

Registration number: 00306440

# Simplex-Turbulo Group Limited


Annual Report and Consolidated Financial Statements

for the Year Ended 30 September 2021

BRC Accountants  
Aldwych House  
Winchester Street  
Andover  
SP10 2EA

TUESDAY THURSDAY

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A06	07/04/2022	#123
COMPANIES HOUSE		
A15	26/03/2022	#44
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A09	15/03/2022	#215
COMPANIES HOUSE		

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## **Simplex-Turbulo Group Limited**

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## **Simplex-Turbulo Group Limited**

### **Company Information**

**Directors**           The Hon J R M Hogg  
                          The Hon Mrs D C Hogg  
                          Thomas T Kaiser-Sichau

**Registered office**   Wherwell Priory  
                          Wherwell  
                          Andover  
                          Hampshire  
                          SP11 7JH

**Bankers**            HSBC Bank PLC  
                          28 High Street  
                          Andover  
                          Hampshire  
                          SP10 1NU

**Auditors**           BRC Accountants  
                          Aldwych House  
                          Winchester Street  
                          Andover  
                          SP10 2EA

## **Simplex-Turbulo Group Limited**

### **Strategic Report for the Year Ended 30 September 2021**

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

#### **Fair review of the business**

The three major impacts on the group performance during the financial year to 30th September 2021 has been Brexit, the cyber-attack on STW and the strength of Sterling against the Euro.

Brexit has not only created additional direct costs, it has created a huge amount of additional bureaucratic regulations and it has caused constant and sometimes very long delays in getting shipments through customs. The net result has been both a reduction in our gross margins, but, perhaps even more seriously, a reduction in the reliability of our delivery performance. We are taking steps to overcome this by moving much of our stock from the UK to our warehouse just outside Hamburg.

The marine and offshore sectors have continued to suffer from the effects of covid 19. Many cruises have had to be cancelled. Ferries have experienced low occupancy and many cargo vessels have been waiting outside ports for long periods before being able to discharge. Nevertheless, overall demand for our products has held up.

At Simplex-Turbulo Company order intake was marginally up, whilst sales were down a little on 2020. This was due to supply chain problems holding up a large shipment for several months whilst we waited for the delayed delivery of parts. If this had not happened, sales would have been at the same level as 2020.

Sales for Lincoln Diesels were down at just over £2.0 m. Although there were still plenty of enquiries, many did not turn into orders as customers postponed carrying out maintenance work on these old engines.

STW Engineering had the misfortune to suffer a cyber attack at the beginning of July which encrypted all our data. The cyber attackers were Russian speaking and we understood from the local Schleswig-Holstein police that there has been a huge surge in such attacks on small companies. Although we were able to regain our data, STW lost one month's sales and, for security reasons, we have felt obliged to completely rebuild our sales order processing software. Despite this, STW managed to turn a small profit.

#### **Key Performance Indicators**

The directors have assessed the performance indicators across the group, and consider that the following are key within the decision making process.

- Turnover - overall turnover is down at £13.0m (2020 - £13.8m)
- Gross Profit - gross profit is down at £3.3m (2020 - £3.9m)
- Operating Profits - operating profit is down at £(0.05m) (2020 - £0.3m)
- Cash - cash has increased over the period to £0.6m (2020 - £0.5m). Cash generated from operating activities has decreased to £0.13m (2020 - £0.21m) which is more than (2020 - less than) operating profits reflecting movements in working capital requirements.

## Simplex-Turbulo Group Limited

### Strategic Report for the Year Ended 30 September 2021

#### Principal risks and uncertainties

As part of the need to rebuild our sales order processing system at STW, we undertook a very detailed check of all items in stock. As a result, we have made a large stock provision of £201,000 which relates to the poor stock purchasing which took place under the previous management. This process should now be complete.

Looking to the future, we remain optimistic. We believe that we can circumvent the problems of Brexit, although this will take some time to complete, and we are in discussions with a number of parties with a view to introducing new products which fit well alongside our traditional range. So, whilst we anticipate that some products are reaching the end of their life, there should be others to take their place.

Approved and authorised by the Board on 15/2/22 and signed on its behalf by:

  
The Hon J R M Hogg  
Director

## **Simplex-Turbulo Group Limited**

### **Directors' Report for the Year Ended 30 September 2021**

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

#### **Principal activity**

The group consists of one holding/management company Simplex-Turbulo Group Limited and three main operating companies. The principal activities of the group are providing sales and after sales support for various ships' components as well as the provision of service and spares to large 4 stroke diesel engines.

