

**Airedale International Air  
Conditioning Limited**

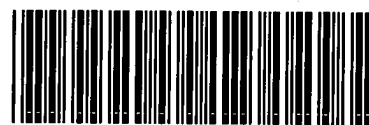
Annual Report and Financial Statements

Year Ended

31 March 2022

Company Number 01173149

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# **Airedale International Air Conditioning Limited**

## **Company Information**

<b>Directors</b>	S Joyce J C Obodoefuna (resigned on 22 December 2022) A Cole (resigned on 10 September 2021) M J McBurney (resigned on 29 October 2021) S Miller (resigned on 1 May 2021)
<b>Company secretary</b>	S A Thorburn
<b>Registered number</b>	01173149
<b>Registered office</b>	Rawdon Factory Leeds Road Rawdon Leeds LS19 6JY
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Central Square 29 Wellington Street Leeds LS1 4DL
<b>Bankers</b>	Barclays Bank plc 1 Wood Street Wakefield WF1 2EA
<b>Solicitors</b>	Eversheds Bridgewater Place Water Lane Leeds LS11 5DR

# **Airedale International Air Conditioning Limited**

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# Airedale International Air Conditioning Limited

## Strategic report for the year ended 31 March 2022

The directors present their audited annual report and financial statements for the year ended 31 March 2022.

### Business review and principal activities

The company manufactures a wide range of air conditioning equipment for application in close control, comfort, applied product and telecoms market. The company also provides after sales support through service and parts.

The results for the company show a profit before taxation of £3.2m (2021 £6.9m) for the year and sales of £77.2m (2021 £65.2m). The company's net assets totaled £19.9m as at 31 March 2022 (2021 £17.6m).

### Business environment

The company operates in a highly competitive business environment in both the core UK business and the international market. Expansion continues in the growing after sales and service market.

### Strategy

The company's overriding objective is to achieve attractive and sustainable rates of growth and returns through organic growth. This will be achieved by developing new products and enhancing the current extensive range of products.

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks. Risks are formally reviewed by management and appropriate processes put in place to monitor and mitigate them. The key business risks affecting the company are set out below:

#### Competition and prices

The company operates in a highly competitive market particularly around price, product availability and quality. This results in not only downward pressure on margins but also in the risk of not meeting the customers' expectations. In order to mitigate the risk, the sales team monitor market prices on an ongoing basis and have been given full responsibility for pricing goods within their local region. Furthermore, the company undertakes routine market research to understand customers' expectations and whether their needs are being met.

#### Employees

The resignation of key individuals and the inability to recruit people with the right experience and skills from the local community could adversely impact the business. To mitigate these issues the company had a number of schemes linked to the company's results that are designed to retain key individuals.

#### Supply chain

Given the company's focus on product availability it sources its materials internationally, nationally and locally. The company mitigates any risk through effective supplier selection and procurement practices.

#### Credit

The company is exposed to a credit risk on sales to customers. Such risk is mitigated by monitoring the exposure arising from accounts receivables and open orders against credit limits.

# Airedale International Air Conditioning Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Liquidity

The company may be exposed to a liquidity risk arising from the growth of working capital and investments. Such risk is addressed by adequate funds being made available within its parent company credit facilities.

### Key performance indicators

The company has made satisfactory progress in the year on some of its overriding objectives and the key elements of the strategy for growth. Management monitors progress on the overall company strategy and the individual strategic elements by reference of KPIs, namely turnover, gross margin, return on invested capital and employee retention. Performance during the twelve months to 31 March 2022 and 31 March 2021 is set out in the table below:

	2022	2021
Growth in sales	18%	17%
Gross margin (*)	14%	21%
Return on invested capital (*)	17%	38%
Employee retention	98%	99%

(\*) 2021 restated. See Note 27 for the restatement of comparative information.

### Growth in sales

Year on year sales movement expressed as a percentage. The company generated a year on year increase in sales of 18% during the year ended 31 March 2022. This reflects an increased level of sales, mainly to the EU market.

