

Company Registration No. 07159463 (England and Wales)

FLEXICON INDUSTRIAL SUPPLIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

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FLEXICON INDUSTRIAL SUPPLIES LIMITED

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FLEXICON INDUSTRIAL SUPPLIES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
Fixed assets					
Tangible assets	3		28,190		23,867
Current assets					
Stocks		91,603		93,049	
Debtors	4	509,815		501,931	
Cash at bank and in hand		579		-	
		<u>601,997</u>		<u>594,980</u>	
Creditors: amounts falling due within one year	5	<u>(446,582)</u>		<u>(448,185)</u>	
Net current assets			<u>155,415</u>		<u>146,795</u>
Total assets less current liabilities			<u>183,605</u>		<u>170,662</u>
Creditors: amounts falling due after more than one year	6		(11,426)		(5,351)
Provisions for liabilities			<u>(4,792)</u>		<u>(4,057)</u>
Net assets			<u><u>167,387</u></u>		<u><u>161,254</u></u>
Capital and reserves					
Called up share capital	7		103		103
Profit and loss reserves			<u>167,284</u>		<u>161,151</u>
Total equity			<u><u>167,387</u></u>		<u><u>161,254</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 17 July 2020 and are signed on its behalf by:

Mr C F Ford
Director

Company Registration No. 07159463

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

Company information

Flexicon Industrial Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 71A Roman Way, Longridge Road, Ribbleson, Preston, PR2 5BE. The company's place of business is 53-55 Brasenose Rd, Liverpool L20 8HL.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

1.2 Going concern

Alongside its wider group, the company's activities were impacted by the Covid-19 pandemic and the subsequent 'lockdown' introduced by the UK government during March 2020.

Throughout the recent lockdown period, the group supplied product to certain industries deemed 'essential' by the government. Although some customers temporarily closed, all of the group's trading locations remained open with a reduced level of staff. The group is confident that its operations have adapted to the new circumstances caused by the pandemic and specifically the facilitation of appropriate social distancing and hygiene procedures throughout all sites.

The group has made use of the available government financial support for which it is eligible, such as the CJR scheme. The group's banking partner has also provided support in the form of a £3m CBIL scheme loan, additional short-term facilities from asset-backed lending and deferred capital repayments. At the time of signing the financial statements, the group had headroom in its various facilities in excess of £6m.

The directors have produced and referred to prudent cash flow forecasts, at both the company and group level. During lockdown, the group produced a medium-term reforecast and trading throughout April, May and June has exceeded reforecast levels and throughout lockdown the group has remained profitable. Most of the group's debt funding is postponed for more than 12 months but where necessary, confirmation has been provided by key creditors that they will not seek repayment for at least twelve months from the date of the financial statements being approved. The parent company has confirmed that it will provide financial support for a period of at least 12 months from approval of the financial statements. Taken together, these points indicate that the company will be able to meet all its liabilities as they are projected to fall due for payment over the next twelve months, leading the directors to conclude that there is no material uncertainties over adopting the going concern basis at the time of signing the financial statements.

1.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods provided in the normal course of business, net of discounts and VAT. Income is recognised when significant risks and rewards of ownership have passed to the customer. This is normally upon dispatch of the goods to the customer.

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

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

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

Plant and machinery	15% per annum on cost
Fixtures, fittings & equipment	20% per annum on cost
Computer equipment	50% per annum on cost
Motor vehicles	15% per annum on cost

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.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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 at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with bank and bank overdrafts.

1.8 Financial instruments

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

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

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

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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

All of the company's financial assets are basic financial assets.

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.

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies 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 receipts 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

All of the company's financial liabilities are basic financial liabilities.

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.

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

1 Accounting policies

(Continued)

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.

1.11 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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.

1.12 Retirement benefits

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

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2018 - 7).

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

3 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2019	121,151
Additions	15,842
	<u>136,993</u>
At 31 December 2019	<u>136,993</u>
Depreciation and impairment	
At 1 January 2019	97,284
Depreciation charged in the year	11,519
	<u>108,803</u>
At 31 December 2019	<u>108,803</u>
Carrying amount	
At 31 December 2019	<u>28,190</u>
At 31 December 2018	<u>23,867</u>

4 Debtors

	2019 £	2018 £
Amounts falling due within one year:		
Trade debtors	219,382	273,742
Amounts owed by group undertakings	278,636	218,208
Other debtors	11,797	9,981
	<u>509,815</u>	<u>501,931</u>

5 Creditors: amounts falling due within one year

	2019 £	2018 £
Bank loans and overdrafts	156,745	206,154
Trade creditors	177,186	169,078
Amounts owed to group undertakings	92,000	50,000
Taxation and social security	10,556	16,664
Other creditors	10,095	6,289
	<u>446,582</u>	<u>448,185</u>

Creditors falling due within one year totalling £161,233 (2018: £209,443) are secured by the company.

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

6 Creditors: amounts falling due after more than one year

	2019	2018
	£	£
Other creditors	11,426	5,351
	<u>11,426</u>	<u>5,351</u>

Creditors falling due after more than one year totalling £11,426 (2018: £5,351) are secured by the company.

7 Called up share capital

	2019	2018
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary A shares of £1 each	100	100
1 Ordinary B share of £1 each	1	1
1 Ordinary C share of £1 each	1	1
1 Ordinary D share of £1 each	1	1
	<u>103</u>	<u>103</u>

Ordinary A shares have full rights in the company with respect to voting, dividends and distributions. Ordinary B, C and D shares each have no rights in the company in respect to voting but full rights to dividends. Rights to distributions vary with each class as per the Articles of Association.

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Joe Sullivan.

The auditor was MHA Moore and Smalley.

9 Financial commitments, guarantees and contingent liabilities

At the year end the company was party to a cross company guarantee covering group borrowings, the security given in this respect was limited to a total of £2,697,278.

FLEXICON INDUSTRIAL SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

10 Operating lease commitments

Lessee

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

2019	2018
£	£
3,813	18,358
<u> </u>	<u> </u>

11 Parent company

The immediate parent company of Flexicon Industrial Supplies Limited is Millennium Coupling Company Limited, a company registered in England and Wales. R&G Fluid Power Group Limited, a company registered in England & Wales, is the ultimate parent company.

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