#### **Director of the group**

The directors who held office during the year were as follows:

The Hon J R M Hogg

The Hon Mrs D C Hogg

Thomas T Kaiser-Sichau

J Brooking ACMA - Company secretary and director (Resigned 1 December 2020)

#### **Directors' responsibilities statement**

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.


## **Simplex-Turbulo Group Limited**

### **Directors' Report for the Year Ended 30 September 2021**

#### **Reappointment of auditors**

In accordance with section 485 of the Companies Act 2006, a resolution for the re-appointment of BRC Accountants as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved and authorised by the Board on 15/2/22 and signed on its behalf by:

  
The Hon J R M Hogg  
Director

## **Simplex-Turbulo Group Limited**

### **Independent Auditor's Report to the Members of Simplex-Turbulo Group Limited**

#### **Opinion**

We have audited the financial statements of Simplex-Turbulo Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2021, which comprise the Consolidated Profit and Loss Account and Statement of Retained Earnings, Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Balance Sheet, Consolidated Statement of Changes in Equity, Statement of Changes in Equity, Consolidated Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 30 September 2021 and of the group's loss 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 responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's 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 ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.



## **Simplex-Turbulo Group Limited**

### **Independent Auditor's Report to the Members of Simplex-Turbulo Group Limited**

We have nothing to report in this regard.

#### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 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 [set out on page 3], 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 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 our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Simplex-Turbulo Group Limited**

### **Independent Auditor's Report to the Members of Simplex-Turbulo Group Limited**

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- the nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors remuneration, bonus levels and performance targets;
- results of enquires of management about their own identification and assessment of the risks of irregularities;
- any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of noncompliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud;
- the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
- the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, stock valuation and transactions with related parties. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, Employment law, health and safety, pensions legislation and tax legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

#### **Audit response to risks identified**

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias, and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **Simplex-Turbulo Group Limited**

### **Independent Auditor's Report to the Members of Simplex-Turbulo Group Limited**

#### **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.



.....  
Jacqueline Taylor (Senior Statutory Auditor)

For and on behalf of BRC Accountants, Statutory Auditor

Aldwych House  
Winchester Street  
Andover  
SP10 2EA

Date: 28/2/22

## Simplex-Turbulo Group Limited

### Consolidated Statement of Income and Retained Earnings for the Year Ended 30 September 2021

	Note	2021 £	2020 £
Turnover	3	12,953,171	13,830,118
Cost of sales		<u>(9,669,928)</u>	<u>(9,932,692)</u>
Gross profit		3,283,243	3,897,426
Administrative expenses		(3,335,879)	(3,739,711)
Other operating income	4	<u>-</u>	<u>129,761</u>
Operating (loss)/profit	6	<u>(52,636)</u>	<u>287,476</u>
Interest payable and similar charges	7	<u>(274,506)</u>	<u>79,551</u>
		<u>(274,506)</u>	<u>79,551</u>
(Loss)/profit before tax		(327,142)	367,027
Taxation	10	<u>70,146</u>	<u>(54,382)</u>
(Loss)/profit for the financial year		<u>(256,996)</u>	<u>312,645</u>
<b>Profit/(loss) attributable to:</b>			
Owners of the company		<u>(256,996)</u>	<u>312,645</u>

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

All amounts relate to continuing operations.

# **Simplex-Turbulo Group Limited**

## **Consolidated Statement of Comprehensive Income for the Year Ended 30 September 2021**

	2021 £	2020 £
(Loss)/profit for the year	<u>(256,996)</u>	<u>312,645</u>
Removal of goodwill on sale of subsidiary	-	(18,124)
Foreign currency translation gains/losses	<u>(902)</u>	<u>(5,016)</u>
	<u>(902)</u>	<u>(23,140)</u>
Total comprehensive income for the year	<u><u>(257,898)</u></u>	<u><u>289,505</u></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the company	<u><u>(257,898)</u></u>	<u><u>289,505</u></u>

The notes on pages 17 to 36 form an integral part of these financial statements.

# Simplex-Turbulo Group Limited

(Registration number: 00306440)

## Consolidated Balance Sheet as at 30 September 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	11	1	1
Tangible assets	12	70,642	107,595
Investments	13	2	2
		<u>70,645</u>	<u>107,598</u>
<b>Current assets</b>			
Stocks	14	4,009,470	4,131,576
Debtors	15	2,065,462	2,646,308
Cash at bank and in hand		581,207	479,361
		<u>6,656,139</u>	<u>7,257,245</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(2,006,582)</u>	<u>(2,380,174)</u>
<b>Net current assets</b>		<u>4,649,557</u>	<u>4,877,071</u>
<b>Total assets less current liabilities</b>		4,720,202	4,984,669
<b>Provisions for liabilities</b>	18	-	(6,569)
<b>Net assets</b>		<u>4,720,202</u>	<u>4,978,100</u>
<b>Capital and reserves</b>			
Called up share capital	20	6,120	6,120
Profit and loss account		<u>4,714,082</u>	<u>4,971,980</u>
Equity attributable to owners of the company		<u>4,720,202</u>	<u>4,978,100</u>
Shareholders' funds		<u>4,720,202</u>	<u>4,978,100</u>

The company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006 from presenting its own profit and loss account. A profit after taxation amounting to £173,571 (2020: £145,443) has been dealt with in the financial statements of the company.