### Gross margin

Gross margin is the ratio of gross profit to sales expressed as a percentage. During the year, gross margin decreased from 21% to 14% mainly due to increasing material costs that the company wasn't able to reflect in the customer selling price.

### Return on invested capital

Operating profit expressed as a percentage of net assets at fiscal year-end. The positive return on invested capital demonstrates the company's ability to use net assets to support a profitable business. The decrease from prior year is driven by both a reduction in operating profit and higher net asset, primarily driven by larger trade receivables at year end.

### Employee retention

Employee retention is the number of employees remaining in employment with the company at the end of each month (based on those employees in a position at the start of each month) expressed as an average percentage over the financial year. The company's strong employee retention figures reflect significant investment in staff training programs, together with a flexible benefits package.

# Airedale International Air Conditioning Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Section 172(1) statement

Section 172 of the Companies Act 2006 (the "Act") requires a director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the company for the benefit of its members as a whole. In doing so, section 172(1)(a) (f) of the Act requires directors to have regard to certain stakeholders and matters (amongst other matters). The company engages with its stakeholders, when appropriate, and has processes in place to capture and consider stakeholders' insights and views. In performing their section 172 duties, the directors consider this stakeholders' feedback, the section 172 matters as well as other factors they consider relevant to their board discussions and decision making. In light of the new disclosure requirements of Section 172(1) of the Act, set out below are further details on how the directors have had regard to the matters and stakeholders set out in section 172(1) during this financial year:

#### Likely consequences of any decisions in the long term

Airedale International Air Conditioning Limited is ultimately owned and managed by Modine Manufacturing Company, based in Racine, Wisconsin. They are primarily responsible for guiding the long-term direction of the business and are involved in all strategic decisions. No long-term decision is made without their involvement and consent. Any decisions taken will be to promote the companies long term mission which is to become climate neutral.

#### Engagement with employees

The company places a premium on maintaining an expert and qualified employee base in order to provide innovative products and specialized technical service to its customers. As such, the company takes active steps to offering ongoing training programs, both online and academic to enable employees to build on their skills and capabilities. Internal communications are also, designed to ensure that employees are informed of performance and strategy along with regular individual performance reviews. These include regular presentations and meetings with Q&A sessions and a wide spectrum of colleagues in attendance. In addition, employees may report issues through the whistleblowing hotlines operated by Modine Manufacturing Company which may be discussed among the company's directors when appropriate. The integrity of this process is an important part of the governance arrangements of the company and the company group.

#### Engagement with suppliers, customers and other key stakeholders

Fostering positive and strong business relationships with key stakeholders, such as customers and suppliers, is critical to the creation of sustainable long-term value. As a result of the company group's decentralized model, engagement with customers and suppliers is a matter that is largely delegated to the management teams of each business, who know their businesses best. As such, the directors support the management teams to manage those customer and supplier relationships. In addition, as part of its innovation and product development process, the company has multiple interactions with various partners in a number of jurisdictions around the world to develop commercially viable, environmentally friendly solutions for its customers. The company is also committed to engaging with its shareholder, being Modine Manufacturing Company, its ultimate parent entity. The directors meet or communicate on a regular basis with Interface senior management, so feedback can be received, and any issues or questions raised can be properly considered.

# Airedale International Air Conditioning Limited

## Strategic report for the year ended 31 March 2022 (continued)

### Impact on the community and the environment

In addition to understanding and having regard to the interests of its stakeholders, the company is committed to reducing the impact of its operations on the community and the environment. Modine Manufacturing Company, the company's ultimate parent entity, plays a constructive role in promoting the protection and enhancement of the environment as it encourages companies within its group to innovate and invest in new technologies to solve environmental challenges. The company's directors are aligned with this strategy and understand that it is both socially responsible and commercially compelling to develop sustainable solutions that meet or exceed the increasingly stringent environmental standards of the company's customers and regulators. As such, their decision making is geared towards developing commercially viable, environmentally friendly solutions for the customers of the company and the company group in general.

