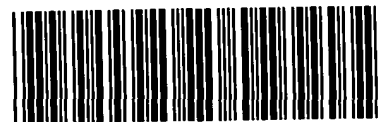


Company Registration No. 00173768 (England and Wales)

**GILBERT GILKES & GORDON LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30 SEPTEMBER 2024**

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# GILBERT GILKES & GORDON LIMITED

## COMPANY INFORMATION

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**Directors** C W N Crewdson OBE  
V L Crewdson  
A W Poole  
KL Rowland

**Company number** 00173768

**Registered office** Canal Head North  
Kendal  
Cumbria  
LA9 7BZ

**Auditor** RSM UK Audit LLP  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

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# GILBERT GILKES & GORDON LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

The Directors present the strategic report for the year ended 30 September 2024.

#### Our Purpose

Our values-based approach has been shaped from a 170-year heritage as a family-owned business. We believe in developing ethical business relationships with a positive environmental focus that bring about long-term sustainable success. Our people are committed to ensuring that Gilkes' products make a meaningful difference and provide a platform for the transition to a low carbon economy.

#### Our Business Model

STRATEGY	BUSINESS MODEL		
<b>What we do...</b>	<b>Client Acquisition &amp; Development</b>	<b>Project Delivery</b>	<b>Product Life-Cycle Management</b>
We leverage opportunities through our expertise, dedication and agility	<ul style="list-style-type: none"> <li>Our customer-facing teams build and maintain a dialogue with clients based on openness and transparency</li> </ul>	<ul style="list-style-type: none"> <li>Our aim is to deliver projects 100% on-time-in-full</li> <li>A formal approach exists to ensure the best use of resources and competencies to achieve delivery at the required time, cost and quality</li> </ul>	<ul style="list-style-type: none"> <li>We actively manage and support our products as they transition through their life cycle</li> </ul>
<b>How we do it...</b>	<b>Customer Service</b>	<b>Focus on Productivity</b>	<b>Expanded Offerings</b>
We continually improve our products and services to support our customer's success	<ul style="list-style-type: none"> <li>We build and maintain our customer relationships based on ethical behaviour and doing what we said we would do</li> <li>When required by our customers, we go the extra mile without question</li> <li>We stand by our products</li> </ul>	<ul style="list-style-type: none"> <li>Business Excellence is embedded throughout the organisation</li> <li>We critically review our end-to-end business processes to eliminate non value-added practices</li> </ul>	<ul style="list-style-type: none"> <li>Expanding our product offerings to meet our customer's needs</li> <li>Offering solutions with unique value propositions</li> </ul>
<b>Our competitive advantage...</b>	<b>Our People</b>	<b>Our Processes</b>	<b>Our Agility</b>
We strive to maintain a high-performance workplace for our employees to excel	<ul style="list-style-type: none"> <li>We believe our people are the ultimate differentiator</li> <li>We are working to create a culture of empowerment and achievement</li> </ul>	<ul style="list-style-type: none"> <li>High productivity is a competitive advantage</li> <li>Our processes are designed and managed to optimise stakeholder value</li> </ul>	<ul style="list-style-type: none"> <li>We use mechanisms to identify changes in the external environment and translate these into potential opportunities</li> <li>We are continually developing our technology portfolio to meet these opportunities</li> </ul>

# GILBERT GILKES & GORDON LIMITED

## STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### Highlights of 2023-24

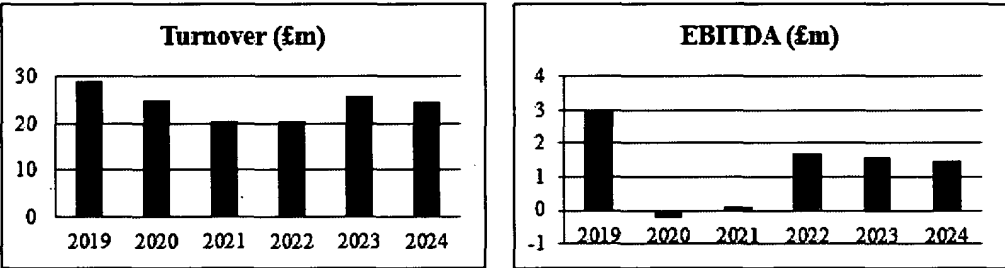
- Nov 2023 British Hydropower Association 'Historic Renovation Award'**  
In November 2023 we were delighted to win the British Hydropower Association 'Historic Renovation Award' which showcases exceptional efforts in restoring and revitalizing historic hydropower sites. Over a two year period Gilkes completed a full refurbishment of a 90 year old turbine in an 18th century building at a UNESCO World heritage site, New Lanark Mills near Glasgow.
  
- Dec 2023 Commissioning of Blind Slough hydropower scheme**  
In December 2023 we completed the modernisation of the Blind Slough hydro site in Petersburg, Alaska, upgrading a 1955 Pelton turbine to a new, more efficient Gilkes 2MW machine that will play a significant role in the regional grid contributing 4% of total power and around 25% of the electricity consumed by the city.
  
