

Registered number: 00956716

Flamco Flexcon Limited
Annual report and audited financial
statements
for the year ended 31st December 2021

Registered number: 00956716



Flamco Flexcon Limited

Contents

	Page
Company Information	1
Strategic Report	2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5
Income Statement	8
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

Flamco Flexcon Limited

Company Information

DIRECTORS

Koert Arthur Munnik
Sean Blandford

REGISTERED OFFICE

Main Building
Washway Lane
St Helens
Merseyside
WA10 6PB

INDEPENDENT AUDITORS

BDO LLP
3 Hardman Street
Manchester
M3 3AT
United Kingdom

REGISTERED NUMBER

00956716

BANKERS

BNP Paribas London Branch
10 Harewood Avenue
London
NW1 6AA

Flamco Flexcon Limited

Strategic report for the year ended 31st December 2021

The directors present their strategic report for the year ended 31st December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of a holding company and owning the property occupied by its subsidiary, Flamco Limited.

REVIEW OF BUSINESS AND KEY PERFORMANCE INDICATORS

The Company has a turnover of £100,000 (unaudited 2020: £100,000) from the rental of its property to Flamco Limited which is charged on a rolling monthly basis. The profit for the year amounted to £21,623 compared with the prior year (unaudited) of £19,992.

The subsidiary company Flamco Ltd acquired 100% of the shares of Sentinel Performance Solutions Group Ltd on 15th April 2022, whose registered address is 7650 Daresbury Park, Daresbury, Warrington, WA4 4BS.

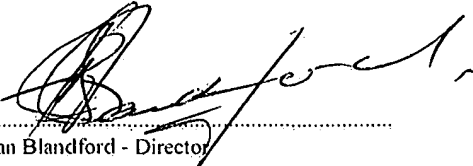
PRINCIPAL RISKS AND UNCERTAINTIES

The principal risks facing the Company are the risk of impairment in the value of its investment in its subsidiary, Flamco Limited, and of the property it holds, which is occupied by Flamco Limited. This risk is mitigated by the directors of Flamco Flexcon Limited being also the directors of Flamco Limited and that they can monitor and direct the performance of our investments.

FUTURE DEVELOPMENTS AND EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

The directors expect the current level of activity to continue. Furthermore, there have been no events after the statement of financial position date to report.

APPROVED BY AND SIGNED ON BEHALF OF THE BOARD:



Sean Blandford - Director

Date:

13/12/2022

Flamco Flexcon Limited

Directors' report for the year ended 31st December 2021

The directors present their annual report on the affairs of the Company, together with the audited financial statements and auditor's report for the year ended 31st December 2021.

In preparing this Directors' report, the directors have complied with S414C (11) of the Companies Act 2006 by including certain disclosures required by S416 (4) within the strategic report on page 2. These include disclosures concerning future developments and events after the balance sheet date.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £21,623 (unaudited 2020 : £19,992). The directors have declared and paid a dividend of £0 (unaudited 2020: £0) per ordinary share in the year, totalling £0 (unaudited 2020: £0). No further dividends have been proposed since the year-end.

GOING CONCERN

As disclosed in the financial statements, the ultimate parent company of Flamco Flexcon Limited is Aalberts N.V., is registered in the Netherlands. Both the immediate and ultimate parent companies continue to support Flamco Flexcon Limited. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. A letter has been provided by Aalberts Finance BV in respect of the negative cash pool balance is has and have confirmed that repayment will not be demanded in the next 12 months from the signing of these accounts. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Further details can be found in the accounting policies in note 1 of the financial statements.

DIRECTORS

The directors who serve during the year and after that were as follows:

Koert Arthur Munnik
Sean Blandford

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company has implemented a co-ordinated set of risk management and control systems, including strategic planning and management reporting, to help anticipate, measure, monitor and manage its risk exposure. Risks which the Company faces include changes in the regulatory and legal environment, interest rate and foreign exchange rates.

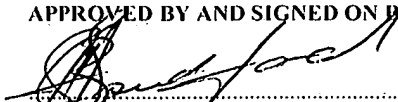
The Company has a significant investment in subsidiary companies; therefore, the principal risk faced by the Company is relative to the performance of our subsidiaries because the results of the subsidiaries affects the value of investments. The Company continues to monitor the financial performance of its subsidiaries to identify and respond to potential issues.

AUDITORS

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors were aware of that information. The directors are not aware of any relevant information of which the auditors were unaware.

The auditors, BDO LLP, were appointed during the year ended 31 December 2021.

