

THOMAS WRIGHT/THORITE GROUP LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

Company Registration No. 00177707 (England and Wales)

WEDNESDAY



AAEJUE8A

A11

06/10/2021

#218

COMPANIES HOUSE

THOMAS WRIGHT/THORITE GROUP LIMITED

COMPANY INFORMATION

Directors	Mr S T Wright Mr M R Yates Mr R Oldale (Appointed 12 April 2021)
Secretary	Mr S T Wright
Company number	00177707
Registered office	Hillam Road Off Canal Road Bradford West Yorkshire BD2 1QN
Auditor	Naylor Wintersgill Limited Carlton House Grammar School Street Bradford BD1 4NS
Bankers	Natwest Bank plc 1 Market Street Bradford West Yorkshire BD1 1EG

THOMAS WRIGHT/THORITE GROUP LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 27

THOMAS WRIGHT/THORITE GROUP LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The principal activity of the company continued to be that of the sale and installation of compressed air equipment.

During the year all the subsidiary undertakings were dormant.

Our 2020/21 year will go into the records as our Covid-19 year. Whilst the company continued to trade throughout the pandemic, as a supplier to critical industries, our performance was severely hit by the early months of the pandemic. We saw sales down 15% in the first quarter and 10% in the second quarter. At the yearend our sales were down 6.9% on the prior year. It is our target to recover this deficit in 2021/22. The company accessed government furlough and retail grant schemes to provide funding to enable the business to trade through these difficult times. From the second half of the year onwards trading improved but struggled to return to full normality, continuing to be affected the pandemic. Additionally in the last quarter restrictions in supply due to early impacts of Brexit on supply chain channels.

Geographic growth is at the heart of the company's strategy and the new site in Bristol, which opened in April 2017, has continued to trade well and is beginning to meet the expectation for a new organic sales centre, being one of the few segments of the business showing growth on 2019/20.

In July 2019 our holding company, T Wright Holdings Ltd, bought an existing building in Bradford to replace our head office. Work started on the renovations of the building in July 2020 and the business moved into the new premises in January 2021.

Principal risks and uncertainties

The combined effects of Covid-19 and Brexit still weigh heavy on the business. Since December 2020 supply chain logistics have been an issue with supply from Europe in terms of timescales for goods in transit and customs delays. More recently we continue to see issues around supply in terms of raw material availability and logistics from the Far East. Covid-19 continues to effect our business with ongoing cases and the restrictions it places on our field sales teams to visit customers to develop new business. We have seen irregularities in demand between end user sectors dependant on how the pandemic has affected each sector. We expect that this will remain until the pandemic recedes.

In December 2020 the business suffered a cyber-attack. Since then, significant work has been done to review and update network protection. Whilst the attack caused a loss of trade due to the interruption of systems, no personal data was extracted and no monetary loss was incurred nor any payments made to the perpetrators.

Development and performance

During late 2020 the company gave the go ahead to replace the corporate and trading website. Development of the site has been ongoing and is expected to go live in early Autumn 2021.

Thorite continues to seek new product ranges to add to the portfolio and continues to look for ways to expand the geographic coverage of the business, either through acquisitive or organic growth.

THOMAS WRIGHT/THORITE GROUP LIMITED

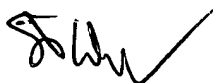
STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Purchase of new head office

T Wright Holdings Ltd acquired in 2019 a building for conversion into the new Thorite headquarters. Work on the building was undertaken between July and December 2020. The business moved in through late December 2020 and January 2021. The new head office is 50% bigger than the existing site and has allowed the consolidation of all our head office functions into 1 building, including warehousing, service, systems build, training suite and back-office support. A grant from the West Yorkshire Combined Authority under their Productivity Pilot Scheme helped enable the scheme. The building is occupied by Thomas Wright / Thorite Group Ltd under a licence to occupy with T Wright Holdings Ltd.

On behalf of the board



Mr S T Wright

Director

10 September 2021

THOMAS WRIGHT/THORITE GROUP LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of the sale and installation of compressed air equipment.

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends were paid amounting to £39,016. The directors do not recommend payment of a final dividend.