Approved and authorised by the Board on 15/4/22 and signed on its behalf by:

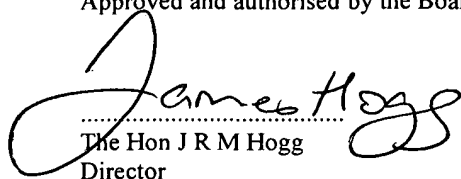
  
The Hon J R M Hogg  
Director

**Simplex-Turbulo Group Limited**  
**(Registration number: 00306440)**  
**Balance Sheet as at 30 September 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	11	1	1
Tangible assets	12	69,098	89,420
Investments	13	81,644	81,644
		<u>150,743</u>	<u>171,065</u>
<b>Current assets</b>			
Stocks	14	4,009,470	3,680,257
Debtors	15	1,176,292	992,629
Cash at bank and in hand		6,653	12,703
		<u>5,192,415</u>	<u>4,685,589</u>
<b>Creditors: Amounts falling due within one year</b>	17	<u>(470,186)</u>	<u>(142,590)</u>
<b>Net current assets</b>		<u>4,722,229</u>	<u>4,542,999</u>
<b>Total assets less current liabilities</b>		<u>4,872,972</u>	<u>4,714,064</u>
<b>Provisions for liabilities</b>	18	<u>-</u>	<u>(14,663)</u>
<b>Net assets</b>		<u>4,872,972</u>	<u>4,699,401</u>
<b>Capital and reserves</b>			
Called up share capital	20	6,120	6,120
Profit and loss account		<u>4,866,852</u>	<u>4,693,281</u>
<b>Shareholders' funds</b>		<u>4,872,972</u>	<u>4,699,401</u>

The company has taken advantage of the exemption conferred by Section 408 of the Companies Act 2006 from presenting its own profit and loss account. A profit after taxation amounting to £173,571 (2020: £145,443) has been dealt with in the financial statements of the company.

Approved and authorised by the Board on 15/2/22 and signed on its behalf by:

  
The Hon J R M Hogg  
Director

**Simplex-Turbulo Group Limited**

**Consolidated Statement of Changes in Equity for the Year Ended 30 September 2021**  
**Equity attributable to the parent company**

	Share capital £	Profit and loss account £	Total £	Total equity £
At 1 October 2020	6,120	4,971,980	4,978,100	4,978,100
Loss for the year	-	(256,996)	(256,996)	(256,996)
Other comprehensive income	-	(902)	(902)	(902)
Total comprehensive income	-	(257,898)	(257,898)	(257,898)
At 30 September 2021	6,120	4,714,082	4,720,202	4,720,202

	Share capital £	Profit and loss account £	Total £	Non- controlling interests £	Total equity £
At 1 October 2019	6,120	4,570,078	4,576,198	112,397	4,688,595
Profit for the year	-	312,645	312,645	-	312,645
Other comprehensive income	-	(23,140)	(23,140)	-	(23,140)
Total comprehensive income	-	289,505	289,505	-	289,505
Acquisition of minority interest	-	112,397	112,397	(112,397)	-
At 30 September 2020	6,120	4,971,980	4,978,100	-	4,978,100

The notes on pages 17 to 36 form an integral part of these financial statements.  
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## Simplex-Turbulo Group Limited

### Statement of Changes in Equity for the Year Ended 30 September 2021

	Share capital £	Profit and loss account £	Total £
At 1 October 2020	6,120	4,693,281	4,699,401
Profit for the year	-	173,571	173,571
Total comprehensive income	-	173,571	173,571
At 30 September 2021	6,120	4,866,852	4,872,972
	Share capital £	Profit and loss account £	Total £
At 1 October 2019	6,120	4,547,838	4,553,958
Profit for the year	-	145,443	145,443
Total comprehensive income	-	145,443	145,443
At 30 September 2020	6,120	4,693,281	4,699,401