APPROVED BY AND SIGNED ON BEHALF OF THE BOARD:


Sean Blandford, Director
Date: 13/12/2021

Flamco Flexcon Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and 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 the United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the U.K. and Republic of Ireland'. Under company law, the directors must not approve the financial statements unless they are satisfied that they give an accurate 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 director's requirements are to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether U.K. applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAMCO FLEXCON LIMITED

Opinion on the financial statements

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 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.

We have audited the financial statements of Flamco Flexcon Limited ("the Company") for the year ended 31 December 2021 which comprise of the Income statement, Statement of comprehensive income, Statement of financial position, 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).

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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.

Conclusions relating to going concern

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

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

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

Other matter

The corresponding figures are unaudited.

Other information

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

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAMCO FLEXCON LIMITED (CONTINUED)

Other Companies Act 2006 reporting

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.

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, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor'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.

Extent to which the audit was capable of detecting irregularities, including fraud

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:

- Agreement of the financial statement disclosures to underlying supporting documentation;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the impairment of amounts owed to group companies, non-current assets and other intangible assets;
- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Review of minutes of Board meetings throughout the period;
- Obtaining an understanding of the control environment in monitoring compliance with laws and regulations;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations or including specific keywords;

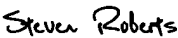
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FLAMCO FLEXCON LIMITED
(CONTINUED)**

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://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.

DocuSigned by:


498D0A55E7C14AD...

Steven Roberts (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Manchester, UK

13 December 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Flamco Flexcon Limited

Income Statement

For the year ended 31st December 2021

	Notes	2021 £	Unaudited 2020 £
TURNOVER		100,000	100,000
Administrative expenses		(41,135)	(40,759)
OPERATING PROFIT		<u>58,865</u>	<u>59,241</u>
Interest payable and similar expenses	2	(26,099)	(30,012)
PROFIT BEFORE TAXATION	3	<u>32,766</u>	<u>29,229</u>
Tax on profit	4	(11,143)	(9,237)
PROFIT FOR THE FINANCIAL YEAR		<u><u>21,623</u></u>	<u><u>19,992</u></u>

All activities relate to continuing operations.

Flamco Flexcon Limited

Statement of Comprehensive Income for the year ended 31st December 2021

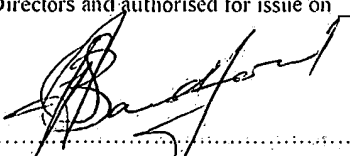
	2021 £	Unaudited 2020 £
PROFIT FOR THE FINANCIAL YEAR	21,623	19,992
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	<u>21,623</u>	<u>19,992</u>

Flamco Flexcon Limited
(Registered number: 00956716)

Statement of Financial Position
As at 31st December 2021

		2021	Unaudited 2020
	Notes	£	£
FIXED ASSETS			
Tangible assets	5	1,538,424	1,578,893
Investments	6	<u>3,609,297</u>	<u>3,609,297</u>
		5,147,721	5,188,190
CREDITORS			
Amounts falling due within one Year	7	<u>(2,398,688)</u>	<u>(2,460,780)</u>
NET CURRENT LIABILITIES		<u>(2,398,688)</u>	<u>(2,460,780)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,749,033	2,727,410
CREDITORS			
Amounts falling due after more than one Year	8	<u>(2,221,000)</u>	<u>(2,221,000)</u>
NET ASSETS		<u>528,033</u>	<u>506,410</u>
CAPITAL AND RESERVES			
Called up share capital	9	2,000	2,000
Retained earnings		<u>526,033</u>	<u>504,410</u>
SHAREHOLDER'S FUNDS		<u>528,033</u>	<u>506,410</u>

The financial statements of Flamco Flexcon Limited (registration number 00956716) were approved by the Board of Directors and authorised for issue on 12 December 2022. They were signed on its behalf by:


 Sean Blandford - Director

Flamco Flexcon Limited

Statement of Changes in Equity for the year Ended 31st December 2021

	Notes	Called up share capital £	Retained earnings £	Total £
Balance at 1st January 2020 unaudited		2,000	484,418	486,418
Changes in equity				
Total comprehensive income		-	19,992	19,992
Balance at 31st December 2020 unaudited		<u>2,000</u>	<u>504,410</u>	<u>506,410</u>
Changes in equity				
Total comprehensive income		-	21,623	21,623
Balance at 31st December 2021		<u><u>2,000</u></u>	<u><u>526,033</u></u>	<u><u>528,033</u></u>

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021

1. ACCOUNTING POLICIES

General information and basis of accounting

Flamco Flexcon Limited is a private company limited by shares incorporated and registered in the United Kingdom (England and Wales) under the Companies Act 2006. The address of the registered address is given on page 1. The nature of the Company's operations and its principal activities are in the strategic report on page 2.

