

Registered number: 04861663

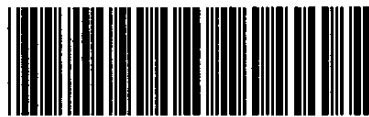
LANTECH SOLUTIONS LIMITED

UNAUDITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2024

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LANTECH SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	R J Davies A Lala
Registered number	04861663
Registered office	10 - 11 Charterhouse Square London England EC1M 6EE

LANTECH SOLUTIONS LIMITED

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LANTECH SOLUTIONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Directors present their report and the financial statements for the year ended 30 September 2024.

Principal activity

The principal activity of the Company continued to be that of the manufacture & distribution of hoses and couplings. The Directors anticipate these activities to continue for the foreseeable future.

Business review

The Company is managed as part of an overall group of companies whose ultimate parent company is Diploma PLC (the Group).

The principal risks and uncertainties of the Company are integrated with the principal risks and uncertainties of the Group and are not managed separately.

The matters required to be discussed in the Business Review, which include the Group's key performance indicators, financial risk management and policies, principal risks and uncertainties, are set out in the Annual Report and Accounts of Diploma PLC for the year ended 30 September 2024 on pages 26 to 27 and 54 to 60 of that report. A copy of this is available on the website at www.diplomapl.com or can be obtained from Diploma PLC, 10-11 Charterhouse Square, London, EC1M 6EE.

Results and dividends

The profit for the year, after taxation, amounted to £111,000 (2023 - £169,000).

The Directors did not pay an ordinary dividend in the year ended 30 September 2024 (9 month period ended 30 September 2023: £149,000). The Directors do not recommend a final dividend (9 month period ended 30 September 2023: £nil).

Directors

The Directors who served during the year were:

R J Davies
A Lala

Qualifying third party indemnity provisions

In line with market practice, each Director was covered by appropriate Directors' and Officers' Liability insurance, at the Company's expense throughout the period and at the date of approval of the financial statements. The Company also indemnifies its Directors and Officers to the extent permitted by law.

Small companies note

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 6 June 2025 and signed on its behalf.



.....
R J Davies
Director

LANTECH SOLUTIONS LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

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 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 judgements 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

LANTECH SOLUTIONS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

	Year ended 30 September 2024 £000	<i>9 month period ended 30 September 2023 £000</i>
Note		
Turnover	1,850	1,320
Cost of sales	(1,186)	(852)
Gross profit	664	468
Administrative expenses	(450)	(247)
Operating profit	214	221
Tax on profit	(103)	(52)
Profit for the financial year	111	169

The notes on pages 6 to 13 form part of these financial statements.

LANTECH SOLUTIONS LIMITED
REGISTERED NUMBER: 04861663

BALANCE SHEET
AS AT 30 SEPTEMBER 2024

	Note	2024 £000	2023 £000
Fixed assets			
Tangible assets	4	31	3
		<u>31</u>	<u>3</u>
Current assets			
Stocks	5	236	221
Debtors: amounts falling due within one year	6	539	382
Cash at bank and in hand		128	213
		<u>903</u>	<u>816</u>
Creditors: amounts falling due within one year	8	(425)	(421)
Net current assets		<u>478</u>	<u>395</u>
Total assets less current liabilities		<u>509</u>	<u>398</u>
Net assets		<u>509</u>	<u>398</u>
Capital and reserves			
Profit and loss account		509	398
		<u>509</u>	<u>398</u>

LANTECH SOLUTIONS LIMITED
REGISTERED NUMBER: 04861663

BALANCE SHEET (CONTINUED)
AS AT 30 SEPTEMBER 2024

The Directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 6 June 2025.



.....
R J Davies
Director

The notes on pages 6 to 13 form part of these financial statements.

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

1. General information

The Company is a private company, limited by shares, incorporated and domiciled in the United Kingdom under Companies Act 2006 and registered in England and Wales. The address of the registered office is 10-11 Charterhouse Square, London, EC1M 6EE. The Company is part of a UK listed group with all revenue originating in the UK therefore the Company's functional currency is UK Sterling. The Company's financial statements are presented in UK Sterling and all values are rounded to the nearest thousand pounds (£000), except where otherwise indicated.

2. Accounting policies

2.1 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

At 30 September 2024, the Company had net assets of £509,000 (2023: £398,000). The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future.

The going concern position of the Company is linked to that of the wider Group due to the cross guarantees on financing given by a number of Group companies as well as the provision of a letter of financial support from the ultimate parent company, Diploma PLC in respect of the going concern status of various Group companies.