### Maintaining a reputation for high standards of business conduct

The company operates in end markets characterized by long term relationships between stakeholders. Maintaining a strong reputation for high standards of business conduct is vital and Modine Manufacturing Company, the company's ultimate parent entity, expects all entities within its group and members of the supply chain to act with integrity, acting openly, honestly and ethically. Modine Manufacturing Company maintains effective oversight with respect to business conduct. Integrity is underpinned with global corporate policies in relation to bribery and corruption, data protection, equality, diversity and inclusion, modern slavery, fraud and whistleblowing, each of which is reinforced through appropriate training. In addition to the group's core values, all employees must comply with these requirements and when taken together with the group's corporate responsibility commitments, they provide the framework within which the group, including the company, operates both internally and in its markets. Suppliers and contractors are also expected to behave in a consistent, responsible manner.

### Acting fairly between members

As a wholly owned subsidiary, the directors do not consider the factor set out in section 172(1)(f) (need to act fairly between the members of the company) relevant to the proper discharge of their duty under section 172 of the Act.

This report was approved by the board on 9 January 2023 and signed on its behalf.



S Joyce  
Director

# **Airedale International Air Conditioning Limited**

## **Directors' report for the year ended 31 March 2022**

The directors present their audited annual report and financial statements for the year ended 31 March 2022.

### **Principal activities**

The principal activity of the company during the year was the design and manufacture of a wide range of air conditioning equipment for application in the close control, comfort, applied product and telecoms market and is expected to remain so for the foreseeable future. The company also supplies the after sales markets with service and parts.

### **Business review**

A review of the business and its principal risks and uncertainties is set out in the strategic report.

### **Results and dividends**

The profit for the year, after taxation, amounted to £2.2m (2021 £5.6m).

Dividends were paid during the year amounting to £Nil (2021 £Nil).

### **Going concern**

At 31 March 2022, the company was utilising £3.5m (2021: £3.9m) of an intercompany backed bank credit facility. Looking at FY22/23, management is looking at consolidating the company's market position and operational efficiency of its two plants at Leeds and Consett.

In undertaking the review, the directors have prepared financial statement projections for the next 12 months, including severe but plausible downside sensitivities. The company has also obtained a letter of support from its parent company, Modine Manufacturing Company. As such the directors conclude that the existing cash balances and facilities are sufficient to meet all liabilities as they fall due for at least 12 months from the date of approval of the financial statements; and therefore, it is appropriate to continue to prepare the financial statements on a going concern basis.

### **Directors**

The directors who served during the year were:

- S Joyce
- J C Obodoefuna (resigned on 22 December 2022)
- A Cole (resigned on 10 September 2021)
- M J McBurney (resigned on 29 October 2021)
- S Miller (resigned on 1 May 2021)

### **Future developments**

The market is expected to place increasing emphasis on energy efficiency and environmentally friendly air conditioning and the company's strategy is aligned to these market forces.



# Airedale International Air Conditioning Limited

## Directors' report for the year ended 31 March 2022 (continued)

### Financial risk management

When the company enters into significant overseas transactions in foreign currency, the company reviews and hedges cash flow against adverse currency fluctuations. There were no hedges in place at year end.

Further detail on the principal risks and uncertainties can be found in the strategic report.

### Research and development activities

The company continues to invest in the design and development of our products and in use of new technology particularly relating to environmentally friendly refrigerant gases. Energy efficiency is key to the development of these units. The cost of the company's expenditure in research and development during the year was approximately £1.2m (2021 £1.9m).

### Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of a disabled person should, as far as possible be identical to that of a person who does not suffer from a disability.