These financial statements have been prepared in accordance with The Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the U.K. and Republic of Ireland" (FRS 102) and the Companies Act 2006. The financial statements have also been prepared under the historical cost convention.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company is consolidated in the financial statements of its ultimate parent, Aalberts N.V which may be obtained from its registered office at PO Box 1218, NL-3500 BE, Utrecht, The Netherlands. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, remuneration of key management personnel and related party transactions.

The functional currency of Flamco Flexcon Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which it operates.

The following principal accounting policies have all been applied consistently throughout the current year and prior period.

Turnover

Turnover is stated net of VAT and trade discounts. Turnover represents rental income from operating leases which is recognised on a straight-line basis over the term of the lease and arises in the United Kingdom.

Taxation

Current tax, including U.K. corporation tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. Those as mentioned earlier could be where transactions or events result in an obligation to pay more tax in the future or a right to pay less tax in the future, have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only to the extent that, based on all available evidence. It can be considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The deferred tax has not been discounted.

Tangible fixed assets

Tangible fixed assets are stated at cost net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:
Freehold building - 5% per annum, straight line.

Residual value is calculated on prices prevailing at the date of acquisition.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

1. ACCOUNTING POLICIES – (continued)

Leases

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Going concern

The Company's business activities, together with the factors likely to affect its future development and position are set out in the Strategic Report on page 2 and 3.

As disclosed in Note 11 to the financial statements, the ultimate parent company of Flamco Flexcon Limited is Aalberts N.V., registered in the Netherlands. On the basis of their assessment of the Company's financial position the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. A letter has been provided by Aalberts Finance BV in respect of the negative cash pool balance is has and have confirmed that repayment will not be demanded in the next 12 months from the signing of these accounts. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Consolidated financial statements

Flamco Flexcon Limited is exempt from the requirement to draw up consolidated financial statements under section 400 of the Companies Act 2006 as it is a wholly-owned subsidiary of Flamco Holdings B.V., a company incorporated in the Netherlands. As at 31st December 2021, the results and financial position of the Company are consolidated into the financial statements of Flamco Holdings B.V. Therefore, these financial statements present information about Flamco Flexcon Limited as an individual undertaking and not about its group.

Financial instruments

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

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

Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets and liabilities

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
 - (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
 - (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
1. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.
 2. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
 3. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment. With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled; b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

1. ACCOUNTING POLICIES (continued)

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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

Where indicators exist for a decrease in impairment loss, and the reduction can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Investment in subsidiary undertaking

Investments in subsidiaries and associates are measured at cost less provision for impairment.

All dividends received from subsidiary undertakings are included in other income in the profit and loss account.

Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Company's accounting policies

The directors consider there are no critical judgements, apart from those involving estimations (which are dealt with separately below), that they 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

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Carrying value of investments

The Company regularly reviews the carrying value of investments to determine whether there is any indication of impairment loss and provision is made for any impairment. Determining whether the investments are impaired requires an estimation of the value the investments, which requires the entity to estimate the future cash flows expected to arise from the investment and a suitable discount rate in order to calculate present value. The carrying amount of investments at the balance sheet date was £3,609,297 and no impairment loss was recognised during the year.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

2. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	Unaudited 2020 £
Interest payable to parent undertaking	2,173	8,398
Other interest payable	23,925	21,614
Total interest & similar expenses payable	26,099	30,012

3. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2021 £	Unaudited 2020 £
Depreciation – owned assets	40,468	40,468

The audit fee for the audit of the financial statements of £2,500 (2020: £2,500) has been borne by the Company's subsidiary undertaking, Flamco Limited. There were no non-audit fees payable to the auditor (2020: same). There are no employees and the directors are paid by other group companies (2020: same), the services provided to this entity do not amount to a significant portion of their time.

4. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021 £	Unaudited 2020 £
Current tax		
U.K. corporation tax	11,143	9,237
Tax on profit	11,143	9,237

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

4. TAXATION (continued)

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%).

