

Registered number: 03824181

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**Flexicon Limited**

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**Annual report and financial statements**

**For the year ended 30 September 2021**



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**Flexicon Limited**

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**Company Information**

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**Directors**

D P Johnson  
C E Jones  
P G Merrick  
W E Waltz

**Company secretary**

D Kelly

**Registered number**

03824181

**Registered office**

Roman Way  
Coleshill  
Birmingham  
B46 1HG

**Independent auditor**

Deloitte LLP  
Statutory Auditor  
4 Brindley Place  
Birmingham  
B1 2HZ  
United Kingdom

**Solicitors**

Eversheds LLP  
70 Great Bridgewater Street  
Manchester  
M1 5ES

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**Flexicon Limited**

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## Flexicon Limited

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### Strategic report For the year ended 30 September 2021

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The directors present the strategic report for the year ended 30 September 2021.

#### Principal activities

The Company designs, manufactures and distributes flexible conduit systems for a wide range of technically demanding applications to over 50 countries around the world. Almost all of the Company's products are manufactured in-house at its Coleshill factories near Birmingham.

#### Business review

The Company continues to benefit from previous investments in plant and machinery and research and development.

COVID is still prevalent and as such management continue to review the market and will take all necessary action to ensure the business' long-term success.

The directors have assessed the impact of the current uncertainty around COVID-19 on all aspects of the business focusing specifically on operations performance and cashflow of the Company.

The business achieved turnover of £19.7m for the year ended 30 September 2021 (2020: £14.8m) and profit before taxation of £3.5m (2020: £4.8m). The outlook for 2022 continues to be positive, despite the vagaries of the global/political landscape.

During the previous year Flexicon Australia Pty Limited was sold to an Atkore sister company in Australia.

#### Principal risks and uncertainties

Rising commodities prices and availability of raw material may adversely impact the Company's ability to successfully service the market in which it operates but may also impact the margins earned. The Company may also be impacted by other global inflationary pressures and competitor actions. As such the business regularly reviews the raw material markets and where possible links the sell out prices to raw material indices. Other inflationary impacts that are not able to be counter measured by internal productivity savings may also be passed on to the customer. The Company constantly reviews the markets and competitor actions and reacts accordingly.

#### Credit risk

There is no significant concentration of credit risk and exposure is spread over a large number of customers.

#### Liquidity risk

Long term debt finance is obtained by the parent company for the group as necessary which combined with the Company's cashflow, ensures that the Company has adequate financing to meet its everyday requirements.

#### Currency risk

The Company is exposed to translation and transaction foreign exchange risk. As far as possible, foreign currency revenues are matched to an appropriate level of payables in the same currency.

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**Flexicon Limited**

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**Strategic report (continued)  
For the year ended 30 September 2021**

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**Directors' statement of compliance with duty to promote the success of the Company**

Section 172 of the companies Act 2006 requires a Director of a company to act in the way her or she considers, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole. In doing this, section 172 requires a Director to have regards, among other matters, to the likely consequences of any decision in the long term; the interests of the company's employees; the need to foster the company's business relationships with suppliers, clients, joint arrangement partners and others; the impact of the company's operations on the community and the environment; the desirability of the company maintaining a reputation for high standards of business conduct; and the need to act fairly with members of the company.

The Directors give careful consideration to the factors set out above in discharging their duties under section 172. The stakeholders we consider in this regard are the people who work for us, our customers and those in the supply chain with whom we engage, our owners, regulatory bodies and those that live in the societies within which we operate. The Directors recognise that building strong relationships with our stakeholders will help us to deliver our strategy in line with our long-term values and operate the business in a sustainable way. We are committed to doing business responsibly and thinking for the long term.

The Directors regularly receive reports from management on issues concerning customers, the environment, suppliers, employees and other stakeholders which it takes into account in its discussions and in its decision-making process under section 172.

**Future developments**

The Company's strategy is one of continuing development and expansion both in new products and new markets. In particular, it is developing more specialised product solutions to meet the requirements of demanding customer applications.

**Financial key performance indicators**

The business uses a number of standard Corporate ratios to measure and monitor its performance; of these, the major areas of focus which are considered as business key performance indicators, Revenue, Gross Profit and Net assets, are included within these financial statements.