- Aug 2024 CNC Machine tool upgrade programme**  
This summer saw the delivery of the 4 Mazak 3-axis CNC lathes and 2 horizontal machining centres to upgrade our manufacturing capabilities. Commissioning and testing is underway with the machines expected to commence live production in November 2024. Further investment has been made in Vericut optimisation software to maximise machining efficiency. Two further machines are expected to be delivered in November to complete this phase of the upgrade programme.

### Future plans

Looking forward to 2024-25 our efforts will be focused on ensuring operational efficiencies are gained from the machine tool investment programme before we start to plan the next phase to upgrade the shaft and impeller lines. Attention will also be focused on our IFS software suite to optimise the deployment within the after-sales business stream ready for an upgrade to IFS Cloud in the next 18-24 months.

### Performance Review

Despite a challenging start to the year, the Group has delivered a solid financial performance. Revenues fell slightly from £25.9m to £24.6m, however EBITDA remained largely consistent at £1.5m (2023: £1.6m) and the Return on Sales measure calculated at a retained profit level improved to 4.9% (2023: 3.3%).



After an exceptionally buoyant year in 2023, the engine cooling pump business experienced a slow-down in the first half of 2024 with key customers rescheduling demand to quarters 3 and 4 as markets softened. Volumes have since returned to 2023 levels, however the overall revenue for the year was down 7%. The power generation sector continued to grow driven by demand from healthcare, water treatment and data centre applications, whilst the marine market has slowed following a spike in demand in 2023. Orders for lube oil pumps to refurbish traditional power stations have remained buoyant, with this expected to continue into the first half of 2025.

Within the hydropower side of the business, the aftersales service and modernisation revenue channels have demonstrated consistent growth (26% year on year) with customers pro-actively investing in works to improve scheme efficiencies and carrying strategic spares to minimise the financial impact of unplanned downtime. The market for new hydro power schemes has remained slow throughout 2024 with no change considered likely unless governments move to incentivise this sector.

# GILBERT GILKES & GORDON LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

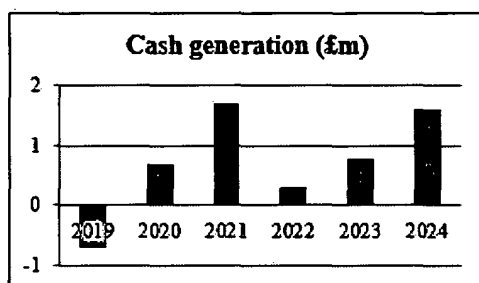
#### Performance Review (continued)

Gross profits in 2024 have returned to 2022 levels at 41% following a dip in 2023 to 37% resulting from cost overruns on some hydropower contracts.

Group overheads have increased by £0.6m year on year with inflationary pressures continuing to be felt in most areas. Slow sales in the first half year created lower labour and overhead recoveries in 2024 of £0.4m whilst staff costs increased by £0.2m. Cost pressures will continue to be a challenge in 2024-25 as the impact of macro fiscal policy is absorbed.

Excluding the impact of currency fluctuations and depreciation, the Group recorded an operating profit of £1.7m (2023: £1.8m), equating to 7% of turnover (2023: 7%).

During the year the Group generated £1.7m of cash from operating activities and re-invested £1.8m in fixed assets as part of the machine tool upgrade programme.



After taxation charges, the Group recorded a retained profit of £1.2m for the year, creating an increase in net assets from £16.1m (2023) to £17m (2024).

#### Key Performance Indicators

At an operational level, the Board uses a range of quantitative financial and non-financial performance indicators reported on a monthly basis to monitor the Group's performance. The measures encompass the four key areas of our strategy to drive performance improvements against our financial, customer service, business process and people orientated business objectives. The financial measures include profitability in terms of gross margin and return on sales, revenue growth (orders booked versus invoiced sales) and use of capital (inventory turns and return on capital employed). Non-financial metrics measure our product quality, delivery performance, employee retention rates and skills acquisition.

#### Risk Management

The Board believe that identifying our principal risks and uncertainties that may threaten Gilkes' business model or future performance, is vital to the on-going success of the business. The Board approves the risk appetite and tolerance levels and reviews the effectiveness of the risk management system. Risks are categorised based upon likelihood and potential impact.

RISK MATRIX		IMPACT				
		INSIGNIFICANT	MARGINAL	MODERATE	CRITICAL	CATASTROPHIC
LIKELIHOOD	UNLIKELY	Low	Low	Low	Medium	High
	SELDOM	Low	Low	Medium	High	Extreme
	OCCASIONAL	Low	Medium	High	High	Extreme
	LIKELY	Low	High	High	Extreme	Extreme
	DEFINITE	Low	High	High	Extreme	Extreme

# GILBERT GILKES & GORDON LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2024

### Risk Management (continued)

Key risks facing the Group are:

#### 1. Cyber Security

Failure of IT systems, including ineffective functionality and/or performance, data integrity & cyber security

