Company registration number 04141516 (England and Wales)

PLF INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

PLF INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	Mr R Chambers	(Appointed 23 February 2021)
	Mr G A Packard	
	Mr M P Crawford	(Appointed 23 February 2021)
	Mr N Popp	(Appointed 1 December 2021)
	Mr N Rowland	(Appointed 1 December 2021)
Company number	04141516	
Registered office	c/o Geldards LLP Capital Quarter No.4 Tyndall Street Cardiff Wales CF10 4BZ	
Auditor	Knill James LLP One Bell Lane Lewes East Sussex BN7 1JU	
Solicitors	Geldards LLP Capital Quarter No.4 Tyndall Street Cardiff Wales CF10 4BZ	

PLF INTERNATIONAL LIMITED

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PLF INTERNATIONAL LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Fair review of the business
Another significantly challenging year for PLF in 2021 across all functions of the business.

Revenues & profitability severely impacted by the ongoing COVID19 Pandemic with many key projects continually delayed as a result of the pandemic. This is combined with a change of approach from the Chinese economy shifting from importing European & New Zealand products to more localised production to satisfy local demand. This shift severely compressed any expansion plans in Europe & New Zealand.

During 2021 PLF successfully completed the restructuring of its business to transfer UK Manufacturing & Operations to our Sister Company in Belgium. Whilst this gave both sites many challenges during this time we successfully manufactured PLF Filling machines and accessories in Belgium with little impact on our customer base or quality of the product.

Since manufacturing stopped in the UK, the Harwich site was not suitable for the business needs therefore the business moved to a better site. The business relocated 15 miles west of Harwich to Ardleigh during Q4 21.

Further to the restructuring project PLF embarked on migrating to new ERP system. With the JBT ERP system JD Edwards being installed during Q2 21.

Taking the above challenges into consideration we managed to retain key talent during 2021 and look to embrace the JBT PIVOT strategy in 2022.

Revenue is down on previous years to £5,381,323 mainly driven by the global pandemic and the delay to some key projects which has directly impacted the overall loss in the period.

Principal risks and uncertainties
A range of projects are undertaken each year and the company is exposed to a variety of financial and business risks. In common with companies operating in an international market place PLF International Limited is exposed to risk of foreign exchange movements and seeks to manage these risks with a conscientious approach to negotiating contractual terms, maintaining limited foreign currency bank accounts and following corporate requirements on negotiating forward foreign exchange rates to mitigate the risk of movement between the contract date and receipt date.

Pricing of materials and components continue to be uncertain caused by foreign exchange variations and the changes in tariffs and duties, however the strong commitment to developing strategic partnerships helps the company source quality components and achieve competitive prices and historically our ability to hold or improve on pricing has been well validated. Within JBT, PLF has a very strong reputation on its ability to hold component pricing and mitigate increases and will be utilising the global JBT sourcing teams to get parts from "best-cost-countries" to improve our competitiveness.

Procedures exist to manage both financial and business risks with monthly performance reviews covering both financial and operational issues.

The company's principal financial assets are cash and trade debtors. The principal credit risk arises therefore from its trade debtors. The company maintains policies and procedures to manage credit risk. Cash is pooled within other group companies, hence the low cash balance within the financial statements, however a significant portion of amounts owed by group undertakings represents cash pooling which can be called upon demand.

The company seeks to maintain its market presence and balance through its increasing brand portfolio, global reputation and diverse customer base. The company prides itself on customer service and satisfaction and this is demonstrated by customers placing new business with the company. The acquisition by John Bean Technologies is starting to strengthen this position, with a global sales team and representation through group companies on all industrial continents, coupled with regional service technicians that can be called upon for immediate response to customer issues, with PLF supporting virtually where necessary using technology as required.

Business risks include market, economic, climatic and other events and regulatory risk which are monitored and managed by the Board. The company has also enhanced its ethical awareness and operating policies accordingly since the acquisition and apply these rigorously, supported with frequent training sessions for all employees.