This report was approved by the board on 29th June 2022

and signed on its behalf.



**P G Merrick**  
Director

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## Flexicon Limited

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### Directors' report For the year ended 30 September 2021

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The directors present their report and the financial statements for the year ended 30 September 2021.

#### Results and dividends

The results for the period are set out on page 10. A dividend of £8,000,000 (2020: Nil) was paid on the 29 October 2020 (2020: Nil).

#### Directors

The directors who served during the year and up to the date of signing were:

D P Johnson  
C E Jones  
P G Merrick  
W E Waltz

#### Political contributions

There were no donations to political parties during the year (2020: £Nil).

#### Directors' indemnities

The Company had made third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

#### Research and development

The Company will continue to develop new products to be included in its catalogues and also at the request of customers to meet specific application requirements.

The Company has materially increased expenditure on research and development over the past few years as part of its strategic plan to introduce ranges of new products to new and existing markets. The Board anticipates that new products will have an increasing impact on the Company in future years in growing revenue streams.

#### Going concern

The Company is cash-generative and has a healthy year-end cash position of £6.1m. The Company has strong relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its principal risks successfully.

The Director has reviewed the financial position of the Company, the Company's forecasts and considered the uncertainties arising from the economic environment and the possibilities of a consequential unfavourable impact of this upon trading.

The Director has assessed the Company's cashflow forecasts for the next 12 months and believe that there are sufficient cash resources to meet its daily cash flow requirements over this period. Even considering reasonably likely downside scenarios as a result of COVID-19, there are sufficient funds to allow the company to continue in operational existence for the foreseeable future.

Based on the Company's performance during the year and into the new financial year, the current order pipeline, solid customer base, cost structure and the projected growth in export markets, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

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**Flexicon Limited**

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**Directors' report (continued)**  
**For the year ended 30 September 2021**

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**Matters included in the strategic report**

As permitted by the Companies Act 2006, sA14C(11), the Company has chosen to set out in its strategic report information required by the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch.7 to be contained in its directors' report. It has done so in respect of principal risks and uncertainties and financial key performance indicators.

**Future developments**

The future developments of the Company are disclosed in the Strategic Report on page 2.

**Disclosure of information to auditor**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post balance sheet events**

In February 2022 Russia invaded Ukraine as a consequence there was a Global economic reaction. Management continue to monitor the events in Russia and the Ukraine which continue to change on a daily basis and will react accordingly. Management do not consider the events in Russia and the Ukraine to have a material impact on the business and therefore this is a non-adjusting post balance sheet event.

**Auditor**

Deloitte have expressed their willingness to continue in office as auditors and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report was approved by the board on 29th June 2022 and signed on its behalf.



**P G Merrick**  
Director

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**Flexicon Limited**

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**Directors' responsibilities statement  
For the year ended 30 September 2021**

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The directors are responsible for preparing the Annual Report 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

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## Flexicon Limited

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### Independent auditor's report to the members of Flexicon Limited

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#### Report on the audit of the financial statements

##### Opinion

In our opinion the financial statements of Flexicon Limited (the 'Company'):

- give a true and fair view of the state of the Company's affairs as at 30 September 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 22.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

##### Basis for opinion

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

We 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 Financial Reporting Council's (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.

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## Flexicon Limited

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### Independent auditor's report to the members of Flexicon Limited (continued)

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#### 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.

#### 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

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**Flexicon Limited**

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**Independent auditor's report to the members of Flexicon Limited (continued)**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue cut-off assertion– we have selected a sample of pre and post year end sales to verify if sales have been recognised in correct period.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above; our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

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**Flexicon Limited**

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**Independent auditor's report to the members of Flexicon Limited (continued)**

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**Report on other legal and regulatory requirements**

**Opinions on other matters prescribed by the Companies Act 2006**

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

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

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 any material misstatements in the strategic report.

**Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

**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.



Sukhpal Gill (Senior statutory auditor)  
for and on behalf of **Deloitte LLP**  
Statutory Auditor  
Birmingham  
Date: 29 June 2022

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**Flexicon Limited**

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**Statement of comprehensive income  
For the year ended 30 September 2021**

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	Note	2021 £	2020 £
Turnover	3	19,695,621	14,813,290
Cost of sales		(10,361,596)	(7,319,660)
<b>Gross profit</b>		<b>9,334,025</b>	<b>7,493,630</b>
Distribution costs		(553,282)	(426,108)
Administrative expenses		(5,183,171)	(4,597,291)
<b>Operating profit</b>	5	<b>3,597,572</b>	<b>2,470,231</b>
Amounts written off investments		-	2,296,085
Interest receivable and similar income	8	22,814	35,017
Interest payable and similar expenses	9	(62,481)	(6,416)
<b>Profit before tax</b>		<b>3,557,905</b>	<b>4,794,917</b>
Tax on profit	10	(1,077,034)	(388,313)
<b>Profit for the financial year</b>		<b>2,480,871</b>	<b>4,406,604</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

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

The notes on pages 13 to 28 form part of these financial statements.

**Flexicon Limited**  
Registered number: 03824181

**Balance sheet**  
As at 30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	11	3,377,981	3,618,382
Investments	12	-	1
		<u>3,377,981</u>	<u>3,618,383</u>
<b>Current assets</b>			
Stocks	13	4,308,118	2,836,372
Debtors: amounts falling due after more than one year	14	-	415,457
Debtors: amounts falling due within one year	14	6,492,364	5,383,047
Bank and cash balances		6,062,491	12,119,676
		<u>16,862,973</u>	<u>20,754,552</u>
Creditors: amounts falling due within one year	15	(4,917,051)	(3,645,725)
<b>Net current assets</b>		<u>11,945,922</u>	<u>17,108,827</u>
<b>Total assets less current liabilities</b>		<u>15,323,903</u>	<u>20,727,210</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	(488,341)	(372,519)
		<u>(488,341)</u>	<u>(372,519)</u>
<b>Net assets</b>		<u>14,835,562</u>	<u>20,354,691</u>
<b>Capital and reserves</b>			
Called up share capital	17	3,328,687	3,328,687
Profit and loss account	18	11,506,875	17,026,004
<b>Total equity</b>		<u>14,835,562</u>	<u>20,354,691</u>

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



29th June 2022

**P G Merrick**  
Director

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**Flexicon Limited**

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**Statement of changes in equity  
For the year ended 30 September 2021**

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	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 October 2019</b>	<b>3,328,687</b>	<b>12,619,400</b>	<b>15,948,087</b>
Profit for the year	-	<b>4,406,604</b>	<b>4,406,604</b>
<b>At 30 September 2020</b>	<b>3,328,687</b>	<b>17,026,004</b>	<b>20,354,691</b>
Profit for the year	-	<b>2,480,871</b>	<b>2,480,871</b>
Dividend paid	-	<b>(8,000,000)</b>	<b>(8,000,000)</b>
<b>At 30 September 2021</b>	<b>3,328,687</b>	<b>11,506,875</b>	<b>14,835,562</b>

The notes on pages 13 to 28 form part of these financial statements.

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## Flexicon Limited

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### Notes to the financial statements For the year ended 30 September 2021

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#### 1. Accounting policies

Flexicon Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Roman Way, Coleshill, Birmingham, B46 1HG. The Company's principal activities and nature of its operations are disclosed in the Strategic Report.

The principal accounting policies are summarised below. They have been applied consistently throughout the year and the preceding period.

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS 102) issued by the Financial Reporting Council, and the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it; the requirement to present a statement of cash flows and related notes, categories of financial instruments including items of income, expenses, gains or losses relating to financial instruments and exposure to and management of risks, and key management remuneration.

##### 1.2 Going concern

The Company is cash-generative and has a healthy year-end cash position of £6.1m. The Company has strong relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its principal risks successfully.

The Director has reviewed the financial position of the Company, the Company's forecasts and considered the uncertainties arising from the economic environment and the possibilities of a consequential unfavourable impact of this upon trading.

The Director has assessed the Company's cashflow forecasts for the next 12 months and believe that there are sufficient cash resources to meet its daily cash flow requirements over this period. Even considering reasonably likely downside scenarios as a result of COVID-19, there are sufficient funds to allow the company to continue in operational existence for the foreseeable future.