## Simplex-Turbulo Group Limited

### Consolidated Statement of Cash Flows for the Year Ended 30 September 2021

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
(Loss)/profit for the year		(256,996)	312,645
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	67,824	95,746
Profit on disposal of tangible assets	5	(7,570)	(15,620)
Finance costs	7	-	1,360
Income tax expense	10	(70,146)	54,382
Foreign exchange gains/losses		<u>1,022</u>	<u>(1,540)</u>
		(265,866)	446,973
Working capital adjustments			
Decrease in stocks	14	122,106	623,590
Decrease/(increase) in debtors	15	644,422	(765,152)
Decrease in creditors	17	<u>(312,151)</u>	<u>(88,156)</u>
Cash generated from operations		188,511	217,255
Income taxes paid	10	<u>(61,441)</u>	<u>(8,985)</u>
Net cash flow from operating activities		<u>127,070</u>	<u>208,270</u>
<b>Cash flows from investing activities</b>			
Acquisitions of tangible assets		(24,322)	(17,015)
Proceeds from sale of tangible assets		<u>-</u>	<u>15,620</u>
Net cash flows from investing activities		<u>(24,322)</u>	<u>(1,395)</u>
<b>Cash flows from financing activities</b>			
Interest paid	7	-	(1,360)
Other comprehensive income		<u>(902)</u>	<u>(23,141)</u>
Net cash flows from financing activities		<u>(902)</u>	<u>(24,501)</u>
Net increase in cash and cash equivalents		101,846	182,374
Cash and cash equivalents at 1 October		<u>479,361</u>	<u>296,987</u>
Cash and cash equivalents at 30 September		<u><u>581,207</u></u>	<u><u>479,361</u></u>

The notes on pages 17 to 36 form an integral part of these financial statements.

## **Simplex-Turbulo Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### **1 General information**

Simplex-Turbulo Group Limited (the company) and its subsidiaries (together, the group) provides sales and after sales support for various ships components, the provision of service and spares to large diesel and gas engines and the sale of ship dry docking capacity in various ports around the world. The company is a private limited company (registered number 00306440), which is incorporated and domicile in the UK.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

The address of its registered office is: Wherwell Priory, Wherwell, Andover, Hampshire, SP11 7JH.

#### **2 Accounting policies**

##### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

##### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

##### **Basis of consolidation**

The consolidated financial statements are prepared under the acquisition method. Intragroup sales and profits are eliminated on consolidation. All sales and profit figures relate to external transactions only.

Dorman Diesels Limited and Temple Oil Seal Services Limited have not been included in the consolidated accounts due to being dormant during the year.

Exemption has been taken under FRS102 s1A as not to include an individual company cash flow statement.

##### **Going concern**

The group has cash resources and has no further requirement for external funding in excess of current facilities. The directors have a reasonable expectation that the group has adequate resources to continue in operational existence for the foreseeable future. The group has also confirmed that they shall provide sufficient financial support, if required and within the bounds of reasonableness, to enable STW Engineering GmbH and Lincoln Diesels Ltd to trade and to discharge their debts and liabilities for at least 12 months from the approval date of these financial statements. Additionally the Directors have considered their ability to raise additional finance should it be required.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

## **Simplex-Turbulo Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### **Judgements**

Calculations of provisions against debtors receivable

Calculation of provisions against stock balances

#### **Key sources of estimation uncertainty**

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

(see Judgements accounting policy).

#### **Revenue recognition**

Turnover comprises revenue recognised by the group in respect of goods and services supplied, exclusive of value added tax and trade discounts.

#### **Government grants**

An asset is recognised where the entity is entitled to receive the grant (even before a claim is made). Entitlement to receive the grant (to pay wages or reimburse wages already paid) would not arise before the employees are formally notified as being furloughed.

The grant income and related costs are shown gross in the Profit and Loss Account.

#### **Foreign currency transactions and balances**

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

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

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

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

Simplex-Turbulo Group Limited trades in multi-currency and all balances held at the year end are revalued into pound sterling at the rate supplied by the banks as at 30/09/2021. The currencies over the last 12 months have gone through some major fluctuations due to COVID-19 and Brexit, this has resulted in a foreign exchange loss in the year of £275,160, of which £194,682 relates to intercompany balances.

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### Deferred tax

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.

Deferred tax is measured at the tax rates which are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and liabilities are not discounted.

#### Tangible assets

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

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

During the year the company went through a process of rebuilding its fixed asset register, historically the registers were only maintained on annual additions and depreciation, the company has identified its fixed assets and their original costs and the balances have been disposed of, this is shown as a reduction in cost and depreciation to date and no charge to the profit and loss account.

#### Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold property	20% straight line
Plant and machinery	20% straight line
Motor vehicles	20% straight line
Office equipment and software	20%-33% straight line

#### Goodwill

Goodwill is the difference between the amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities.