Directors

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

Mr S T Wright

Mr Alan Donkersley

(Resigned 16 April 2021)

Mr M R Yates

Mr R Oldale

(Appointed 12 April 2021)

Auditor

In accordance with the company's articles, a resolution proposing that Naylor Wintersgill Limited be reappointed as auditor of the company will be put at a General Meeting.

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, the directors individually have taken all the necessary steps that they ought to have taken as directors 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



Mr S T Wright

Director

10 September 2021

THOMAS WRIGHT/THORITE GROUP LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that 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 company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THOMAS WRIGHT/THORITE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THOMAS WRIGHT/THORITE GROUP LIMITED

Opinion

We have audited the financial statements of Thomas Wright/Thorite Group Limited (the 'company') for the year ended 31 March 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the 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 company's affairs as at 31 March 2021 and of its 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 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 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 our 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.

THOMAS WRIGHT/THORITE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THOMAS WRIGHT/THORITE GROUP LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

THOMAS WRIGHT/THORITE GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THOMAS WRIGHT/THORITE GROUP LIMITED

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the Company and its industry, we identified that the principal risks of non-compliance with laws and regulations related to breaches of UK law and we considered the extent to which non-compliance might have a material effect on the financial statements of the Company. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure or increase the capital position of the Company, and management bias in accounting estimates and judgmental areas of the financial statements such as the valuation of stock and revenue recognition. Audit procedures performed by the engagement team included:

- Discussions with directors including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Reviewing relevant meeting minutes;
- Reviewing of correspondence in so far as they related to non-compliance with laws and regulations and fraud;
- Procedures relating to the areas of increased estimates and judgements;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations, posted on unusual days, posted by infrequent users, posted by senior management or posted with descriptions indicating a higher level of risk;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing over material liabilities and assets balances.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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.



Alan Wintersgill (Senior Statutory Auditor)
For and on behalf of Naylor Wintersgill Limited

10 September 2021

Chartered Accountants
Statutory Auditor

Carlton House
Grammar School Street
Bradford
BD1 4NS

THOMAS WRIGHT/THORITE GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
Turnover	3	17,842,284	19,165,802
Cost of sales		(14,023,834)	(14,882,831)
Gross profit		3,818,450	4,282,971
Distribution costs		(249,911)	(267,380)
Administrative expenses		(3,830,553)	(3,878,018)
Other operating income		526,798	42,167
Operating profit	4	264,784	179,740
Interest receivable and similar income	6	130	671
Interest payable and similar expenses	7	(10,425)	(5,603)
Profit before taxation		254,489	174,808
Tax on profit	8	(45,667)	17,645
Profit for the financial year		208,822	192,453

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THOMAS WRIGHT/THORITE GROUP LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	10		1		888
Other intangible assets	10		1,873		865
Total intangible assets			1,874		1,753
Tangible assets	11		2,001,166		429,287
Investments	12		101,308		101,308
			2,104,348		532,348
Current assets					
Stocks	14	2,087,191		2,242,819	
Debtors	15	4,790,116		5,130,837	
Cash at bank and in hand		1,967		915	
			6,879,274		7,374,571
Creditors: amounts falling due within one year	16	(5,559,588)		(4,821,946)	
Net current assets			1,319,686		2,552,625
Total assets less current liabilities			3,424,034		3,084,973
Provisions for liabilities					
Deferred tax liability	19	232,877		63,622	
			(232,877)		(63,622)
Net assets			3,191,157		3,021,351
Capital and reserves					
Called up share capital	21		40,719		40,719
Share premium account			765,886		765,886
Capital redemption reserve			8,793		8,793
Profit and loss reserves			2,375,759		2,205,953
Total equity			3,191,157		3,021,351

The financial statements were approved by the board of directors and authorised for issue on 10 September 2021 and are signed on its behalf by:



Mr S T Wright
Director

Company Registration No. 00177707

THOMAS WRIGHT/THORITE GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2019		40,719	765,886	8,793	2,105,542	2,920,940
Year ended 31 March 2020:						
Profit and total comprehensive income for the year		-	-	-	192,453	192,453
Dividends	9	-	-	-	(92,042)	(92,042)
Balance at 31 March 2020		40,719	765,886	8,793	2,205,953	3,021,351
Year ended 31 March 2021:						
Profit and total comprehensive income for the year		-	-	-	208,822	208,822
Dividends	9	-	-	-	(39,016)	(39,016)
Balance at 31 March 2021		40,719	765,886	8,793	2,375,759	3,191,157