Risk Rating	Potential Impact	Potential Causes	Mitigation/controls
<b>Extreme</b>	<ul style="list-style-type: none"> <li>Loss of critical systems or data</li> <li>Breach of personal information</li> <li>Reputational damage</li> </ul>	<ul style="list-style-type: none"> <li>Cyber-attack, viruses</li> <li>Hardware failure</li> </ul>	<ul style="list-style-type: none"> <li>Firewall</li> <li>Blended protection approach</li> <li>Become ISO 27001 compliant</li> </ul>

#### 2. Supplier Insolvency

Key suppliers become insolvent

Risk Rating	Potential Impact	Potential Causes	Mitigation/controls
<b>Extreme</b>	<ul style="list-style-type: none"> <li>Supply chain shortages</li> <li>Significant disruption costs</li> </ul>	<ul style="list-style-type: none"> <li>Increase in Employer NI rates</li> <li>Increases in National Minimum Wage</li> <li>Rising inflation</li> </ul>	<ul style="list-style-type: none"> <li>Regular monitoring of key suppliers financials, capacity, quality &amp; business continuity</li> </ul>

#### 3. Loss of key personnel

Loss of critical/core employees

Risk Rating	Potential Impact	Potential Causes	Mitigation/controls
<b>High</b>	<ul style="list-style-type: none"> <li>Loss of knowledge</li> <li>Impact on morale</li> <li>Increased recruitment cost</li> </ul>	<ul style="list-style-type: none"> <li>Lack of recognition/ advancement</li> <li>Poor pay, benefits or conditions</li> <li>Highly competitive labour market</li> </ul>	<ul style="list-style-type: none"> <li>Personal development plans for all employees</li> <li>Management training</li> <li>Succession planning</li> </ul>

### Treasury Policy

The Group finances its activities with cash reserves as disclosed in notes 23 and 24.

The Group enters into the appropriate currency transaction dependent upon the circumstance. The value of sterling compared to both the US dollar and the Euro are watched very closely by the Group and action taken when appropriate.

### Creditor Payment Policy

The Group continues to strive to always pay its creditors on time and attaches great importance to honouring payment terms.

### Future Developments

The Group will continue with its strategy of developing its hydropower aftersales offering, looking for new opportunities in hydropower generation and efficient manufacture and continue to seek new customers for its range of diesel engine cooling pumps.

On behalf of the board

*K Rowland*

KL Rowland  
Director

Date: 05/03/25

# GILBERT GILKES & GORDON LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

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

#### Principal activities

The principal activity of the Company and Group continued to be that of the design and manufacture of engine cooling pumps and hydro-electric power solutions.

#### Directors

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

C W N Crewdson OBE  
V L Crewdson  
A W Poole  
KL Rowland

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 4.

The Group has considerable financial resources together with a portfolio of clients spread across different market sectors and geographical areas. Consequently, the Directors believe that the Group is well placed to manage its normal business risks successfully.

The Group operates a robust 24 month rolling forecast process which it utilises on a regular basis to evaluate possible scenarios arising from risks and opportunities facing the business. Detailed projections to September 2026 have been evaluated to test the financial resilience of the Group considering order pipeline, market conditions and cost pressures.

Whilst the Directors believe that market conditions in 2025 will continue to present limited opportunities for significant growth, the stress testing of the Group's financial position indicates that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Results and dividends

The results for the year are set out on page 11.

No ordinary dividends were paid (2023: £nil) in the year. The directors do not recommend payment of a final dividend.

#### Employees

Employees are kept fully informed about the performance of the business through monthly team briefings and quarterly presentations made to the whole Group.

#### Research and development

The Group continues to invest in research and development activities to improve products and services and spent £95,000 (2023: £574,000) during the year.

#### Political and charitable contributions

The Group made no political donations during the year and the total donations to charities were £3,594 (2023: £5,180).

#### Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# GILBERT GILKES & GORDON LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 30 SEPTEMBER 2024

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#### **Strategic report**

The Group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the Group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the Directors' Report. This has been done with regard to business performance and future developments.

#### **Statement of disclosure to auditor**

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

On behalf of the board

*K Rowland*

.....  
KL Rowland

**Director**

05/03/25

Date: .....

# **GILBERT GILKES & GORDON LIMITED**

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

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

Company law requires the Directors to prepare group and company 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 Group and Company, and of the profit or loss of the Group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILBERT GILKES & GORDON LIMITED

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## Opinion

We have audited the financial statements of Gilbert Gilkes & Gordon Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2024 which comprise the consolidated statement of comprehensive income, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2024 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

## Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILBERT GILKES & GORDON LIMITED (CONTINUED)**

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

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.*

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

*However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.*

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILBERT GILKES & GORDON LIMITED (CONTINUED)

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are those in relation to Health and Safety Regulations. We performed audit procedures to inquire of management and those charged with governance whether the group is in compliance with these laws and regulations and reviewed the Health and Safety Executive's website for any enforcement notices issued to the group.