#### Intangible assets

Separately acquired trademarks and licences are shown at historical cost.

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

#### Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

Asset class	Amortisation method and rate
Trademarks	Over 5 years
Goodwill	Over 3 years

#### Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

#### Trade debtors

Short term debtors are measured at transaction price, less any impairment.

#### Stocks

Materials and services not yet invoiced to customers and stocks of finished goods are valued at the lower of cost and net realisable value. Stock is owned by Simplex-Turbulo Group Limited. Stock is loaned to Simplex-Turbulo Company Limited, Lincoln Diesels Limited and STW Engineering GmbH during each and every month in order to trade with. Any movement in stock during the month is a payable/receivable between the companies.

Provision for slow moving obsolete stock is calculated by writing down to a percentage of cost all stock which has been held for more than one year, unless at least a proportion of last year's closing stock value has been sold in the current year, plus a provision of anything bought in the first 6 months if there has been no subsequent sales in the financial year. Even if more than a proportion of the previous years' stock holding has been sold in the current year, any provision made in the previous year continues to be made unless the directors consider that the stock will be sold in the following year.

#### Trade creditors

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

#### Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

#### Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

#### Dividends

Dividend distribution to the group's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

#### Defined contribution pension obligation

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

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

#### Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

### 3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2021 £	2020 £
Sale of goods	12,276,376	13,016,980
Sale of services	676,795	813,138
	<u>12,953,171</u>	<u>13,830,118</u>

The analysis of the group's turnover for the year by market is as follows:

	2021 £	2020 £
UK	3,900,020	5,021,430
Europe	3,570,457	3,419,305
Rest of world	5,482,694	5,389,383
	<u>12,953,171</u>	<u>13,830,118</u>

### 4 Other operating income

The analysis of the group's other operating income for the year is as follows:

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

	2021	2020
	£	£
Government grants	-	96,045
Management charges receivable	-	33,716
	<u>-</u>	<u>129,761</u>

#### 5 Other gains and losses

The analysis of the group's other gains and losses for the year is as follows:

	2021	2020
	£	£
Gain on disposal of property, plant and equipment	7,570	15,620
Loss from changes in provisions	(201,624)	(292,695)
	<u>(194,054)</u>	<u>(277,075)</u>

#### 6 Operating (loss)/profit

Arrived at after charging/(crediting)

	2021	2020
	£	£
Depreciation expense	67,824	95,746
Profit on disposal of property, plant and equipment	<u>(7,570)</u>	<u>(15,620)</u>

#### 7 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and borrowings	-	1,360
Foreign exchange (gains)/losses	274,506	(80,911)
	<u>274,506</u>	<u>(79,551)</u>



## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2021	2020
	£	£
Wages and salaries	1,746,417	1,772,560
Social security costs	177,234	155,635
Other short-term employee benefits	38,671	42,389
Pension costs, defined contribution scheme	37,375	41,362
Redundancy costs	26,310	37,920
Other employee expense	40,593	66,884
	<u>2,066,600</u>	<u>2,116,750</u>

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

	2021	2020
	No.	No.
Administration and support	21	23
Sales	21	23
	<u>42</u>	<u>46</u>

#### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2021	2020
	£	£
Remuneration	392,184	372,564
Contributions paid to money purchase schemes	4,045	1,313
	<u>396,229</u>	<u>373,877</u>

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 10 Taxation

Tax charged/(credited) in the income statement

	2021 £	2020 £
<b>Current taxation</b>		
UK corporation tax	-	61,476
UK corporation tax adjustment to prior periods	-	3,628
	-	65,104
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	(70,146)	(10,722)
Tax (receipt)/expense in the income statement	(70,146)	54,382

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £	2020 £
(Loss)/profit before tax	(327,142)	367,027
Corporation tax at standard rate	(62,157)	69,735
Effect of expense not deductible in determining taxable profit (tax loss)	(4,005)	1,800
Decrease from tax losses for which no deferred tax asset was recognised	-	(21,271)
Increase in UK and foreign current tax from adjustment for prior periods	-	3,628
Tax increase from effect of capital allowances and depreciation	5,077	8,462
Tax decrease from other short-term timing differences	(70,146)	(10,722)
Tax increase from effect of unrelieved tax losses carried forward	66,584	-
Tax (decrease)/increase from effect of unrelieved loss on foreign subsidiaries	(5,499)	2,750
Total tax (credit)/charge	(70,146)	54,382

The deferred tax asset relates to unused group losses carried forward, these are expected to be utilised in future periods.