THOMAS WRIGHT/THORITE GROUP LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	29		1,794,776		(161,545)
Interest paid			(10,425)		(5,603)
Income taxes paid			-		(55,093)
Net cash inflow/(outflow) from operating activities			1,784,351		(222,241)
Investing activities					
Purchase of intangible assets		(1,407)		-	
Purchase of tangible fixed assets		(1,743,132)		(152,767)	
Proceeds on disposal of tangible fixed assets		24,763		16,923	
Interest received		130		671	
Net cash used in investing activities			(1,719,646)		(135,173)
Financing activities					
Repayment of borrowings		97,588		(15,512)	
Dividends paid		(39,016)		(92,042)	
Net cash generated from/(used in) financing activities			58,572		(107,554)
Net increase/(decrease) in cash and cash equivalents			123,277		(464,968)
Cash and cash equivalents at beginning of year			(260,985)		203,983
Cash and cash equivalents at end of year			(137,708)		(260,985)
Relating to:					
Cash at bank and in hand			1,967		915
Bank overdrafts included in creditors payable within one year			(139,675)		(261,900)

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Thomas Wright/Thorite Group Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hillam Road, Off Canal Road, Bradford, West Yorkshire, BD2 1QN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The company is a qualifying entity for the purpose of FRS102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cashsettled share-based payments, explanation of modifications to arrangements.

Thomas Wright/Thorite Group Limited is a wholly owned subsidiary of T Wright Holdings Limited and the financial statements of Thomas Wright/Thorite Group Limited are included in the consolidated financial statements of T Wright Holdings Limited. These consolidated financial statements are available from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff, CF14 3UZ.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The directors do not consider the outbreak of Covid-19 to have created a material uncertainty in relation to the going concern of the company. Further details has been included in Note 24 Events after the reporting date.

1.3 Turnover

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

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

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Intangible fixed assets other than goodwill

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

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Patents 10% straight line

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives.

1.6 Tangible fixed assets

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

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

Building improvements	2% straight line
Plant and machinery	20% straight line & 25% reducing balance
Fixtures, fittings & equipment	10% - 33% straight line & 25% reducing balance
Motor vehicles	25% & 33% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.7 Fixed asset investments

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

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.9 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

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

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

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

THOMAS WRIGHT/THORITE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

1.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Leases

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

1.17 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£	£
Turnover analysed by class of business		
Turnover	17,842,284	19,165,802

THOMAS WRIGHT/THORITE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue

	2021	2020
	£	£
Other significant revenue		
Interest income	130	671
Grants received	523,065	26,128
	<u> </u>	<u> </u>
	2021	2020
	£	£
Turnover analysed by geographical market		
Europe (EU)	175,033	347,394
Non-EU	51,245	113,667
U.K	17,616,006	18,704,741
	<u> </u>	<u> </u>
	17,842,284	19,165,802
	<u> </u>	<u> </u>

4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(523,065)	(26,128)
Fees payable to the company's auditor for the audit of the company's financial statements	7,500	7,500
Depreciation of owned tangible fixed assets	143,525	164,674
Loss/(profit) on disposal of tangible fixed assets	2,965	(984)
Amortisation of intangible assets	1,286	3,351
Operating lease charges	319,323	322,042
	<u> </u>	<u> </u>

5 Employees

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

	2021	2020
	Number	Number
Office and management	30	27
Sales, service and warehousing	95	101
	<u> </u>	<u> </u>
Total	125	128
	<u> </u>	<u> </u>

THOMAS WRIGHT/THORITE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

5 Employees

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	3,878,384	4,105,049
Social security costs	425,880	439,337
Pension costs	119,527	120,308
	<u>4,423,791</u>	<u>4,664,694</u>

6 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	<u>130</u>	<u>671</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>130</u>	<u>671</u>
--	------------	------------

7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	<u>10,425</u>	<u>5,603</u>