The group audit engagement team identified the risk of management override of controls, the valuation of warranty accruals and the cut off of certain revenue streams, including accrued income, as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates applied in the valuation of warranty accruals, and performing substantive tests of detail in respect of revenue and accrued income.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Michael Oates*

Michael Oates CA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE

.....  
05/03/25

# GILBERT GILKES & GORDON LIMITED

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Notes	2024 £'000	2023 £'000
<b>Turnover</b>	<b>3</b>	24,585	25,917
Cost of sales		(14,440)	(16,260)
<b>Gross profit</b>		10,145	9,657
Distribution costs		(654)	(510)
Administrative expenses		(9,038)	(8,452)
Other operating income	<b>4</b>	507	340
<b>Operating profit</b>	<b>7</b>	960	1,035
Interest receivable and similar income	<b>9</b>	234	66
Interest payable and similar expenses	<b>10</b>	(4)	(8)
<b>Profit before taxation</b>		1,190	1,093
Tax on profit	<b>11</b>	6	(233)
<b>Profit for the financial year</b>		1,196	860
<b>Other comprehensive income net of taxation</b>			
Currency translation differences		(247)	(212)
<b>Total comprehensive income for the year</b>		949	648

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

**GILBERT GILKES & GORDON LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2024**

	Notes	2024 £'000	£'000	2023 £'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		6,695		5,465
<b>Current assets</b>					
Stocks	15	2,496		2,924	
Debtors	16	4,890		6,021	
Cash at bank and in hand		6,744		7,009	
		<u>14,130</u>		<u>15,954</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,352)</u>		<u>(4,772)</u>	
<b>Net current assets</b>			<u>10,778</u>		<u>11,182</u>
<b>Total assets less current liabilities</b>			<u>17,473</u>		<u>16,647</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(246)		(254)
<b>Provisions for liabilities</b>	19		<u>(195)</u>		<u>(310)</u>
<b>Net assets</b>			<u>17,032</u>		<u>16,083</u>
<b>Capital and reserves</b>					
Called up share capital	21		1,333		1,333
Share premium account	22		117		117
Profit and loss reserves	22		<u>15,582</u>		<u>14,633</u>
<b>Total equity</b>			<u>17,032</u>		<u>16,083</u>

The financial statements were approved by the board of directors and authorised for issue on 05/03/25 and are signed on its behalf by:

*K Rowland*

KL Rowland  
Director

**GILBERT GILKES & GORDON LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION****AS AT 30 SEPTEMBER 2024**

	Notes	2024		2023	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible assets	12		5,874		4,559
Investments	13		19		19
			<u>5,893</u>		<u>4,578</u>
<b>Current assets</b>					
Stocks	15	2,067		2,412	
Debtors	16	4,598		5,416	
Cash at bank and in hand		5,457		5,847	
		<u>12,122</u>		<u>13,675</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(3,226)</u>		<u>(4,202)</u>	
<b>Net current assets</b>			<u>8,896</u>		<u>9,473</u>
<b>Total assets less current liabilities</b>			<u>14,789</u>		<u>14,051</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(246)		(254)
<b>Provisions for liabilities</b>	19		(195)		(310)
<b>Net assets</b>			<u>14,348</u>		<u>13,487</u>
<b>Capital and reserves</b>					
Called up share capital	21		1,333		1,333
Share premium account	22		117		117
Profit and loss reserves	22		12,898		12,037
<b>Total equity</b>			<u>14,348</u>		<u>13,487</u>

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes as it prepares Group accounts. The Company's profit for the year was £861,000 (2023: £586,000).

The financial statements were approved by the board of directors and authorised for issue on 05/03/25 and are signed on its behalf by:

*K Rowland*

KL Rowland  
Director

# GILBERT GILKES & GORDON LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

	Share capital £'000	Share premium account £'000	Profit and loss reserves £'000	Total £'000
<b>Balance at 1 October 2022</b>	1,333	117	13,985	15,435
<b>Year ended 30 September 2023:</b>				
Profit for the year	-	-	860	860
Other comprehensive income net of taxation: Currency translation differences	-	-	(212)	(212)
Total comprehensive income for the year	-	-	648	648
<b>Balance at 30 September 2023</b>	1,333	117	14,633	16,083
<b>Year ended 30 September 2024:</b>				
Profit for the year	-	-	1,196	1,196
Other comprehensive income net of taxation: Currency translation differences	-	-	(247)	(247)
Total comprehensive income for the year	-	-	949	949
<b>Balance at 30 September 2024</b>	1,333	117	15,582	17,032

# GILBERT GILKES & GORDON LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2024

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	Share capital	Share premium account	Profit and loss reserves	Total
	£'000	£'000	£'000	£'000
<b>Balance at 1 October 2022</b>	1,333	117	11,451	12,901
<b>Year ended 30 September 2023:</b>				
Profit and total comprehensive income for the year	-	-	586	586
<b>Balance at 30 September 2023</b>	1,333	117	12,037	13,487
<b>Year ended 30 September 2024:</b>				
Profit and total comprehensive income for the year	-	-	861	861
<b>Balance at 30 September 2024</b>	1,333	117	12,898	14,348

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# GILBERT GILKES & GORDON LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2024

