 and these financial statements may be obtained from 1 Wolverton Street, Manchester, M11 2ET.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.3 Going concern

As at 31 December 2021 the Company is in a net liabilities position of £9,238,371 (2020: £5,044,839).

The Company meets its day to day working capital requirements through a combination of its cash balances, bank overdraft facilities and advances from its ultimate parent company, S A Armstrong Limited, a company incorporated in Canada. The Company is supported by its ultimate parent undertaking S A Armstrong Limited.

The directors have prepared forecasts for the period to 30 June 2024. The results of the forecasts project that the business remains a Going Concern based on the continued support from the ultimate parent undertaking S A Armstrong Limited. To further strengthen the Company's position S A Armstrong have instigated a restructure transaction to take place in 2023.

The directors have received confirmation of the continued support from its ultimate parent undertaking and on this basis and having reviewed the Company's budgets and cash flow forecasts, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future, being a period of not less than 12 months from the date of approval of these financial statements, and, therefore, adopt the going concern basis in preparing the accounts.

2.4 Turnover

Turnover is measured at the fair value of the consideration received or receivable, net of discounts and value added taxes. Turnover represents revenue earned from the sale of goods, long term contracts and rendering of services.

Sale of Goods

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point when the goods are dispatched in accordance with the terms and conditions of sale.

Projects

Turnover from major projects is recognised according to the stage of completion of the contract. The turnover and margin is reviewed monthly and is based on the actual costs incurred to date and the stage of contract completion at the reporting date.

Rendering of services

Turnover from services is recognised at the point at which the service is delivered.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.5 Tangible fixed assets

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

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 the Statement of Comprehensive Income during the period in which they are incurred.

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:

Freehold property	- 3% straight line
Leasehold property	- Over the life of the lease
Plant & machinery	- 10 - 25% straight line
Fixtures & fittings	- 10 - 50% 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 the Statement of Comprehensive Income.

As a result of the triennial review published in March 2018, the directors chose to revert back to the cost model for freehold property, using the current fair value as deemed cost. The impact of this was a £650,000 reclassification from investment properties into tangible fixed assets during the year ended 31 December 2019.

2.6 Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 the Statement of Comprehensive Income.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.8 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.

2.9 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.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

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

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

Derivative financial instruments, including forward contracts are held as part of a trading portfolio and are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit or loss account. The Company does not currently apply hedge accounting for such derivatives.

2.11 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.

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight-line basis over the lease term.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.14 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.16 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

2.17 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 obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income 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 made, they are charged to the provision carried in the Balance Sheet.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. Accounting policies (continued)

2.18 Taxation

Tax is recognised in the Statement of Comprehensive Income 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.

2.19 Research and development

In the research and development phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure shall be recognised as an expense when it is incurred.

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

Preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where judgements or estimates are necessarily applied and summarised below:

- Warranty provisions - These are calculated based on a review of costs incurred and where there are specific known issues these are separately considered.
- Stock provisions - These are calculated based on a review of non-moving and slow-moving stock expected future usage and recoverability.
- Project revenue recognition - Turnover from major projects is recognised according to the stage of completion of the contract. The turnover and margin is reviewed monthly and is based on the actual costs incurred to date and the stage of contract completion at the reporting date. This involves making judgements and estimates in respect of the expected costs to complete and project margin.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	20,624,212	20,457,498
Services	3,020,388	2,763,375
Projects	15,415,721	18,681,594
	<u>39,060,321</u>	<u>41,902,467</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	23,733,995	20,442,427
Rest of the world	15,326,326	21,460,040
	<u>39,060,321</u>	<u>41,902,467</u>

5. Operating loss

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

	2021 £	2020 £
Research & development charged as an expense	19,523	71,782
Depreciation of tangible fixed assets	618,647	482,561
Exchange differences	663,389	7,374
Other operating lease rentals	636,810	679,678
	<u>636,810</u>	<u>679,678</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>130,265</u>	<u>50,195</u>

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

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

7. Employees

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	9,078,662	8,504,719
Social security costs	800,831	779,653
Pension costs	283,873	281,156
	<u>10,163,366</u>	<u>9,565,528</u>

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

	2021 No.	2020 No.
Sales and administration	138	80
Production	65	118
	<u>203</u>	<u>198</u>

8. Directors' remuneration

The directors did not receive any remuneration from the Company during the year (2020: £Nil). All directors remuneration was paid through S A Armstrong Limited.

9. Interest receivable

	2021 £	2020 £
Other interest receivable	-	70,286
	<u>-</u>	<u>70,286</u>

10. Interest payable and similar expenses

	2021 £	2020 £
Interest payable	20,802	-
	<u>20,802</u>	<u>-</u>

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation

The tax charge for the year was £Nil (2020: £Nil).

The Company has £7,440,807 (2020: £2,970,194) of trading losses to carry forward against future taxable profits. The total deferred tax asset not recognised is £2,069,198 (2020: £756,917).

	2021 £	2020 £
Current tax on profits for the year	-	-
Deferred tax		
Total deferred tax	-	-

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	(4,193,532)	(376,581)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(796,771)	(71,550)
Effects of:		
Expenses not deductible for tax purposes	1,099	4,765
Fixed asset differences	43,830	43,757
Adjustments to tax charge in respect of prior periods- deferred tax	3,426	-
Remeasurement of deferred tax for changes in tax rate	-	(51,751)
Deferred tax not recognised	748,416	74,779
Total tax charge for the year	-	-

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. Taxation (continued)**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2021 on 24 2021. These include an increase of the main rate to 25% from 1 April 2023. Deferred taxes at the reporting end date have been measured using these enacted tax rates and reflected in these financial statements.

