

Flotech Performance Systems Limited

Unaudited
Annual report and financial statements
Registered number 07749953
30 September 2023

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Company information

Directors	R L Contreras
	H V Pedersen
	A I Boyle
Company number	07749953
Registered office	80 Station Parade
	Harrogate
	North Yorkshire
	HG1 1HQ

Directors' report

The directors present their annual report and financial statements for the year ended 30 September 2023.

Principal activities

The principal activity of the company is engineering and providing services for the storage, transfer and distribution of industrial liquids and gases.

Directors

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

R L Contreras

H V Pedersen

A I Boyle

Results and dividends

The results for the year are set out on page 4.

No ordinary dividends were paid (2022: £Nil).

The directors do not recommend payment of a final dividend.

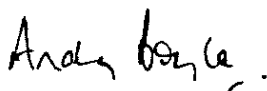
Audit exemption

Tet Midco Ltd issued a guarantee under section 479C of the Companies Act 2006 against all outstanding liabilities to which the company is subject as at 30 September 2023. The guarantee is enforceable against Tet Midco Ltd by any person to whom the company is liable in respect of those liabilities. Since Tet Midco Ltd is the ultimate parent undertaking into which the company's accounts are consolidated, the company has taken advantage of the exemption from audit of its individual accounts for the year ended 30 September 2023 by virtue of the section 479A of the Companies Act 2006.

Small companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

By order of the board



A I Boyle
Director

18 June 2024

Statement of directors' responsibilities in respect of the annual report and the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 year. 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.

Profit and Loss Account
for the year ended 30 September 2023

	<i>Note</i>	2023	2022
		£000	£000
Turnover	3	11,399	6,792
Cost of sales		(7,843)	(5,522)
Gross profit		3,556	1,270
Administrative expenses		(1,638)	(1,201)
Operating profit	4, 5	1,918	69
Interest payable and similar expenses	7	(3)	(15)
Profit before taxation		1,915	54
Tax on profit	8	19	119
Profit for the financial year		1,934	173

There is no Other Comprehensive Income in the current or prior year, accordingly no Statement of Other Comprehensive Income has been presented.

All results were derived from continuing operations.

Balance Sheet
at 30 September 2023

	<i>Note</i>	£000	2023 £000	£000	2022 £000
Fixed assets					
Investments	9	65		65	
Tangible assets	10	251		331	
			316		396
Current assets					
Stocks	11	187		312	
Debtors	12	6,441		3,077	
Cash at bank and in hand		78		301	
		6,706		3,690	
Creditors: amounts falling due within one year	13	(2,740)		(1,669)	
Net current assets			3,966		2,021
Total assets less current liabilities			4,282		2,417
Creditors: amounts falling due after more than one year	14		(8)		(58)
Provisions for liabilities					
Deferred tax	16		(56)		(75)
Net assets			4,218		2,284
Capital and reserves					
Called up share capital	18		1		1
Share premium			1		1
Profit and loss account			4,216		2,282
Shareholders' funds			4,218		2,284

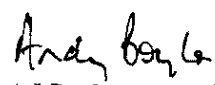
For the financial year ended 30 September 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

These financial statements were approved by the board of directors on 18 June 2024 and were signed on its behalf by:


A I Boyle
Director

Company registered number: 07749953

Statement of Changes in Equity

	Called up Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2021	1	1	2,109	2,111
Total comprehensive income for the year				
Profit for the year	-	-	173	173
Balance at 30 September 2022	1	1	2,282	2,284

	Called up Share capital £000	Share premium £000	Profit and loss account £000	Total equity £000
Balance at 1 October 2022	1	1	2,282	2,284
Total comprehensive income for the year				
Profit for the year	-	-	1,934	1,934
Balance at 30 September 2023	1	1	4,216	4,218

Notes

(forming part of the financial statements)

1 Accounting policies

Company information

Flotech Performance Systems Limited (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is 80 Station Parade, Harrogate, North Yorkshire, HG1 1HQ.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

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 £'000.

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

Reduced disclosure framework

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 33 'Related Party Disclosures' - Compensation for key management personnel.

Flotech Performance Systems Limited is a wholly owned subsidiary of Adler & Allan Limited and the results of Adler & Allan Limited are included in the consolidated financial statements of Tet Midco Limited.