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		2024		2023	
	Notes	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Cash generated from operations	23		1,730		821
Net interest			-		58
Interest paid			(4)		-
Income taxes paid			(301)		(209)
			<u>          </u>		<u>          </u>
<b>Net cash inflow from operating activities</b>			1,425		670
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,815)		(294)	
Proceeds on disposal of tangible fixed assets		12		-	
Interest received		234		-	
		<u>          </u>		<u>          </u>	
<b>Net cash used in investing activities</b>			(1,569)		(294)
<b>Financing activities</b>					
Repayment of bank loans		-		(480)	
		<u>          </u>		<u>          </u>	
<b>Net cash used in financing activities</b>			-		(480)
<b>Net decrease in cash and cash equivalents</b>			(144)		(104)
Cash and cash equivalents at beginning of year			7,009		7,124
Effect of foreign exchange rates			(121)		(11)
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<u>6,744</u>		<u>7,009</u>

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# GILBERT GILKES & GORDON LIMITED

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

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### 1 Accounting policies

#### **Company information**

Gilbert Gilkes & Gordon Limited ("the Company") is a private Company limited by shares and is registered and incorporated in England and Wales. The registered office is Canal Head North, Kendal, Cumbria, LA9 7BZ.

*The Group consists of Gilbert Gilkes & Gordon Limited and all of its subsidiaries.*

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

*These financial statements have been made up to the 29 September 2024 (2023: 29 September 2023).*

#### **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, including the provisions of the Large and Medium-sized companies and Groups, (Accounts and Reports) Regulations 2008.

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.

The 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 for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' - Presentation of a statement of cash flows and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### **Basis of consolidation**

The consolidated financial statements incorporate those of Gilbert Gilkes & Gordon Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 29 September 2024 (2023: 29 September 2023). Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

All intra-group transactions, balances and unrealised gains on transactions between Group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 1 Accounting policies (Continued)

#### Going concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report on pages 1 to 4.

The Group has considerable financial resources together with a portfolio of clients spread across different market sectors and geographical areas. Consequently, the Directors believe that the Group is well placed to manage its normal business risks successfully.

The Group operates a robust 24 month rolling forecast process which it utilises on a regular basis to evaluate possible scenarios arising from risks and opportunities facing the business. Detailed projections to September 2026 have been evaluated to test the financial resilience of the Group considering order pipeline, market conditions and cost pressures.

Whilst the Directors believe that market conditions in 2025 will continue to present limited opportunities for significant growth, the stress testing of the Group's financial position indicates that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

An element of turnover is derived from long term contracts. Contract revenue is recognised over the term of the contract using the percentage completion method, measured by reference to the proportion that costs incurred for work performed to date bear to the total estimated costs. If the outcome of a contract cannot be estimated reliably, as may be the case in the initial stages of completion, revenue is only recognised to the extent that costs are expected to be recoverable.

No profit is recognised on a contract if a contract is expected to be loss making, the expected amount of the loss is recognised immediately in the income statement.

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.

#### 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.

#### Tangible fixed assets

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

The Group assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives to their residual value of each part of an item of tangible fixed assets including leased assets held for rental are depreciated over the lease term. The estimated useful lives are as follows:

Freehold land and buildings	39-50 years straight line
Plant, machinery and equipment	3-8 years straight line
Assets held for rental	20-25 years straight line

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 1 Accounting policies (Continued)

No depreciation has been provided during the year on freehold land valued at £576,000.

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.

#### **Fixed asset investments**

*In the separate accounts of the Company, interests in subsidiaries are initially measured at transaction price excluding transaction costs. In the case of a share for share exchange, the fair value of the shares issued is used as the transaction price.*

Transaction costs are expensed to profit or loss as incurred. Changes in fair value are recognised in other comprehensive income except to the extent that a gain reverses a loss previously recognised in profit or loss, or a loss exceeds the accumulated gains recognised in equity; such gains and loss are recognised in profit or loss.

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.

Undertakings in which the Group has significant influence (i.e. the power to participate in the financial and operating policy decisions but not control or joint control over those policies) are classified as associates. The Group's share of the results, other comprehensive income and equity of associates are accounted for using the equity method.

#### **Impairment of fixed assets**

At each reporting period end date, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs, and any other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Stock is stated net of a provision for slow-moving and potentially obsolete items which has been calculated based upon the age of inventory items.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 1 Accounting policies (Continued)

#### **Cash and cash equivalents**

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company and Group's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

#### **Financial instruments**

The group 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 group becomes party to the contractual provisions of the instrument.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, payments in advance to suppliers, amounts owed by group and associated 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.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors are initially recognised at transaction price.

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

#### **Equity instruments**

Equity instruments issued by the Group 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 Group.

#### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

#### **Deferred tax**

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense in the period they are incurred.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 1 Accounting policies (Continued)

#### **Retirement benefits**

A defined contribution pension plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

The assets of the scheme are held separately from those of the Group in an independently administered fund.

#### **Leases**

Payments made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease.

Income received under operating leases is recognised in other operating income within the profit and loss account as it accrues.

#### **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.

#### **Interest receivable, interest payable and dividend income**

Interest receivable and similar income include interest receivable on funds invested.

Interest payable and similar charges include bank interest payable and finance lease interest recognised in profit or loss using the effective interest method.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established.