Based on the Company's performance during the year and into the new financial year, the current order pipeline, solid customer base, cost structure and the projected growth in export markets, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

##### 1.3 Consolidated financial statements

The Company is exempt from preparing group financial statements by virtue of Section 401 of the Companies Act 2006, which states that group financial statements do not have to be prepared on the basis that the Company was at the balance sheet date, a wholly owned subsidiary of Atkore Inc., incorporated in the United States of America and produces group financial statements, for each financial year, that are publicly available. See note 22.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**1. Accounting policies (continued)**

**1.4 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 the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**1.5 Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

**1.6 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 or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	25% to 33% straight line
Plant, machinery	10% straight line
Computer equipment	33.3% straight line
Motor vehicles	25% straight line
Tooling/fixtures & fittings	14.3% 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.

**1.7 Fixed asset investments**

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**1. Accounting policies (continued)**

**1.8 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.

**1.9 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. Cost is calculated using the FIFO (first-in, first-out) method.

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.

Provision is made where necessary for obsolete, slow moving and defective stocks.

**1.10 Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments 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.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**1. Accounting policies (continued)**

**1.11 Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax is based on taxable profit for the year. 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 liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period. Current tax assets are recognised when tax paid exceeds the tax payable. 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.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted. 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.

**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. 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.

**1.13 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.

**1.14 Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Notes to the financial statements  
For the year ended 30 September 2021

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1. Accounting policies (continued)

1.15 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 leased asset are consumed.

1.16 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 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. 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.

**Basic financial liabilities**

Basic financial liabilities, including trade and other creditors; bank loans 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 payments discounted at a market rate of interest. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

**Equity instruments**

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. Equity instruments issued by the Company are recorded at the fair value of proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**1. Accounting policies (continued)**

**1.17 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP because that is the currency of the primary economic environment in which the Company operates.

**Transactions and balances**

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

**1.18 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**1.19 Interest received**

Interest received is recognised at the point of receipt of monies due.

**1.20 Government grants**

Grants are accounted under the accruals model as permitted by FRS102. Grants of a revenue nature are recognised in the Income Statement in the same period as the related expenditure.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**2. Judgments in applying accounting policies 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.

In the opinion of the directors there are no estimates, assumptions and only one judgement area (see below) that are considered to have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

*Revenue recognition*

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed consideration of the commercial terms and conditions the Company agreed with both domestic and overseas customers, in order to determine if revenue should be recognised when, a customer collects goods directly, or when the Company completes a delivery to the customer, 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 the commercial terms and conditions agreed with customers.

**3. Turnover and other revenue**

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

	2021 £	2020 £
Sales	<u>19,695,621</u>	<u>14,813,290</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	10,414,288	6,524,020
Rest of Europe	9,281,333	8,289,270
	<u>19,695,621</u>	<u>14,813,290</u>

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**4. Income from disposal of Flexicon Australia Pty Limited**

	2021 £	2020 £
Income on disposal of subsidiary	-	2,296,085

During the previous year Flexicon Australia Pty Limited was sold to an Atkore sister company in Australia. The amount shown represents the gain on the sale.

**5. Operating profit**

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

	2021 £	2020 £
Exchange losses	62,481	6,416
Research and development costs	45,313	461,776
Fees payable to the Company's auditor for the audit of the Company's financial statements	61,116	53,040
Depreciation of owned tangible fixed assets	866,829	440,665
Operating lease charges	502,930	498,680

In addition to the amounts shown above for audit services, £nil (2020: £nil) was paid to the Company's auditor for tax compliance services, £nil (2020: £nil) was paid to the Company's auditor for tax advisory services and £nil (2020: £nil) was paid to the Company's auditor for all other services.

**6. Employees**

Staff costs were as follows:

	2021 £	2020 £
Wages and salaries	4,399,483	3,613,318
Social security costs	695,056	328,100
Cost of defined contribution scheme	328,606	280,261

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021.**

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**6. Employees (continued)**

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

	2021 No.	2020 No.
Administration	50	49
Production	72	66
	<u>122</u>	<u>115</u>

During the year ended 30 September 2021 the Company received £nil (2020: £51,219), in furlough grants from the government.