# **Simplex-Turbulo Group Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2021**

### **Deferred tax**

#### **Group**

#### Deferred tax assets and liabilities

	<b>Asset £</b>	<b>Liability £</b>
<b>2021</b>		
Accelerated tax depreciation	-	11,097
Tax losses carried forward	<u>74,674</u>	<u>-</u>
	<u>74,674</u>	<u>11,097</u>

		<b>Liability £</b>
<b>2020</b>		
Accelerated tax depreciation		17,292
Tax losses carried forward		<u>-</u>
		<u>17,292</u>

#### **Company**

#### Deferred tax assets and liabilities

	<b>Asset £</b>	<b>Liability £</b>
<b>2021</b>		
Accelerated tax depreciation	-	11,097
Tax losses carried forward	<u>61,437</u>	<u>-</u>
	<u>61,437</u>	<u>11,097</u>

		<b>Liability £</b>
<b>2020</b>		
Accelerated tax depreciation		20,692
Tax losses carried forward		<u>-</u>
		<u>20,692</u>

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 11 Intangible assets

##### Group

	Group Trademarks £	Total £
<b>Cost or valuation</b>		
At 1 October 2020	169	169
At 30 September 2021	169	169
<b>Amortisation</b>		
At 1 October 2020	168	168
At 30 September 2021	168	168
<b>Carrying amount</b>		
At 30 September 2021	1	1
At 30 September 2020	1	1

##### Company

	Company Trademarks £	Total £
<b>Cost or valuation</b>		
At 1 October 2020	169	169
At 30 September 2021	169	169
<b>Amortisation</b>		
At 1 October 2020	168	168
At 30 September 2021	168	168
<b>Carrying amount</b>		
At 30 September 2021	1	1
At 30 September 2020	1	1

**Simplex-Turbulo Group Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2021**

**12 Tangible assets**

**Group**

	<b>Leasehold property £</b>	<b>Office equipment &amp; software £</b>	<b>Motor vehicles £</b>	<b>Plant &amp; machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 October 2020	78,762	929,542	26,455	234,822	1,269,581
Additions	-	24,322	-	-	24,322
Disposals	(78,762)	(547,324)	(11,193)	(111,896)	(749,175)
Foreign exchange movements	-	(5,080)	(485)	(2,794)	(8,359)
At 30 September 2021	-	401,460	14,777	120,132	536,369
<b>Depreciation</b>					
At 1 October 2020	78,762	837,468	24,765	214,616	1,155,611
Charge for the year	-	50,393	1,592	15,838	67,823
Eliminated on disposal	(78,762)	(547,323)	(11,193)	(113,092)	(750,370)
Foreign exchange movements	-	(4,803)	(387)	(2,147)	(7,337)
At 30 September 2021	-	335,735	14,777	115,215	465,727
<b>Carrying amount</b>					
At 30 September 2021	-	65,725	-	4,917	70,642
At 30 September 2020	43,536	56,624	1,692	5,743	107,595

**Simplex-Turbulo Group Limited**

**Notes to the Financial Statements for the Year Ended 30 September 2021**

**Company**

	<b>Leasehold property £</b>	<b>Office equipment &amp; software £</b>	<b>Motor vehicles £</b>	<b>Plant &amp; machinery £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 October 2020	73,474	825,498	11,193	86,059	996,224
Additions	-	24,322	-	-	24,322
Disposals	(73,474)	(540,319)	(11,193)	(48,218)	(673,204)
At 30 September 2021	-	309,501	-	37,841	347,342
<b>Depreciation</b>					
At 1 October 2020	73,474	738,251	11,193	77,511	900,429
Charge for the year	-	45,843	-	6,371	52,214
Eliminated on disposal	(73,474)	(540,318)	(11,193)	(49,414)	(674,399)
At 30 September 2021	-	243,776	-	34,468	278,244
<b>Carrying amount</b>					
At 30 September 2021	-	65,725	-	3,373	69,098
At 30 September 2020	-	87,243	-	2,177	89,420

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 13 Investments

##### Group

##### Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the group holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held			
			2021	2020		
Subsidiary undertakings						
Simplex-Turbulo Company Limited	Wherwell Priory, Hampshire, SP11 7JH England	Wherwell, ordinary	100%	100%		
Lincoln Diesels Holdings Limited	Wherwell Priory, Hampshire, SP11 7JH England	Wherwell, ordinary	0%	100%		
Lincoln Diesels Limited	Great Northern Terrace, Lincoln, Lincolnshire, LN5 8HJ England	ordinary	100%	100%		
Temple Propulsion Services Limited	Wherwell Priory, Hampshire, SP11 7JH England	Wherwell, ordinary	100%	100%		
STW Engineering GmbH	Hasselbinnen 9, 22869 Schenefeld, Schleswig-Holstein, Germany	ordinary	100%	100%		
Temple Oil Seal Services Limited	Wherwell Priory, Hampshire, SP11 7JH England	Wherwell, ordinary	100%	100%		
Dorman Diesels Limited	Great Northern Terrace, Lincoln, LN5 8HJ England	ordinary	100%	100%		
RHL Spares Limited	Great Northern Terrace, Lincoln, LN5 8HJ England	ordinary	0%	100%		