#### **Government grants**

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

The grant specifies performance conditions and is recognised in income when the performance conditions are met, which is the month in which the employees are paid. A grant received before the recognition criteria are satisfied is recognised as a liability.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 2 Judgements and key sources of estimation uncertainty

In the application of the Group'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.

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

#### **Critical judgements**

The following are the critical judgements that the Directors have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

#### **Revenue and profit recognition on long term contracts**

An element of turnover is derived from long term contracts, and revenue is recognised using the percentage completion method.

The ultimate profitability of long term contracts is based upon estimates of costs, including allowances for technical and other risks, which are based upon the knowledge and experience of key management. Material changes to these estimates could affect overall profitability. These estimates of contract costs are reviewed and updated regularly, with the impact of any changes being reflected in ongoing results.

#### **Warranty costs**

Some of the Group's hydropower contracts include a warranty period of 12-24 months during which time the Group may be required to remedy defects. A provision for potential warranty costs is included within accruals and is calculated based upon historic actual costs incurred as a percentage of contract values, any known specific costs and management's best estimate of potential outflows.

#### **Valuation of freehold property**

UK freehold land & buildings are included at carrying value of £2m which is deemed to be the residual value based on a 'value in use' exercise conducted on 30 June 2015. No depreciation is charged on this amount. The carrying value is subject to periodic review for impairment which requires estimates to be made concerning future trading performance and discount rates. The most recent review at 30 September 2024 supported the carrying value.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 3 Turnover and other revenue

The Group's turnover and profit is all attributable to its business of designing, manufacturing, distributing and servicing pumps, pumping systems and hydro-electric equipment.

The turnover attributable to each of the Group's geographical markets is:

	2024 £'000	2023 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	10,266	8,407
Other European countries	4,977	7,115
North America	8,536	9,485
Asia	241	494
Other countries	565	416
	<u>24,585</u>	<u>25,917</u>

### 4 Other operating income

	2024 £'000	2023 £'000
Other operating income	501	340
Government grants	6	-
	<u>507</u>	<u>340</u>

Government grant income relates to Regional Growth Fund grants received in 2013-2015 in relation to capital assets being amortised over a 50 year period.

### 5 Employees

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

	Group 2024 Number	2023 Number	Company 2024 Number	2023 Number
Administration	102	101	102	101
Production	61	65	61	65
Overseas	12	12	-	-
Total	<u>175</u>	<u>178</u>	<u>163</u>	<u>166</u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Wages and salaries	6,517	6,354	5,977	5,859
Social security costs	659	640	617	601
Pension costs	928	870	920	862
	<u>8,104</u>	<u>7,864</u>	<u>7,514</u>	<u>7,322</u>

### 6 Directors' remuneration

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	321	370
Company pension contributions to defined contribution schemes	86	95
	<u>407</u>	<u>465</u>

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

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Remuneration for qualifying services	131	136
Company pension contributions to defined contribution schemes	35	33
	<u>166</u>	<u>169</u>

Four directors (2023: four) were accruing pensions under the Group's defined contribution scheme.

The Directors constitute the key management personnel of the business at both a Group and Company level. This amount is exclusive of social security costs of £38,000 (2023: £44,000).

### 7 Operating profit

	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange differences	243	211
Research and development costs	95	574
Depreciation of owned tangible fixed assets	506	561
Profit on disposal of tangible fixed assets	(12)	-
Operating lease charges	127	150
	<u>959</u>	<u>1496</u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

<b>8 Auditor's remuneration</b>		
	<b>2024</b>	<b>2023</b>
Fees payable to the company's auditor and associates:	<b>£'000</b>	<b>£'000</b>
<b>For audit services</b>		
Audit of the financial statements of the group and company	37	39
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Taxation compliance services	6	6
All other non-audit services	3	6
	<u>          </u>	<u>          </u>
	9	12
	<u>          </u>	<u>          </u>
<b>9 Interest receivable and similar income</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Interest income</b>		
Other interest income	234	66
	<u>          </u>	<u>          </u>
<b>10 Interest payable and similar expenses</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
Interest on bank loans	-	8
Interest on late payment of corporation tax	4	-
	<u>          </u>	<u>          </u>
Total finance costs	4	8
	<u>          </u>	<u>          </u>
<b>11 Taxation</b>		
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	-	176
Adjustments in respect of prior periods	9	15
	<u>          </u>	<u>          </u>
Total UK current tax	9	191
Foreign current tax on profits for the current period	100	71
	<u>          </u>	<u>          </u>
Total current tax	109	262
	<u>          </u>	<u>          </u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(115)	(29)
	<u>          </u>	<u>          </u>
Total tax (credit)/charge	(6)	233
	<u>          </u>	<u>          </u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 11 Taxation (Continued)

The total tax (credit)/charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2024 £'000	2023 £'000
Profit before taxation	1,190	1,093
Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2023: 22.00%)	298	240
Tax effect of expenses that are not deductible in determining taxable profit	8	19
Tax effect of income not taxable in determining taxable profit	(2)	(3)
Adjustments in respect of prior years	9	15
Permanent capital allowances in excess of depreciation	(297)	(31)
Research and development tax credit	-	(20)
Effect of overseas tax rates	(15)	-
Other allowances	(4)	7
Timing of employer pension contributions	(4)	6
Losses utilised	1	-
Taxation (credit)/charge	(6)	233