Consultation with employees or their representatives has continued at all levels, with the aim of providing them with information on matters of concern and ensuring their views are considered when decisions are made that are likely to affect their interests and that all employees are aware of the financial and economic performance of their business units and of the company as a whole. Communication with all employees continues through internal newsletters, briefing groups and electronic communications and their involvement in the company's performance is encouraged.

### Streamlined energy and carbon reporting

In Accordance with the Streamlined Energy and Carbon ("SECR") reporting requirements, the directors report on the company's energy usage and greenhouse gas emissions for the fiscal year ended 31 March 2022. As this is the second year of reporting, comparative figures are presented. In accordance with the requirements, energy usage figures reflect the group's electricity and gas usage during the year at the Rawdon and Consett sites.

#### Current performance

Airedale Leeds and Consett sites total emissions are 2,671 tCO<sub>2</sub>e. Emission per £ Million turnover have reduced by 24.8% from previous year. The most significant emission source is site electricity accounting for 46.1% of Airedale's carbon footprint equating to 976 tCO<sub>2</sub>e.

Metric	Baseline year 2020	Current year 2022	Previous year 2021	% change from previous year
Total Tonnes CO <sub>2</sub> e	2,861	2,671	2,963	-9.9%
Tonnes of CO <sub>2</sub> per employee	5	4	4	0.0%
Tonnes of CO <sub>2</sub> per £M turnover	51	35	46	-23.9%

# Airedale International Air Conditioning Limited

## Directors' report for the year ended 31 March 2022 (continued)

### Calculation methodology

The carbon footprint appraisal was derived from a combination of site data collection and data computation by Carbon Footprint's analysts. Our footprint was calculated using the 2021 conversion factors developed by the UK Department for Environment, Food and Rural Affairs (Defra) and the Department for Business, Energy & Industrial Strategy (BEIS). These factors are multiplied with the company's GHG activity data.

### Carbon footprint reduction programs

During 2022 the Company has undertaken the following programs to reduce carbon emissions and the use of energy:

- Improvements to metering in Rawdon to further understand energy consumption with a view to identifying savings.
- The Leeds Manufacturing Shop floor has completed the project on replacing fluorescent lights with LED lights. This has commenced at Consett also.
- Leak testing of the compressed air system at both sites.
- Move to more electric/hybrid vehicles.

### Post statement of financial position events

There have been no significant events affecting the company since the year end.

### Independent auditors

Due to a competitive tender process, PricewaterhouseCoopers LLP are to be replaced by BHP LLP as statutory auditors of the company. BHP LLP's first audit will be for the year ended 31 March 2023.

This report was approved by the board on 9 January 2023 and signed on its behalf.



S Joyce  
Director

# Airedale International Air Conditioning Limited

## Statement of directors' responsibilities in respect of the financial statements

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

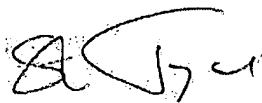
The directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

## Directors' confirmations

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the 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 auditors are aware of that information.



S Joyce  
Director

## **Airedale International Air Conditioning Limited**

# **Independent auditors' report to the members of Airedale International Air Conditioning Limited**

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

### **Opinion**

In our opinion, Airedale International Air Conditioning Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2022; the statement of comprehensive income and the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### **Conclusions relating to going concern**

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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the company's ability to continue as a going concern.

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

# **Airedale International Air Conditioning Limited**

## **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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. We have nothing to report based on these responsibilities.

With respect to the Strategic report and Directors' report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## **Strategic report and Directors' report**

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 year ended 31 March 2022 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' report.