The company recognises the importance of health and safety of all those employed and operates policies to ensure that risks associated with accidents and health is property managed and controlled, and is constantly looking to update its procedures and the applications for monitoring and of recording of health and safety issues. At the close of this year the company has gone almost two-years without an accident requiring medical attention.

These together with a strong commitment to developing strategic partnerships, a strong balance sheet, and being a part of a major international group, provides a stable platform which will enable the company to capitalise on market opportunities as they arise.

The company recognises that the employees are its most important resource and take this opportunity to acknowledge the dedication and loyalty of our staff – many of whom are long serving. They have worked with great energy, enthusiasm and commitment to customer satisfaction throughout the year. It is essential to the future success of the business that a skilled and motivated workforce is retained and this position is monitored closely every month, with new opportunities satisfied internally and schemes devised to motivate and engage the staff.

On behalf of the board

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Mr R Chambers
Director

Date: 13TH DECEMBER 2022

PLF INTERNATIONAL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities
The principal activity of the company continued to be that of designing, manufacturing, refurbishing and installing vacuum power filling machines for the food, beverage and pharmaceuticals industries. The company also provides spare parts, maintenance and project management services.

Results and dividends
The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

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

Mr R Chambers	(Appointed 23 February 2021)
Ms G M Fallon	(Resigned 17 September 2021)
Mr G A Packard	
Mr I Hillaby	(Resigned 16 September 2021)
Mr M P Crawford	(Appointed 23 February 2021)
Mr N Popp	(Appointed 1 December 2021)
Mr N Rowland	(Appointed 1 December 2021)

Auditor
Knill James LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor
So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

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Mr R Chambers
Director

Date: 13th December 2022

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

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

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

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

PLF INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PLF INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of PLF International 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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

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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

In identifying and assessing the risk of material misstatement in respect of irregularities, including fraud, we:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the company operates in and how the company complies with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Companies Act 2006, the company's governing document and relevant tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements, including the strategic report and the directors' report, remaining alert to new or unusual transactions which may not be in accordance with the governing document.

The most significant laws and regulations that have an indirect impact on the financial statements are the compliance with the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

We identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included, but were not limited to, testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and challenging judgments and estimates.

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

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.

Knill James LLP

Kevin Powell FCA (Senior Statutory Auditor)
For and on behalf of Knill James LLP

Date: 13 December 2022

Chartered Accountants
Statutory Auditor

One Bell Lane
Lewes
East Sussex
BN7 1JU

PLF INTERNATIONAL LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	**3**	5,381,323	8,016,387
Cost of sales		(2,956,921)	(5,396,525)
Gross profit		2,424,402	2,619,862
Administrative expenses		(3,306,720)	(2,862,991)
Other operating income		-	175,791
Operating loss	**4**	(882,318)	(67,338)
Interest receivable and similar income	**8**	7	(1,977)
Interest payable and similar expenses	**9**	-	(1)
Loss before taxation		(882,311)	(69,316)
Tax on loss	**10**	(111,748)	87,693
(Loss)/profit for the financial year		(994,059)	18,377

The profit and loss account has been prepared on the basis that all operations are continuing operations.

PLF INTERNATIONAL LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	11		1,193,191		780,987
Current assets					
Stocks	12	648,712		806,828	
Debtors	13	4,071,334		5,384,429	
Cash at bank and in hand		49,054		402,882	
		4,769,100		6,594,139	
Creditors: amounts falling due within one year	14	(2,547,278)		(3,056,793)	
Net current assets			2,221,822		3,537,346
Total assets less current liabilities			3,415,013		4,318,333
Provisions for liabilities					
Deferred tax liability	15	106,823		16,084	
			(106,823)		(16,084)
Net assets			3,308,190		4,302,249
Capital and reserves					
Called up share capital	17		100		100
Share premium account			39,744		39,744
Profit and loss reserves			3,268,346		4,262,405
Total equity			3,308,190		4,302,249