#### Factors affecting future tax charges

The standard rate of tax applied to reported profit on ordinary activities is 25% (2023: 22%). The Finance Act 2021, which was substantively enacted on 24 May 2021, created a 25% main rate, 19% small profits rate and a marginal rate which is effective from 1 April 2023. Deferred tax has been calculated at 25% (2023: 25%) which is the rate that the deferred tax liabilities and assets are expected to crystallise.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 12 Tangible fixed assets

Group	Freehold land and buildings	Plant, machinery and equipment	Assets held for rental	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 October 2023	4,526	6,995	1,492	13,013
Additions	-	1,815	-	1,815
Disposals	-	(177)	-	(177)
Exchange adjustments	(81)	(52)	-	(133)
At 30 September 2024	4,445	8,581	1,492	14,518
<b>Depreciation and impairment</b>				
At 1 October 2023	1,776	5,037	735	7,548
Depreciation charged in the year	11	433	62	506
Eliminated in respect of disposals	-	(177)	-	(177)
Exchange adjustments	(15)	(39)	-	(54)
At 30 September 2024	1,772	5,254	797	7,823
<b>Carrying amount</b>				
At 30 September 2024	2,673	3,327	695	6,695
At 30 September 2023	2,750	1,958	757	5,465
<b>Company</b>				
	Freehold land and buildings	Plant, machinery and equipment	Assets held for rental	Total
	£'000	£'000	£'000	£'000
<b>Cost</b>				
At 1 October 2023	3,598	6,395	1,492	11,485
Additions	-	1,783	-	1,783
Disposals	-	(176)	-	(176)
At 30 September 2024	3,598	8,002	1,492	13,092
<b>Depreciation and impairment</b>				
At 1 October 2023	1,598	4,593	735	6,926
Depreciation charged in the year	-	406	62	468
Eliminated in respect of disposals	-	(176)	-	(176)
At 30 September 2024	1,598	4,823	797	7,218
<b>Carrying amount</b>				
At 30 September 2024	2,000	3,179	695	5,874
At 30 September 2023	2,000	1,802	757	4,559

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 12 Tangible fixed assets (Continued)

UK freehold land and buildings were valued on 30 June 2015 on the basis of existing use at £2,000,000. The carrying value of the property has been impaired to this valuation. This amount is still considered appropriate by the Directors.

### 13 Fixed asset investments

	Notes	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Investments in subsidiaries	14	-	-	19	19

#### Movements in fixed asset investments Company

	Shares in group undertakings £'000
<b>Cost</b>	
At 1 October 2023 and 30 September 2024	19
<b>Carrying amount</b>	
At 30 September 2024	19
At 30 September 2023	19

### 14 Subsidiaries

Details of the Company's subsidiaries at 30 September 2024 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Gilkes Incorporated	471 Columbia Memorial Parkway, Kemah, Texas, 77565, USA	Mechanical Engineering	Ordinary	100.00
Gilkes Hydro (Canada) Ltd	c/o 550 Burrard St, Suite 2900, Vancouver, V6COA3, Canada	Mechanical Engineering	Ordinary	100.00
Gilkes Ltd	Canal Head North, Kendal, LA9 7BZ	Dormant	Ordinary	100.00
Gilkes Pumping Systems Ltd	Canal Head North, Kendal, LA9 7BZ	Dormant	Ordinary	100.00

### 15 Stocks

	Group 2024 £'000	2023 £'000	Company 2024 £'000	2023 £'000
Raw materials and consumables	2,038	2,197	1,609	1,685
Work in progress	458	727	458	727
	<u>2,496</u>	<u>2,924</u>	<u>2,067</u>	<u>2,412</u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 16 Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
<b>Amounts falling due within one year:</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade debtors	4,227	4,891	3,708	4,065
Payment in advance to suppliers	147	679	147	671
Corporation tax recoverable	-	-	40	-
Amounts owed by group undertakings	17	-	246	262
Other debtors	142	73	142	73
Prepayments and accrued income	357	378	315	345
	<u>4,890</u>	<u>6,021</u>	<u>4,598</u>	<u>5,416</u>

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

### 17 Creditors: amounts falling due within one year

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Payments received on account	773	353	773	353
Trade creditors	1,442	1,804	1,413	1,346
Corporation tax payable	55	247	-	176
Other taxation and social security	151	152	148	149
Other creditors	79	94	79	94
Accruals and deferred income	852	2,122	813	2,084
	<u>3,352</u>	<u>4,772</u>	<u>3,226</u>	<u>4,202</u>

### 18 Creditors: amounts falling due after more than one year

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Deferred income	246	254	246	254
	<u>246</u>	<u>254</u>	<u>246</u>	<u>254</u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 19 Deferred taxation

The major deferred tax liabilities and assets recognised by the Group and Company are:

	<b>Liabilities 2024 £'000</b>	<b>Liabilities 2023 £'000</b>
<b>Group</b>		
Accelerated capital allowances	317	286
Tax losses	(142)	-
Other timing differences	20	24
	<u>195</u>	<u>310</u>
	<u>195</u>	<u>310</u>
	<b>Liabilities 2024 £'000</b>	<b>Liabilities 2023 £'000</b>
<b>Company</b>		
Accelerated capital allowances	317	286
Tax losses	(142)	-
Other timing differences	20	24
	<u>195</u>	<u>310</u>
	<u>195</u>	<u>310</u>
	<b>Group 2024 £'000</b>	<b>Company 2024 £'000</b>
<b>Movements in the year:</b>		
Liability at 1 October 2023	310	310
Credit to profit or loss	(115)	(115)
	<u>195</u>	<u>195</u>
	<u>195</u>	<u>195</u>

The deferred tax liability set out above is expected to reverse in line with the useful life of the assets and relates to accelerated capital allowances that are expected to mature within the same period.

The other timing differences are expected to reverse within 12 months and relate to unpaid pension contributions at the year end.

### 20 Retirement benefit schemes

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the Group in an independently administered fund. Included in creditors at the year end is £79,000 (2023: £94,000) relating to unpaid pension contributions.

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 21 Share capital

	Group and Company			
	2024 Number	2023 Number	2024 £'000	2023 £'000
<b>Ordinary share capital Issued and fully paid</b>				
A Ordinary shares of £1 each	1,333,324	1,333,324	1,333	1,333

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

### 22 Reserves

#### Share premium

This reserve represents consideration for shares issued above their nominal value, net of transaction costs.

#### Profit and loss reserves

This reserve represents cumulative profit and loss less distributions to owners.

### 23 Cash generated from group operations

	2024 £'000	2023 £'000
Profit for the year after tax	1,196	860
<b>Adjustments for:</b>		
Taxation (credited)/charged	(6)	233
Finance costs	4	8
Investment income	(234)	(66)
Gain on disposal of tangible fixed assets	(12)	-
Depreciation and impairment of tangible fixed assets	506	561
Foreign exchange gains on cash equivalents	(47)	(124)
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	428	(358)
Decrease in debtors	599	314
Decrease in creditors	(1,656)	(335)
Increase/(decrease) in deferred income	952	(272)
<b>Cash generated from operations</b>	<b>1,730</b>	<b>821</b>

### 24 Analysis of changes in net funds - group

	1 October 2023 £'000	Cash flows £'000	Exchange rate movements £'000	30 September 2024 £'000
Cash at bank and in hand	7,009	(144)	(121)	6,744

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

### 25 Financial commitments, guarantees and contingent liabilities

There are charges dated 1 March 1999, 18 January 1999, 19 August 1998, 8 September 1983 and 4 February 1977 granted in favour of Barclays Bank PLC. They contain fixed and floating charges with negative pledges over all the property and undertaking of the company.

### 26 Operating lease commitments

#### Lessee

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

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Within one year	104	78	104	78
Between one and five years	85	91	85	91
	<u>189</u>	<u>169</u>	<u>189</u>	<u>169</u>

#### Lessor

Assets held for rental comprise hydroelectric power generation equipment. Rentals received are entirely contingent upon revenue generated by the schemes.

### 27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	<b>Group</b>		<b>Company</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Acquisition of tangible fixed assets	433	-	433	-
	<u>433</u>	<u>-</u>	<u>433</u>	<u>-</u>

Capital commitments relate to orders placed for two Mazak CNC machine tools that will be delivered at the end of 2024.

### 28 Related party transactions

#### Transactions with related parties

During the year the Group entered into the following transactions with related parties:

	<b>Sales</b>	
	<b>2024</b>	<b>2023</b>
	<b>£'000</b>	<b>£'000</b>
<b>Group</b>		
Entities with common ownership	502	666
	<u>502</u>	<u>666</u>

# GILBERT GILKES & GORDON LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2024

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### 28 Related party transactions (Continued)

	Other income	
	2024	2023
	£'000	£'000
<b>Group</b>		
Entities with common ownership	9	-
	<u>9</u>	<u>-</u>

The following amounts were outstanding at the reporting end date:

	2024	2023
	Balance	Balance
	£'000	£'000
<b>Group</b>		
Entities with common ownership	80	21
	<u>80</u>	<u>21</u>

Sales of goods and services to related parties are made on the companies normal trading terms.

Related party loans are interest free, unsecured and are expected to be settled in cash.

### 29 Controlling party

The Directors consider the ultimate parent undertaking to be Gilbert Gilkes & Gordon Holdings Limited.

Gilbert Gilkes & Gordon Holdings Limited is the immediate parent and the smallest and largest company for which consolidated accounts including Gilbert Gilkes & Gordon Limited are prepared. The consolidated accounts of Gilbert Gilkes & Gordon Holdings Limited are available from Companies House.

The Directors consider Mr CWN Crewdson and his wife Mrs VL Crewdson to be the ultimate controlling parties by virtue of their combined shareholding of 62% in the ultimate parent company.