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	(123,588)	-
Deferred tax		
Origination and reversal of timing differences	169,255	(17,645)
Total tax charge/(credit)	45,667	(17,645)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	254,489	174,808
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	48,353	33,214
Tax effect of expenses that are not deductible in determining taxable profit	(2,931)	809
Group relief	-	(48,961)
Capital allowances	(197,088)	(14,034)
Depreciation	28,078	31,738
Research and development tax credit	-	(2,766)
Deferred tax	169,255	(17,645)
Taxation charge/(credit) for the year	45,667	(17,645)

9 Dividends

	2021 £	2020 £
Interim paid	39,016	92,042

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

10 Intangible fixed assets

	Goodwill £	Patents £	Total £
Cost			
At 1 April 2020	239,635	5,724	245,359
Additions	-	1,407	1,407
At 31 March 2021	239,635	7,131	246,766
Amortisation and impairment			
At 1 April 2020	238,747	4,859	243,606
Amortisation charged for the year	887	399	1,286
At 31 March 2021	239,634	5,258	244,892
Carrying amount			
At 31 March 2021	1	1,873	1,874
At 31 March 2020	888	865	1,753

11 Tangible fixed assets

	Building improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 April 2020	-	450,486	1,406,126	56,294	1,912,906
Additions	621,671	38,240	1,077,899	5,322	1,743,132
Disposals	-	(40,618)	-	(4,225)	(44,843)
Transfers	29,836	-	(37,158)	-	(7,322)
At 31 March 2021	651,507	448,108	2,446,867	57,391	3,603,873
Depreciation and impairment					
At 1 April 2020	-	346,816	1,087,229	49,574	1,483,619
Depreciation charged in the year	9,382	29,337	100,859	3,947	143,525
Eliminated in respect of disposals	-	(20,251)	-	(4,186)	(24,437)
At 31 March 2021	9,382	355,902	1,188,088	49,335	1,602,707
Carrying amount					
At 31 March 2021	642,125	92,206	1,258,779	8,056	2,001,166
At 31 March 2020	-	103,670	318,897	6,720	429,287

THOMAS WRIGHT/THORITE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

12 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	13	101,308	101,308

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 & 31 March 2021	101,308
Carrying amount	
At 31 March 2021	101,308
At 31 March 2020	101,308

13 Subsidiaries

These financial statements are separate company financial statements for Thomas Wright/Thorite Group Limited. The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts.

Name of undertaking	Registered office	Class of shares held	% Held Direct
Comprite Limited	England	Ordinary	100
Thomas Wright (Bradford) Limited	England	Ordinary	100
Thomas Wright (North West) Limited	England	Ordinary	100
Thomas Wright Air Centres Limited	England	Ordinary	100
Thorite Limited	England	Ordinary	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Capital and Reserves £	Profit/(Loss) £
Comprite Limited	3,708	-
Thomas Wright (Bradford) Limited	1,000	-
Thomas Wright (North West) Limited	25,000	-
Thomas Wright Air Centres Limited	2,000	-
Thorite Limited	69,600	-

The investments in subsidiaries are all stated at cost.

THOMAS WRIGHT/THORITE GROUP LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

14 Stocks

	2021	2020
	£	£
Finished goods and goods for resale	2,087,191	2,242,819

15 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	3,741,879	3,592,249
Corporation tax recoverable	123,588	-
Amounts owed by group undertakings	628,416	1,120,932
Other debtors	11,535	41,295
Prepayments and accrued income	284,698	376,361
	<u>4,790,116</u>	<u>5,130,837</u>

16 Creditors: amounts falling due within one year

	2021	2020
	£	£
	Notes	
Bank loans and overdrafts	17	139,675
Other borrowings	17	202,070
Trade creditors		3,974,233
Amounts owed to group undertakings		101,308
Taxation and social security		445,779
Government grants	18	8,202
Other creditors		272,934
Accruals and deferred income		415,387
		<u>5,559,588</u>
		<u>4,821,946</u>

17 Loans and overdrafts

	2021	2020
	£	£
Bank overdrafts	139,675	261,900
Other loans	202,070	104,482
	<u>341,745</u>	<u>366,382</u>
Payable within one year	<u>341,745</u>	<u>366,382</u>

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Deferred grants

	2021 £	2020 £
Arising from government grants	<u>8,202</u>	<u>-</u>

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Deferred tax	<u>232,877</u>	<u>63,622</u>
Movements in the year:		2021 £
Liability at 1 April 2020		63,622
Charge to profit or loss		<u>169,255</u>
Liability at 31 March 2021		<u>232,877</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>119,527</u>	<u>120,308</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of 10p each	384,650	384,650	38,465	38,465
Ordinary-A shares of 10p each	<u>22,540</u>	<u>22,540</u>	<u>2,254</u>	<u>2,254</u>
	<u>407,190</u>	<u>407,190</u>	<u>40,719</u>	<u>40,719</u>

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

22 Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and motor vehicles.