## **Simplex-Turbulo Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

#### **Subsidiary undertakings**

##### *Simplex-Turbulo Company Limited*

Simplex-Turbulo Company Limited was providing sales and after sales support for various ship's components and servicing marine components and diesel engines

##### *Lincoln Diesels Holdings Limited*

Lincoln Diesels Holdings Limited was dissolved on the 5th of October 2021

##### *Lincoln Diesels Limited*

Lincoln Diesels Limited was selling diesel engine spare parts and servicing marine components and diesel engines

##### *Temple Propulsion Services Limited*

Temple Propulsion Services Limited was servicing marine components and diesel engines

##### *STW Engineering GmbH*

STW Engineering GmbH was providing sales and after sales support for various ship's components and servicing marine components and diesel engines

##### *Temple Oil Seal Services Limited*

Temple Oil Seal Services Limited was dormant throughout the year

##### *Dorman Diesels Limited*

Dorman Diesels Limited was dormant throughout the year

##### *RHL Spares Limited*

RHL Spares Limited was dissolved on the 6th October 2021

The value of £2 in the group balance sheet is for the investments of £1 each in the two dormant companies.



## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### Company

	2021 £	2020 £
Investments in subsidiaries	<u>81,644</u>	<u>81,644</u>
<b>Subsidiaries</b>		£
<b>Cost or valuation</b>		
At 1 October 2020		<u>81,644</u>
<b>Provision</b>		
<b>Carrying amount</b>		
At 30 September 2021		<u>81,644</u>
At 30 September 2020		<u>81,644</u>

#### 14 Stocks

	<b>Group</b>		<b>Company</b>	
	2021 £	2020 £	2021 £	2020 £
Finished goods	<u>4,009,470</u>	<u>4,131,576</u>	<u>4,009,470</u>	<u>3,680,257</u>

#### 15 Debtors

		<b>Group</b>		<b>Company</b>	
	<b>Note</b>	2021 £	2020 £	2021 £	2020 £
Trade debtors		1,605,730	2,256,838	-	3,441
Amounts owed by related parties	24	-	-	1,113,160	983,497
Other debtors		310,206	236,340	12,792	816
Prepayments		85,950	153,130	-	4,875
Deferred tax assets	10	<u>63,576</u>	<u>-</u>	<u>50,340</u>	<u>-</u>
		<u>2,065,462</u>	<u>2,646,308</u>	<u>1,176,292</u>	<u>992,629</u>

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 16 Cash and cash equivalents

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Cash on hand	7,743	11,951	-	-
Cash at bank	573,464	467,410	6,653	12,703
	<u>581,207</u>	<u>479,361</u>	<u>6,653</u>	<u>12,703</u>

#### 17 Creditors

		Group		Company	
	Note	2021	2020	2021	2020
		£	£	£	£
<b>Due within one year</b>					
Trade creditors		1,097,602	1,386,826	1,305	(1,411)
Amounts due to related parties	24	-	-	405,744	-
Social security and other taxes		41,917	29,659	12,550	15,304
Outstanding defined contribution pension costs		14,739	5,431	1,521	1,261
Other payables		725,651	521,586	36,066	13,254
Accruals		126,673	375,231	13,000	114,182
Income tax liability	10	-	61,441	-	-
		<u>2,006,582</u>	<u>2,380,174</u>	<u>470,186</u>	<u>142,590</u>

#### 18 Provisions for liabilities

##### Group

	Deferred tax	Total
	£	£
At 1 October 2020	6,569	6,569
Increase (decrease) in existing provisions	<u>(6,569)</u>	<u>(6,569)</u>
At 30 September 2021	<u>-</u>	<u>-</u>

##### Company

	Deferred tax	Total
	£	£
At 1 October 2020	14,663	14,663
Increase (decrease) in existing provisions	<u>(14,663)</u>	<u>(14,663)</u>
At 30 September 2021	<u>-</u>	<u>-</u>

Losses in the year result in the reversal of the deferred tax liability provision and a deferred tax asset position at the year end.

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 19 Pension and other schemes

##### Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £37,375 (2020 - £41,362).

Contributions totalling £14,739 (2020 - £5,431) were payable to the scheme at the end of the year and are included in creditors.