Going concern

The directors currently believe that they have the adequate liquidity and business plans to continue to operate the business for the next 12 months from the date of this report. Accordingly, they have adopted the going concern basis in preparing the financial statements.

Notes (continued)

1 Accounting policies (continued)

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Development costs	20 years straight line
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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 basis:

Leasehold land and buildings	20% straight line
Plant & equipment	10% straight line
Fixtures & fittings	20% straight line
Motor vehicles	20% straight line

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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Notes (continued)

1 Accounting policies (continued)

Stocks

Stocks of consumables are stated at cost, using the first in first out method, less any provisions made for value being less than cost.

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

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, 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.

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

Notes (continued)

1 Accounting policies (continued)

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable. Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously. Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Notes (continued)

1 Accounting policies (continued)

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 obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risk of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of change on the net obligation outstanding in each period.

Rentals payable under operating leases are charged on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

2 Judgements and key sources of material 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.

Revenue recognition

In making its judgement, management considered the detailed criteria for the rendering of services set out in FRS 102 Section 23 Revenue and whether the company had performed the service at the end of the reporting period. Following the detailed quantification of the company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Impairment of Debtors

The directors make an assessment at the end of each financial year of whether there is objective evidence that a trade, intercompany or other debtors is impaired. When assessing impairment of trade, intercompany and other debtors, the directors consider factors including the current credit rating of the debtor, the age profile of outstanding invoices, recent correspondence and trading activity, and historical experience of cash collection from the debtor.

Useful economic lives of fixed assets

The annual depreciation and amortisation charges for tangible and intangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation, and the physical condition of the assets. Assets under construction are transferred to leasehold property and plant and machinery when the respective assets are adjusted to be brought into use.

Notes *(continued)*

3 Turnover and other revenue

(i) Turnover analysed by class of business

	2023	2022
	£000	£000
Rendering of services	11,399	6,792

(ii) Turnover analysed by geographical market

	2023	2022
	£000	£000
United Kingdom	10,182	6,475
Outside UK	1,217	317

4 Operating expenses

Included in profit/loss are the following:

	2023	2022
	£000	£000
Depreciation of owned tangible fixed assets	59	31
Depreciation of tangible fixed assets held under finance leases	55	81
Operating lease charges	147	118

Notes (continued)

5 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2023	2022
Direct Labour	34	31
Administration	10	9
	<u>44</u>	<u>40</u>

The aggregate payroll costs of these persons were as follows:

	2023	2022
	£000	£000
Wages and salaries	2,353	1,740
Social security costs	234	188
Contributions to defined contribution plans	51	40
	<u>2,638</u>	<u>1,968</u>

6 Directors' remuneration

	2023	2022
	£000	£000
Directors' remuneration	-	-
Company contributions to money purchase pension plans	-	-
	<u>-</u>	<u>-</u>

Directors' emoluments are paid through another group company for their services to Flotech Performance Systems Limited. It is not practical to allocate the amount in relation to their services for this company.

7 Interest payable and similar expense

	2023	2022
	£000	£000
Interest on finance leases and hire purchase contracts	3	15

Notes (continued)

8 Taxation

Recognised in the profit and loss account

	2023 £000	2022 £000
<i>UK corporation tax</i>		
Current tax on income for the year	-	-
Adjustment in respect of the previous year	-	(103)
	-	(103)
Total current tax	-	(103)
<i>Deferred tax (see note 16)</i>		
Origination and reversal of temporary differences	(18)	(21)
Adjustment in respect of the previous year	(1)	5
Total deferred tax	(19)	(16)
Tax on profit	(19)	(119)

Reconciliation of effective tax rate

	2023 £000	2022 £000
Profit for the year	1,934	173
Total tax income	(19)	(119)
Profit excluding taxation	1,915	54
Tax using the UK corporation tax rate of 22% (2022: 19%)	421	10
Non-deductible expenses	(2)	(6)
Group relief	(437)	(25)
Adjustment in respect of the previous year	(1)	(98)
Effect of changes in tax rates	-	-
Total tax income	(19)	(119)

The standard rate of corporation tax increased on 1 April 2023 from 19% to 25%, as a result a blended rate of 22% has been used. The UK deferred tax liability as at 30 September 2023 has been calculated at 25%.