12. Tangible fixed assets

	Freehold property £	L/Term Leasehold Property £	Plant & machinery £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2021	2,723,157	432,750	3,695,576	1,365,596	8,217,079
Additions	-	1,506,429	760,944	60,521	2,327,894
At 31 December 2021	<u>2,723,157</u>	<u>1,939,179</u>	<u>4,456,520</u>	<u>1,426,117</u>	<u>10,544,973</u>
Depreciation					
At 1 January 2021	406,159	369,538	2,520,498	1,233,966	4,530,161
Charge for the year	60,411	97,867	394,306	66,063	618,647
At 31 December 2021	<u>466,570</u>	<u>467,405</u>	<u>2,914,804</u>	<u>1,300,029</u>	<u>5,148,808</u>
Net book value					
At 31 December 2021	<u>2,256,587</u>	<u>1,471,774</u>	<u>1,541,716</u>	<u>126,088</u>	<u>5,396,165</u>
At 31 December 2020	<u>2,316,998</u>	<u>63,212</u>	<u>1,175,078</u>	<u>131,630</u>	<u>3,686,918</u>

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	1,421,997
At 31 December 2021	<u>1,421,997</u>
Net book value	
At 31 December 2021	<u>1,421,997</u>
At 31 December 2020	<u>1,421,997</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Armstrong Integrated Systems Limited (Dormant)	Heywood Wharf, Mucklow Hill, Halesowen, West Midlands, B62 8DJ	Ordinary Shares	100%
Holden and Brooke Limited (Dormant)	Armstrong Integrated Limited, 1 Wolverton Street, Manchester, M11 2ET	Ordinary Shares	100%
Pullen Pumps Limited (Dormant)	Armstrong Integrated Limited, 1 Wolverton Street, Manchester, M11 2ET	Ordinary Shares	100%
Baric Pumps Limited (Dormant)	Armstrong Integrated Limited, 1 Wolverton Street, Manchester, M11 2ET	Ordinary Shares	100%
Armstrong Integrated France	93 Rue de la Vilette, 69003 Lyon, France	Ordinary Shares	100%

All of the above companies are incorporated in England other than Armstrong Integrated France, which is incorporated in France.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. Stocks

	2021 £	2020 £
Raw materials and consumables	1,495,490	1,750,855
Work in progress	1,952,466	764,468
Finished goods and goods for resale	1,472,004	643,534
	<u>4,919,960</u>	<u>3,158,857</u>

15. Debtors

	2021 £	2020 £
Trade debtors	9,052,572	5,699,286
Amounts owed by group undertakings	2,701,704	2,288,585
Other debtors	164,400	78,982
Prepayments and accrued income	3,463,663	3,807,942
	<u>15,382,339</u>	<u>11,874,795</u>

An impairment gain of £24,209 (2020: £5,265) was recognised against trade debtors.

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are not subject to any interest.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	900,756	1,672,424
Less: bank overdrafts	<u>(461,589)</u>	<u>(459,897)</u>

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

17. Creditors

	2021 £	2020 £
Invoice discounting	461,589	459,897
Trade creditors	6,660,313	4,305,412
Amounts owed to group undertakings	26,117,944	19,368,864
Other taxation and social security	265,399	296,168
Accruals and deferred income	3,313,558	2,047,177
	<u>36,818,803</u>	<u>26,477,518</u>

Amounts owed to group undertakings are unsecured, have no fixed date of repayment and are not subject to any interest.

18. Provisions

	Warranty Provision £
At 1 January 2021	382,312
Charged to the profit or loss	58,473
At 31 December 2021	<u>440,785</u>

19. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
500,000 (2020: 500,000) Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

20. Reserves**Profit & loss account**

Includes all current and prior period retained profits and losses.

ARMSTRONG INTEGRATED LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

21. Commitments under operating leases

At 31 December 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	2020
	£	£
Not later than 1 year	532,199	293,669
Later than 1 year and not later than 5 years	1,364,712	767,459
Later than 5 years	-	98,222
	1,896,911	1,159,350

22. Contingent liabilities

There is a cross guarantee and debenture with Barclays Bank Plc, dated 30 June 2010 between this Company and its immediate parent undertaking Armstrong Pumps Limited.

23. Related party transactions

As a wholly owned subsidiary of S A Armstrong Limited, the Company is exempt from the requirements of FRS102 to disclose transactions with other wholly owned members of the group headed by S A Armstrong Limited.

The key management personnel of the Company are considered to be the directors of the Company. All directors remuneration was paid through S A Armstrong Limited.

24. Post balance sheet events

The organisation was party to a Cyber Threat in March 2023, since which time the company has fully recovered without incident. The case was reported to the ICO UK as per statutory requirements, whom have closed the case with no action required.

25. Controlling party

Armstrong Integrated Limited is 100% owned by Armstrong Pumps Limited, which is owned by S.A Armstrong Limited, a company incorporated in Canada, which is the immediate and ultimate parent undertaking.

The directors of the Company are considered to be the Company's ultimate controlling parties.