#### 20 Share capital

##### Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Deferred shares of £5 each	1,020	5,100	1,020	5,100
Ordinary Shares of £1 each	1,020	1,020	1,020	1,020
	<u>2,040</u>	<u>6,120</u>	<u>2,040</u>	<u>6,120</u>

The deferred shares are eligible for a fixed non-cumulative dividend of 5% per annum in any year in which the net profits of the company available for dividend exceed £2 million.

On winding up, the deferred shares are entitled to receive back the amount paid up on their shares after a total amount of £1,000 has been distributed on each ordinary share. The deferred shares carry no voting rights.

#### 21 Loans and borrowings

##### Company

##### Bank borrowings

##### Debenture

There were no bank borrowings at the year end, but the bank has security in place as follows:

All monies due or to become due from the company to the chargee on any account whatsoever.

Fixed and floating charges over the undertaking and all property and assets present and future including goodwill, bookdebts, uncalled capital, buildings, fixtures and fixed plant and machinery.

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 22 Obligations under leases and hire purchase contracts

##### Group

##### Operating leases

The total of future minimum lease payments is as follows:

	2021 £	2020 £
Not later than one year	144,509	70,674
Later than one year and not later than five years	69,372	15,419
	<u>213,881</u>	<u>86,093</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £169,944 (2020 - £181,076).

#### 23 Contingent liabilities

##### Group

At 30 September 2021 guarantees and indemnities exist with the bank in favour of H M Revenue and Customs amounting to £30,000 (2020: £30,000).

#### 24 Related party transactions

##### Group

Advantage has been taken of the exemption under FRS 102 to not disclose details of all transactions with its 100% owned subsidiaries, on the grounds the accounts are publicly available.

During the year £115,422 (2020: £169,447) was charged for services provided in the year, rent of the building and maintenance of the property to Simplex-Turbulo Company Limited by a company of which two directors are shareholders. Amounts owed to said company by Simplex-Turbulo Company Limited at the end of the year amounted to £35,087 (2020: £30,624).

A director of Simplex-Turbulo Group Limited, is also a director of a company which is the holder of 25.1% of the share capital in Simplex-Turbulo Group Limited. Transactions with said company were purchases of £1,975,361 (2020: £2,043,566), in addition to sales being made of £25,453 (2020: £15,992). A net amount of £628,690 (2020: £518,522) was due to said company at 30 September 2021. Transactions with said company were on an arm's length basis.

During the year rent of £15,000 (2020: £50,000) was charged to Lincoln Diesels Limited, a subsidiary, by a director's personal pension scheme in respect of a property from which the business operates.

## Simplex-Turbulo Group Limited

### Notes to the Financial Statements for the Year Ended 30 September 2021

#### 25 Financial instruments

##### Group

##### Categorisation of financial instruments

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	2,583,093	3,125,669
Financial liabilities measured at amortised cost	1,964,664	2,289,074

##### Items of income, expense, gains or losses

	Income £	Expense £	Net gains £	Net losses £
<b>2021</b>				
Financial liabilities measured at amortised cost	-	274,506	-	-
	<u>80,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2020</b>				
Financial assets measured at amortised cost	80,911	-	-	-
Financial liabilities measured at amortised cost	-	1,360	-	-
	<u>80,911</u>	<u>1,360</u>	<u>-</u>	<u>-</u>

The total foreign exchange gain for financial assets not measured at fair value through profit or loss is £Nil (2020 - £80,911). The total foreign exchange loss for financial liabilities not measured at fair value through profit or loss is £274,506 (2020 - £1,360).

##### Company

##### Categorisation of financial instruments

	2021 £	2020 £
Financial assets that are debt instruments measured at amortised cost	726,862	1,005,332
Financial liabilities measured at amortised cost	51,892	127,286

##### Items of income, expense, gains or losses

	Income £	Expense £	Net gains £	Net losses £
<b>2021</b>				
Financial liabilities measured at amortised cost	-	200,232	-	-
	<u>74,224</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2020</b>				
Financial assets measured at amortised cost	74,224	-	-	-
Financial liabilities measured at amortised cost	-	1,360	-	-
	<u>74,224</u>	<u>1,360</u>	<u>-</u>	<u>-</u>

## **Simplex-Turbulo Group Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2021**

The total foreign exchange gain for financial assets not measured at fair value through profit or loss is £Nil (2020 - £74,224). The total foreign exchange loss for financial liabilities not measured at fair value through profit or loss is £200,232 (2020 - £1,360).

Included within Financial assets held at amortised cost are; cash, investments, trade debtors, other debtors and accrued income.

Included within Financial liabilities held at amortised cost are; trade creditors, other creditors, dividends, intercompany and accruals.

There are no financial instruments held at fair value.