Notes (continued)

9 Fixed asset investments

	£000
Cost or valuation	
At 1 October 2022	65
Additions	-
At 30 September 2023	65
Net book value	
At 30 September 2022	65
At 30 September 2023	65

10 Tangible fixed assets

	Land and buildings £000	Plant and equipment £000	Motor vehicles £000	Total £000
Cost				
Balance at 1 October 2022	311	348	137	796
Additions	-	8	26	34
Balance at 30 September 2023	311	356	163	830
Depreciation and impairment				
Balance at 1 October 2022	178	190	97	465
Depreciation charge for the year	61	34	19	114
Balance at 30 September 2023	239	224	116	579
Net book value				
At 30 September 2022	133	158	40	331
At 30 September 2023	72	132	47	251

Notes (continued)

10 Tangible fixed assets (continued)

The net book value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2023 £000	2022 £000
Motor vehicles	19	37
Plant & equipment	55	125
	<u>74</u>	<u>162</u>

11 Stocks

	2023 £000	2022 £000
Raw materials and consumables	187	312
	<u>187</u>	<u>312</u>

12 Debtors

	2023 £000	2022 £000
Trade debtors	1,549	1,011
Amounts owed by group undertakings	3,573	308
Prepayments and accrued income	1,319	1,758
	<u>6,441</u>	<u>3,077</u>

Amounts owed by group undertakings are interest free and repayable on demand.

Notes (continued)

13 Creditors: amounts falling due within one year

	2023 £000	2022 £000
Finance lease liabilities	43	35
Trade creditors	403	532
Amounts owed to group undertakings	1,174	-
Taxation and social security	67	66
Corporation tax	-	8
Accruals and deferred income	1,053	1,028
	<u>2,740</u>	<u>1,669</u>

Amounts owed to group undertakings are interest free and repayable on demand.

14 Creditors: amounts falling after more than one year

	2023 £000	2022 £000
Finance lease liabilities	8	58
	<u>8</u>	<u>58</u>

15 Finance lease liabilities

Future minimum lease payments due under finance leases (secured against specific assets acquired):

	2023 £000	2022 £000
Less than one year	43	35
Between one and five years	8	58
	<u>51</u>	<u>93</u>

Notes *(continued)*

16 Deferred tax assets and liabilities

Recognised deferred tax assets and liabilities

All deferred tax recognised represent liabilities in the current and prior year:

	2023	2022
	£000	£000
Balance of liabilities		
Accelerated capital allowances	56	75
Movements in the year		
Liability at 1 October 2022		75
Credit to profit and loss account		(18)
Adjustment in respect of the previous year		(1)
Liability at 30 September 2023		56

17 Employee benefits

	2023	2022
	£000	£000
Defined contribution pension scheme charged to the profit and loss account	51	40

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.

Contributions totalling £10,912 (2022: £12,761) payable to the fund at the year end are included in creditors.

Notes (continued)

18 Share capital

	2023 £000	2022 £000
<i>Allotted, called up and fully paid</i>		
500 Ordinary shares of £1 each	1	1
	<u>1</u>	<u>1</u>

The Ordinary shares, which carry no rights to fixed income, each carry the right to one vote at general meetings of the company. The Ordinary A shares carry no right to fixed income or voting rights.

19 Leases

The following table sets out a maturity analysis of lease payments to be paid, showing the undiscounted lease payments to be paid after the reporting date:

	2023 £000	2022 £000
Operating leases		
Less than one year	127	119
Between one and five years	447	103
After five years	244	-
	<u>818</u>	<u>222</u>

20 Related parties

As the company is a wholly owned subsidiary of Tet Midco Limited, under FRS102 section 33, the company is not required to disclose transactions or balances with wholly owned entities which form part of the group.

There are no transactions to disclose in either the current or prior year.

21 Ultimate parent company and parent company of larger group

The immediate parent undertaking is Adler & Allan Limited, a company incorporated in England and Wales whose registered address is 80 Station Parade, Harrogate, HG1 1HQ. In the opinion of the directors the ultimate parent company is Tet Topco Limited, a company incorporated in Jersey, which is ultimately controlled by its directors and their financial co-investor Sun European Partners LLP.

The largest and smallest group in which the results of the company are consolidated is that headed by Tet Midco Limited incorporated in England and Wales. Copies of that company's financial statements are available from The Registrar of Companies, Crown Way, Maindy, Cardiff, CF14 3UZ.