The financial statements were approved by the board of directors and authorised for issue on 13/12/2022 and are signed on its behalf by:

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Mr R Chambers
Director

Company Registration No. 04141516

PLF INTERNATIONAL LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Share premium account	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 January 2020	100	39,744	4,244,028	4,283,872
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	18,377	18,377
Balance at 31 December 2020	100	39,744	4,262,405	4,302,249
Year ended 31 December 2021:				
Loss and total comprehensive income for the year	-	-	(994,059)	(994,059)
Balance at 31 December 2021	100	39,744	3,268,346	3,308,190

1 Accounting policies

Company information

PLF International Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o Geldards LLP, Capital Quarter No.4, Tyndall Street, Cardiff, Wales, CF10 4BZ.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of John Bean Technologies Corporation. These consolidated financial statements are available from its registered office or from www.jbtc.com.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised as project activity progresses and the right to consideration is earned and represents the value of work done. Turnover also includes the sale of goods which is recognised on dispatch of the goods. All turnover excludes Value Added Tax. See below further details on long term contract accounting.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Tenant's alterations	Over the life of the lease
Plant and equipment	25% straight line
Motor vehicles	25% straight line

1 Accounting policies **(Continued)**

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is determined using the first in first out basis and for work in progress includes direct labour costs and overheads appropriate to the stage of manufacture.

Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and installation or disposal.

Work in progress is carried forward in the statement of financial position where costs incurred to date on a project are in excess of the proportion of the contract considered to be complete at the year end date.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.8 Financial instruments

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

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

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

Basic financial assets

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

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, 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 profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1 Accounting policies **(Continued)**

1.11 Provisions

A provision is made within accruals for remedial costs for equipment supplied under warranty agreements and any unused amounts are released to profit and loss following expiration of the term of agreement. This is included within other creditors within the financial statements.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.16 Research and development

Expenditure on research and development is written off in the year in which it is incurred.

1.17 Long term contracts

Profit is taken as the project activity progresses based on the anticipated final outcome of the contract. Anticipated losses are recognised in full immediately. Unbilled turnover on individual projects is included as gross amounts owed by contract customers within debtors. Where individual on account billings exceed revenue recognised on projects the excess is classified as payments received on account within creditors.

The stage of completion is determined by costs incurred and a level of judgement based on an assessment of progress of the contract at the reporting date.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

The company has recognised estimates in its financial statements, which requires management to make judgements for:

- carrying value of amounts recoverable on contracts;
- costs expected to be incurred to completion of manufacture and installation of machinery;
- percentage of long term contracts completed.

The judgements, estimates and associated assumptions necessary to assess the recoverability of these balances are based on historical experience and other reasonable factors.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Long term contract turnover in respect of machine sales and related services	4,459,543	6,902,840
Sales of spare parts and other income	921,780	1,113,547
	5,381,323	8,016,387

	2021	2020
	£	£
Turnover analysed by geographical market		
UK	274,471	35,397
Rest of Europe	719,238	3,523,276
Rest of the world	4,387,614	4,457,714
	5,381,323	8,016,387

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Other revenue		
Interest income	7	(1,977)
Grants received	-	175,791

4 Operating loss

	2021	2020
Operating loss for the year is stated after charging/(crediting):	£	£
Exchange losses	113,014	19,755
Research and development costs	-	179,510
Government grants	-	(175,791)
Depreciation of owned tangible fixed assets	194,715	197,730
Profit on disposal of tangible fixed assets	(5,597)	-
Operating lease charges	-	63,048

5 Auditor's remuneration

	2021	2020
Fees payable to the company's auditor:	£	£
For audit services		
Audit of the financial statements of the company	21,000	25,000
For other services		
All other non-audit services	-	1,200

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Production	22	21
Office	11	19
Directors	3	2
Total	36	42

6 Employees (Continued)

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,710,398	2,428,869
Social security costs	177,693	225,108
Pension costs	84,861	115,964
	1,972,952	2,769,941