**7. Directors' remuneration**

The highest paid director received remuneration of £nil (2020 - £nil).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £nil (2020 - £nil).

During the year ended 30 September 2021 the Directors were remunerated by another group company.

**8. Interest receivable and similar income**

	2021 £	2020 £
Other interest receivable	<u>22,814</u>	<u>35,017</u>

**9. Interest payable and expenses**

	2021 £	2020 £
Exchange differences on financing transactions	<u>62,481</u>	<u>6,416</u>

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**10. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	650,754	360,326
Adjustments in respect of previous periods	310,458	(61,267)
	<u>961,212</u>	<u>299,059</u>
<b>Total current tax</b>	<u>961,212</u>	<u>299,059</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13,450	55,929
Adjustment in respect of prior periods	(14,830)	-
Changes to tax rates	117,202	33,325
<b>Total deferred tax</b>	<u>115,822</u>	<u>89,254</u>
<b>Taxation on profit on ordinary activities</b>	<u>1,077,034</u>	<u>388,313</u>

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**10. Taxation (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit before tax	<u>3,557,905</u>	<u>4,794,917</u>
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	676,002	911,034
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	5,493	6,086
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	295,628	(61,267)
Capital allowances for year in excess of depreciation	-	(64,609)
Utilisation of tax losses	117,202	33,325
Rollover relief on profit on disposal of fixed assets	-	(436,256)
Other timing differences leading to an increase (decrease) in taxation	(17,291)	-
<b>Total tax charge for the year</b>	<u>1,077,034</u>	<u>388,313</u>

**Factors that may affect future tax charges**

The Finance (No.2) Act 2015 reduced the main rate of UK corporation tax to 19%, effective from 1 April 2017. A further reduction in the UK corporation tax rate to 17% was expected to come into effect from 1 April 2020 (as enacted by Finance Act 2016 on 15 September 2016). However, legislation introduced in the Finance Act 2020 (enacted on 22 July 2020) repealed the reduction of the corporation tax, thereby maintaining the current rate of 19%. Deferred taxes on the balance sheet have been measured at 19% (2019: 19%) which represents the future corporation tax rate that was enacted at the balance sheet date.

The UK Budget 2021 announcements on 3 March 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK's main corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end.

**Flexicon Limited**

**Notes to the financial statements  
For the year ended 30 September 2021**

**11. Tangible fixed assets**

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 October 2020	67,015	9,326,841	13,300	1,102,110	10,509,266
Additions	-	626,428	-	-	626,428
At 30 September 2021	<u>67,015</u>	<u>9,953,269</u>	<u>13,300</u>	<u>1,102,110</u>	<u>11,135,694</u>
<b>Depreciation</b>					
At 1 October 2020	55,450	6,059,152	7,000	769,282	6,890,884
Charge for the year on owned assets	-	784,099	-	82,730	866,829
At 30 September 2021	<u>55,450</u>	<u>6,843,251</u>	<u>7,000</u>	<u>852,012</u>	<u>7,757,713</u>
<b>Net book value</b>					
At 30 September 2021	<u>11,565</u>	<u>3,110,018</u>	<u>6,300</u>	<u>250,098</u>	<u>3,377,981</u>
At 30 September 2020	<u>11,565</u>	<u>3,267,689</u>	<u>6,300</u>	<u>332,828</u>	<u>3,618,382</u>

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**12. Fixed asset investments**

	Investments in subsidiary companies £
At 1 October 2020	1
Disposals	(1)
At 30 September 2021	<u>-</u>
<b>Net book value</b>	
At 30 September 2021	<u>-</u>
At 30 September 2020	<u>1</u>

Unlisted investments reflect the Company's interest in the entire issued ordinary share capital of its subsidiary Tekfiex Limited.

During the previous year Flexicon Australia Pty Limited was sold to an Atkore sister company in Australia.

Tekflex Limited is incorporated in the United Kingdom and registered in England and Wales. Its registered office is Flexicon Limited, Roman Way, Coleshill, Birmingham, B46 1HG. It is dormant.