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

### **Auditors' 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 auditors' 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.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to employment law and health and safety regulations, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations

## Airedale International Air Conditioning Limited

that have a direct impact on the financial statements such as tax legislation and 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 the posting of inappropriate journal entries to increase the company's revenue, or through management bias in the manipulation of significant accounting estimates. Audit procedures performed by the engagement team included:

- Enquiries with management, including consideration of known or suspected instances of non-compliance with laws and regulations or fraud;
- Evaluating assumptions and judgements made by management in their significant accounting estimates and forecasts, in particular in relation to inventory provisioning;
- Identifying and testing journal entries, in particular any journal entries posted with unusual account combinations to revenue; and
- Review of financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

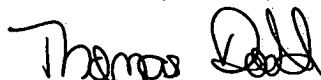
## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Thomas Dodd (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds  
9 January 2023

## Airedale International Air Conditioning Limited

### Statement of comprehensive income for the year ended 31 March 2022

		2022	Restated (*)
	<i>Note</i>	£000	2021 £000
<b>Turnover</b>	<b>4</b>	<b>77,198</b>	65,193
Cost of sales		<b>(66,491)</b>	(51,320)
<b>Gross profit</b>		<b>10,707</b>	13,873
Administrative expenses		<b>(7,329)</b>	(7,182)
Other operating expense	<b>5</b>	<b>(78)</b>	-
<b>Operating profit</b>	<b>6</b>	<b>3,300</b>	6,691
Interest receivable and similar income	<b>9</b>	<b>45</b>	61
Interest payable and similar expenses	<b>9</b>	<b>(115)</b>	(111)
Foreign exchange gains	<b>9</b>	<b>-</b>	210
<b>Profit before taxation</b>		<b>3,230</b>	6,851
Tax on profit	<b>10</b>	<b>(993)</b>	(1,263)
<b>Profit for the financial year</b>		<b>2,237</b>	5,588
Other comprehensive income		<b>-</b>	-
<b>Total comprehensive income for the year</b>		<b>2,237</b>	5,588

(\*) See note 27. Restatement of comparative information

The notes from page 15 to 31 form part of these financial statements.

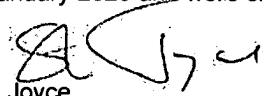
# Airedale International Air Conditioning Limited

Registered number: 01173149

## Statement of financial position as at 31 March 2022

	Note	2022 £000	2021 £000
<b>Fixed assets</b>			
Tangible assets	12	5,697	4,534
Investments	13	2,487	2,231
		<u>8,184</u>	<u>6,765</u>
<b>Current assets</b>			
Inventories	14	10,381	13,501
Debtors: amounts falling due after more than one year	15	-	120
Debtors: amounts falling due within one year	15	27,040	19,912
Cash at bank and in hand		638	730
		<u>38,059</u>	<u>34,263</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>(24,324)</u>	<u>(21,886)</u>
<b>Net current assets</b>		<u>13,735</u>	<u>12,377</u>
Total assets less current liabilities		21,919	19,142
Deferred tax	17	(1,566)	(1,023)
Other provisions	18	(497)	(500)
<b>Net assets</b>		<u><u>19,856</u></u>	<u><u>17,619</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	450	450
Capital redemption reserve	20	50	50
Profit and loss account	20	19,356	17,119
<b>Total equity</b>		<u><u>19,856</u></u>	<u><u>17,619</u></u>

The financial statements were approved and authorised for issue by the board of directors on 9 January 2023 and were signed on its behalf.



S Joyce  
Director

09 January 2023

The notes from page 15 to 31 form part of these financial statements.



## Airedale International Air Conditioning Limited

### Statement of changes in equity for the year ended 31 March 2022

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance as at 1 April 2020	450	50	11,531	12,031
Comprehensive income for the year				
Profit for the year	-	-	5,588	5,588
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>5,588</b>	<b>5,588</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2021 and 1 April 2021</b>	<b>450</b>	<b>50</b>	<b>17,119</b>	<b>17,619</b>
Comprehensive income for the year				
Profit for the year	-	-	2,237	2,237
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>2,237</b>	<b>2,237</b>
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2022</b>	<b>450</b>	<b>50</b>	<b>19,356</b>	<b>19,856</b>

The notes from page 15 to 31 form part of these financial statements.