Reconciliation of total tax charge included in the income statement

The tax assessed for the year is higher (unaudited 2020: higher) than the standard rate of corporation tax in the U.K. The difference is explained below:

	2021 £	Unaudited 2020 £
Profit before tax	32,766	29,229
Profit multiplied by the standard rate of corporation tax in the U.K. of 19% (2020: 19%)	6,226	5,554
Effects of:		
Expenses not deductible for tax purposes	7,717	7,688
Income not taxable for tax purposes	-	-
Adjustment from prior period	(2800)	(4,005)
Total tax charge	11,143	9,237

The standard rate of current tax for the year, based on the UK standard rate of corporation tax is 19% (2020: 19%). At spring budget 2021 the government announced an increase in the corporation tax main rate from 19% to 25% for companies with profits over £250,000 together with the introduction of a small profits rate of 19% with effect from 1 April 2023. The small profits rate will apply to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

5. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £
COST	
At 1st January 2021 unaudited and 31st December 2021	2,024,041
DEPRECIATION	
At 1st January 2021 unaudited	445,148
Charge for Year	40,469
At 31st December 2021	485,615
NET BOOK VALUE	
At 31st December 2021	1,538,424
At 31st December 2020 unaudited	1,578,893

6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1st January 2021 unaudited and 31st December 2021	3,609,297

The Company owns 100% of the ordinary share capital of Flamco Limited, a company registered in England and Wales and whose principal activity is the manufacturing, marketing and distribution of heating, ventilating and air conditioning products. The registered address of Flamco Limited is Washway Lane, St Helens, Merseyside, WA10 6PB.

The subsidiary company Flamco Limited, owns 100% of the share capital of Sentinel Performance Solutions Group Limited, a company registered in England and Wales whose primary activity is to act as a holding company. The registered address of Sentinel Performance Solutions Group Limited is 7650 Daresbury Park, Daresbury, Warrington, WA4 4BS.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	Unaudited 2020
	£	£
Amounts owed to parent undertakings	2,386,607	2,450,130
Tax	12,081	10,652
	<u>2,398,688</u>	<u>2,460,782</u>

The amounts owed to parent undertakings falling due within one year relate to a loan with Flamco Holdings B.V, the companies immediate parent undertaking £0 (unaudited 2020: £504,433). The loan was repayable in instalments bi-annually with the loan and fully repaid by 13th February 2021. Interest on the loan is charged at a rate equal to the 6 month Euribor + 1.5% (unaudited 2020: 6 month Euribor + 1.5%). There is a further amount owing to Aalberts N.V as a result of a cash pooling arrangement £2,367,607 (unaudited 2020: £1,945,697) which is directly relative to the loan repayments to Flamco Holdings B.V.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	Unaudited 2020
	£	£
Redeemable cumulative preference shares (see note 10)	2,221,000	2,221,000
	<u>2,221,000</u>	<u>2,221,000</u>

9. CALLED UP SHARE CAPITAL

Allocated issued and fully paid:

			2021	Unaudited 2020
Number	Class	Nominal value:	£	£
2,000	Ordinary	£1	2,000	2,000
2,221,000	Redeemable cumulative preference shares	£1	<u>2,221,000</u>	<u>2,221,000</u>
			<u>2,223,000</u>	<u>2,223,000</u>

The preference shares may be redeemed at par at any time in whole or in part on an offer being made for the entire issued share capital of the Company; or the flotation, offer for sale, placing of shares in the Company on the stock exchange or any other recognised investment exchange. The preference shares attract voting rights only in the case of default on repayment or a winding up of the Company.

In accordance with the presentation requirements of FRS 102, redeemable preference shares have been classified as non-current liabilities. Past and future dividends on the preference shares have been waived.

Flamco Flexcon Limited

Notes to the financial statements for the year ended 31st December 2021 (continued)

10. OPERATING LEASE ARRANGEMENTS

The Company as lessor

As set out in the income statement, property rental income earned during the year was £100,000 (Unaudited 2020: £100,000). The property held has a committed tenant on a lease which was terminated at 31st March 2018, on which a new agreement between the managing directors of the two companies was discussed. The agreement is currently in negotiation and is charged on a rolling monthly rental but as of yet has not been agreed. At the balance sheet date, the Company had contracted with its tenant for the following total future minimum lease payments:

	2021 Land & Buildings £	Unaudited 2020 Land & Buildings £
Within 1 year	-	-
Between two years and five years	-	-
	<u>-</u>	<u>-</u>

11. CONTROLLING PARTY

The Company's ultimate controlling party is Aalberts N.V. The largest group in which the results of the Company are consolidated is that headed by Aalberts N.V., incorporated in the Netherlands. The registered address of Aalberts N.V. is Postbus 1218, 3500BE Utrecht, Netherlands. The head of the smallest group of undertaking for which group financial statements are drawn up and which the Company is a member is Flamco Holding BV, registered in the Netherlands. Copies of its group financial statements, which include the Company, are available from Fort Blauwkapel 1, NL-1358 DB Almere, the Netherlands which is also its registered address.