**13. Stocks**

	2021 £	2020 £
Raw materials and consumables	<u>4,308,118</u>	<u>2,836,372</u>

No significant changes were made to the stock impairment provision during the year.

In the opinion of the directors there is no material difference between the book value and the replacement cost of stocks.

**Flexicon Limited**

**Notes to the financial statements  
For the year ended 30 September 2021**

**14. Debtors**

	<b>2021</b>	<b>2020</b>
	£	£
<b>Due after more than one year</b>		
Amounts owed by group undertakings	-	415,457
	-	415,457
	-	415,457

During the prior year amounts owed by group undertakings due after more than one year reflect a loan from the Company to Flexicon Australia Pty Limited.

	<b>2021</b>	<b>2020</b>
	£	£
<b>Due within one year</b>		
Trade debtors	4,772,115	4,003,773
Amounts owed by group undertakings	1,211,403	729,279
Other debtors	366,697	354,552
Prepayments and accrued income	142,149	295,443
	6,492,364	5,383,047
	6,492,364	5,383,047

Amounts owed by group undertakings due within one year include the short term amount, £138,476, of the loan from the Company to Flexicon Australia Pty Limited. Total loan amount £553,903.

**15. Creditors: Amounts falling due within one year**

	<b>2021</b>	<b>2020</b>
	£	£
Trade creditors	2,368,711	1,312,884
Amounts owed to group undertakings	158,647	54,476
Corporation tax	978,928	1,022,266
Other taxation and social security	151,294	233,932
Accruals and deferred income	1,259,471	1,022,167
	4,917,051	3,645,725
	4,917,051	3,645,725

Amounts owed to group undertakings include loans that are unsecured and interest bearing.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**16. Deferred taxation**

	2021 £	2020 £
At beginning of year	372,519	283,264
Charged to profit or loss	115,822	89,255
<b>At end of year</b>	<b>488,341</b>	<b>372,519</b>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Fixed asset timing differences	487,849	372,519
Short term timing differences - trading	492	-
	<b>488,341</b>	<b>372,519</b>

**17. Share capital**

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
3,228,687 (2020 - 3,228,687) Ordinary shares shares of £1.00 each	3,228,687	3,228,687
100,000 (2020 - 100,000) Ordinary A shares shares of £1.00 each	100,000	100,000
	<b>3,328,687</b>	<b>3,328,687</b>

The Company's Ordinary and A Ordinary shares each carry the right to one vote at general meetings of the Company but carry no rights to fixed income.

**18. Reserves**

**Profit and loss account**

Profit and loss reserves reflect cumulative profits and losses net of distributions to owners.

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**Flexicon Limited**

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**Notes to the financial statements  
For the year ended 30 September 2021**

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**19. Retirement benefit schemes**

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charged to profit or loss in respect of defined contribution schemes	<u>328,606</u>	<u>280,261</u>

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. At the end of the period, contributions of £nil (2020: £nil) were outstanding. The contributions were paid into the pension arrangements after the end of the period in accordance with agreed timetables.

**20. Commitments under operating leases**

At 30 September 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Within one year	750,889	496,228
Between one and five years	237,127	489,897
	<u>988,016</u>	<u>986,125</u>

**21. Post balance sheet events**

In February 2022 Russia invaded Ukraine as a consequence there was a Global economic reaction. Management continue to monitor the events in Russia and the Ukraine which continue to change on a daily basis and will react accordingly. Management do not consider the events in Russia and the Ukraine to have a material impact on the business and therefore this is a non-adjusting post balance sheet event.

**22. Controlling party**

The immediate parent company is Unistrut Limited, a company Incorporated in the United Kingdom and registered in England and Wales. Copies of the financial statements can be obtained from the Registrar of Companies, Crown Way, Cardiff, CF4 3UZ.

The ultimate controlling party who is also the ultimate parent company and only group for which consolidated financial statements are prepared at the balance sheet date is Atkore Inc, a company incorporated in the United States of America. Copies of the consolidated financial statements are available from the Company Secretary at the registered address of Atkore Inc., 16100, Lathrop Avenue, Harvey, Illinois, 60426, United States.