The Group's balance sheet is strong and working capital is well controlled. The Group has a multi-currency revolving credit facility agreement (RCF) with an aggregate principal amount of £555.0m. In July 2024, the Group exercised the first of two 12-month extension options for the RCF, which was accepted by banks committing £515.0m of the aggregate total. The RCF is now contractually due to expire across July 2028 (£40.0m) and July 2029 (£515.0m). A 24-month extension option in respect of £40.0m and a second 12-month extension option in respect of £515.0m can be exercised in July 2025.

During the year, the Group issued US private placement notes for an aggregate principal amount of £207.9m (€250.0m) with maturities of 7 years (€75.0m), 10 years (€100.0m), 12 years (€75.0m) and for an aggregate principal amount of £111.9m (\$150.0m) with maturities of 8 years (\$100.0m) and 11 years (\$50.0m).

Additionally, compliance with bank covenants is monitored regularly and are measured at Group, during 2024 all bank covenant tests were complied with. The applicable financial covenants are interest cover and leverage, whereby EBITDA must be at least 4x net finance charges (as defined by the SFA); and the ratio of net debt to EBITDA must not exceed 3.5x.

The Group's debt facilities are subject to a mix of fixed and variable rates. As at 30 September 2024 fixed rate debt was 66% of total debt.

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.2 Going concern (continued)

At 30 September 2024, the Group's Leverage was 1.3x, and year end headroom was £450m on the Group's undrawn committed funds and cash funds.

The Group has considerable financial resources, together with a broad spread of customers and suppliers across different geographic areas and sectors, often secured with longer term agreements. As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully as described in the strategic report.

Diploma PLC, the ultimate parent company of the Company has provided a letter of support to the Company for a period of at least twelve months from the date of these financial statements confirming that it will provide adequate financial support to the Company to allow the Company to meet its financial obligations as they fall due.

The Directors of the Company are satisfied that there are no material events or uncertainties that they are aware of which will impact the ability of the Company to continue as a going concern. Accordingly, the financial statements have been prepared on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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 lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Improvements to property	-	4% Reducing balance
Plant and machinery	-	15% Reducing balance
Motor vehicles	-	25% Reducing balance
Computer equipment	-	15% Reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.10 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.11 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are recognised when an event has taken place that gives rise to a legal or constructive obligation, a transfer of economic benefits is probable and a reliable estimate can be made.

Provisions are measured as the best estimate of the amount required to settle the obligation, taking into account the related risks and uncertainties.

Increases in provisions are generally charged as an expense to profit or loss.

2.13 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

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 the deduction of all its liabilities.

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

LANTECH SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

2. Accounting policies (continued)

2.14 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.

3. Employees

The average monthly number of employees, including directors, during the year was 6 (2023 - 7).

4. Tangible fixed assets

	Improve- ments to property £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
Cost or valuation					
At 1 October 2023	6	15	15	8	44
Additions	-	-	29	12	41
At 30 September 2024	6	15	44	20	85
Depreciation					
At 1 October 2023	5	13	15	8	41
Charge for the year on owned assets	1	2	1	9	13
At 30 September 2024	6	15	16	17	54
Net book value					
At 30 September 2024	-	-	28	3	31
At 30 September 2023	1	2	-	-	3

LANTECH SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2024**

5. Stocks

	2024	2023
	£000	£000
Finished goods and goods for resale	236	221
	236	221

There is no material difference between the balance sheet value of stocks and their replacement cost.

The carrying value of stocks are stated net of impairment provisions totalling £Nil (2023 - £Nil)

6. Debtors

	2024	2023
	£000	£000
Trade debtors	322	382
Other debtors	213	-
Deferred taxation	4	-
	539	382

7. Cash and cash equivalents

	2024	2023
	£000	£000
Cash at bank and in hand	128	213
	128	213

8. Creditors: Amounts falling due within one year

	2024	2023
	£000	£000
Trade creditors	199	265
Other taxation and social security	136	153
Other creditors	90	3
	425	421

LANTECH SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2024

9. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £38,000 (2023 - £61,000). Contributions totalling £3,000 (2023 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

10. Commitments under operating leases

At 30 September 2024 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2024 £000	2023 £000
Not later than 1 year	20	46
Later than 1 year and not later than 5 years	4	26
	<u>24</u>	<u>72</u>

11. Controlling party

The immediate parent undertaking is R&G Fluid Power Group Limited, a Company registered in England and Wales.

The ultimate parent undertaking is Diploma PLC, a company registered in England and Wales. Diploma PLC is the smallest and largest group into which the results of these financial statements are consolidated.

Copies of the Group's financial statements are available from the Group Company Secretary, Diploma PLC, 10-11 Charter Square, London, EC1M 6EE.