Property leases are negotiated on a property by property basis and have varying terms and rental amounts. With regards to motor vehicle leases are negotiated for an average term of 4 years and rentals are fixed for an average of 4 years.

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

	2021 £	2020 £
Within one year	159,162	172,233
Between two and five years	238,324	169,618
In over five years	51,675	51,675
	<u>449,161</u>	<u>393,526</u>

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021 £	2020 £
Acquisition of tangible fixed assets	-	1,431,866

On 6 July 2020 the company entered into an agreement with a contractor to undertake the refurbishment of Hillam Road, the value of the contract stated above. The work commenced in July 2020 and finished in December 2020.

24 Events after the reporting date

During 2020 and into 2021 the Covid-19 pandemic has impacted businesses and the economy in the United Kingdom and worldwide. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide resulting in an economic slowdown.

The duration and impact of the Covid-19 pandemic remains unclear at this time, however the company has carried out a review of the impact that Covid-19 might have on the business. Directors have undertaken research, used published Government advice and consulted with key customers, key suppliers and fellow group companies.

The directors have confidence that the company is well placed to cope with the disruption as a result of Covid-19 and believe all reasonable steps have been undertaken to safeguard the future of the business.

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

25 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2021 £	2020 £
Aggregate compensation	<u>483,320</u>	<u>437,148</u>

26 Directors' transactions

The company leased a property jointly owned by director Mr S T Wright and former directors Mrs D Wright and Mr T E Wright. The company also leased another property jointly owned by former directors Mrs D Wright and Mr T E Wright. Total rent of £28,385 (2020 - £33,175) was paid for the use of the properties.

Loans have been granted by the directors to the company as follows:

Description	% Rate	Opening balance £	Amounts repaid £	Closing balance £
Directors' loan account	-	<u>140,503</u>	<u>(10,892)</u>	<u>129,611</u>
		<u>140,503</u>	<u>(10,892)</u>	<u>129,611</u>

27 Ultimate controlling party

The parent company is T Wright Holdings Limited. Registered office being Thorite House Hillam Road, Off Canal Road, Bradford, BD2 1QN.

The ultimate controlling party is Mr T E Wright, by virtue of his majority shareholding in the parent company.

The largest group in which the results of the company are consolidated is that headed by T Wright Holdings Limited, the financial statements of which may be obtained from the Registrar of Companies, Companies Registration Office, Crown Way, Cardiff, CF14 3UZ.

THOMAS WRIGHT/THORITE GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

28 Analysis of changes in net debt

	1 April 2020	Cash flows 31 March 2021	
	£	£	£
Cash at bank and in hand	915	1,052	1,967
Bank overdrafts	(261,900)	122,225	(139,675)
	(260,985)	123,277	(137,708)
Borrowings excluding overdrafts	(104,482)	(97,588)	(202,070)
	(365,467)	25,689	(339,778)

29 Cash generated from operations

	2021 £	2020 £
Profit for the year after tax	208,822	192,453
Adjustments for:		
Taxation charged/(credited)	45,667	(17,645)
Finance costs	10,425	5,603
Investment income	(130)	(671)
Loss/(gain) on disposal of tangible fixed assets	2,965	(984)
Amortisation and impairment of intangible assets	1,286	3,351
Depreciation and impairment of tangible fixed assets	143,525	164,674
Movements in working capital:		
Decrease/(increase) in stocks	155,628	(452,096)
Decrease in debtors	464,308	562,203
Increase/(decrease) in creditors	754,077	(618,433)
Increase in deferred income	8,202	-
Cash generated from/(absorbed by) operations	1,794,776	(161,545)