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	293,411	292,937
Company pension contributions to defined contribution schemes	14,673	12,805
	308,084	305,742

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021	2020
	£	£
Remuneration for qualifying services	116,682	170,820
Company pension contributions to defined contribution schemes	4,924	5,803

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	-	217
Interest receivable from group companies	-	(2,194)
Other interest income	7	-
Total income	7	(1,977)

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	-	1

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	-	44,804
Adjustments in respect of prior periods	21,009	(114,853)
Total current tax	21,009	(70,049)
Deferred tax		
Origination and reversal of timing differences	54,529	(9,610)
Changes in tax rates	12,551	-
Adjustment in respect of prior periods	23,659	(8,034)
Total deferred tax	90,739	(17,644)
Total tax charge/(credit)	111,748	(87,693)

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

	2021	2020
	£	£
Loss before taxation	(882,311)	(69,316)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(167,639)	(13,170)
Tax effect of expenses that are not deductible in determining taxable profit	442	-
Adjustments in respect of prior years	21,009	(122,887)
Group relief	235,187	-
Research and development tax credit	(17,317)	20,405
Deferred tax adjustments in respect of prior years	23,659	-
Fixed asset differences	(9,232)	27,959
Remeasure of deferred tax for changes in tax rates	25,639	-
Taxation charge/(credit) for the year	111,748	(87,693)

11 Tangible fixed assets

	Tenant's alterations	Assets under construction	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	1,728,406	316,400	559,653	48,654	2,653,113
Additions	-	346,620	260,299	-	606,919
Transfers	245,918	(663,020)	417,102	-	-
At 31 December 2021	1,974,324	-	1,237,054	48,654	3,260,032
Depreciation and impairment					
At 1 January 2021	1,427,842	-	418,708	25,576	1,872,126
Depreciation charged in the year	150,284	-	40,455	3,976	194,715
At 31 December 2021	1,578,126	-	459,163	29,552	2,066,841
Carrying amount					
At 31 December 2021	396,198	-	777,891	19,102	1,193,191
At 31 December 2020	300,564	316,400	140,945	23,078	780,987

12 Stocks

	2021	2020
	£	£
Work in progress	648,712	342,141
Finished goods and goods for resale	-	464,687
	648,712	806,828

13 Debtors

Amounts falling due within one year:	2021 £	2020 £
Trade debtors	984,260	620,778
Gross amounts owed by contract customers	1,023,713	1,175,649
Corporation tax recoverable	129,623	246,348
Amounts owed by group undertakings	756,233	3,041,989
Other debtors	1,084,560	213,049
Prepayments and accrued income	92,945	86,616
	4,071,334	5,384,429

14 Creditors: amounts falling due within one year

	2021	2020
	£	£
Payments received on account	729,119	985,193
Trade creditors	579,099	764,382
Amounts owed to group undertakings	395,564	761,959
Taxation and social security	52,122	66,178
Other creditors	113,852	155,184
Accruals and deferred income	677,522	323,897
	2,547,278	3,056,793

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
Balances:	£	£
Fixed asset timing differences	106,823	22,354
Other timing differences	-	(6,270)
	106,823	16,084

	2021
Movements in the year:	£
Liability at 1 January 2021	16,084
Charge to profit or loss	90,739
Liability at 31 December 2021	106,823

16 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	84,861	115,964

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

Ordinary share capital	2021 Number	2020 Number	2021 £	2020 £
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

18 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	120,069	110,187
Between two and five years	192,847	37,175
	312,916	147,362

19 Ultimate controlling party

The ultimate parent company is John Bean Technologies Corporation, a company incorporated in the United States of America.

The immediate parent company is International Packaging Solutions Limited by virtue of its 100% shareholding in the company.

John Bean Technologies Corporation is the largest and smallest group for which consolidated accounts including PLF International Limited are prepared. The consolidated accounts for John Bean Technologies Corporation are available at www.jbtc.com.

There is no ultimate controlling party.