# **Airedale International Air Conditioning Limited**

## **Notes to the financial statements for the year ended 31 March 2022**

### **1. General information**

Airedale International Air Conditioning Limited is a private company limited by shares and incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the company information page and the nature of the company's operations and its principal activity are set out in the directors' report.

### **2. Accounting policies**

#### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3). The accounting policies have been applied consistently with the previous year and no new policies have been adopted.

The presentational and functional currency of these financial statements is GBP. Values are rounded to the nearest thousand.

The following principal accounting policies have been applied:

#### **2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Modine Manufacturing Company Inc. as at 31 March 2022 and these financial statements may be obtained from 1500 DeKoven Avenue, Racine, Wisconsin, USA.

#### **2.3 Exemption from preparing consolidated financial statements**

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of a non-EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 401 of the Companies Act 2006.

## Airedale International Air Conditioning Limited

### 2.4 Going concern

At 31 March 2022, the company was utilising £3.5m (2021: £3.9m) of an intercompany backed bank credit facility. Looking at FY22/23, management is looking at consolidating the company's market position and operational efficiency of its two plants at Leeds and Consett.

In undertaking the review, the directors have prepared financial statement projections for the next 12 months, including severe but plausible downside sensitivities. The company has also obtained a letter of support from its parent company, Modine Manufacturing Company. As such the directors conclude that the existing cash balances and facilities are sufficient to meet all liabilities as they fall due for at least 12 months from the date of approval of the financial statements; and therefore, it is appropriate to continue to prepare the financial statements on a going concern basis.

### 2.5 Turnover

Turnover represents the invoiced value of goods and services supplied, excluding value added tax and trade discounts. Turnover from the sales of goods is recognised when the significant risks and rewards of ownership of the goods are passed to the buyer and may include bill and hold arrangements in which revenue is recognized before physical delivery.

Turnover from services supplied are recognised over the period to which they relate. Where payment is received in advance the amount is recorded as deferred income and released over the relevant period.

### 2.6 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Buildings	4% per annum
Plant and machinery	8-17% per annum
Motor vehicles	20-25% per annum
Fixtures and fittings	10-33% per annum

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 comprehensive income.

### 2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

The carrying value of investments is periodically reviewed for events or changes in circumstances which indicate the carrying value may not be recoverable.

## **Airedale International Air Conditioning Limited**

### **2.8 Foreign currency translation**

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.

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

### **2.9 Operating leases: the company as lessee**

All existing leases are treated as operating leases as substantially all the benefits and risks of ownership remain with the lessor. The cost of the leases is charged on a straight-line basis over the lease term.

### **2.10 Inventories**

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

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

### **2.11 Interest income**

Interest income is recognised in the statement of comprehensive income using the effective interest method.

### **2.12 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### **2.13 Debtors**

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

## **Airedale International Air Conditioning Limited**

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

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

### **2.15 Creditors**

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

### **2.16 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, amounts due from and to group undertakings and accruals.

All debt instruments are payable or receivable within one year and are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an outright short term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

The Company applies Section 11 of FRS 102 in respect of recognition and measurement of financial instruments. Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which approximates the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an 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.

### **2.17 Pensions**

#### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the statement of financial

## **Airedale International Air Conditioning Limited**

position. The assets of the plan are held separately from the company in independently administered funds.

### **2.18 Dividends**

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

### **2.19 Research and development costs**

The company is continually researching and developing new products. Costs associated with research and development are taken to profit and loss in the year in which they are incurred.

### **2.20 Current and deferred taxation**

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

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

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

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

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

### **3. Critical accounting estimates and judgements**

In preparing these financial statements, the directors have had to determine whether there are indicators of impairment, of reversal of previous periods' impairments, of the investments. Note 5 to these financial statements describes the process followed in this respect.

Tangible fixed assets are depreciated over their useful lives considering residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programs are considered. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## Airedale International Air Conditioning Limited

### 4. Turnover

The company's turnover relates entirely to its principal activity. The geographical analysis of turnover is:

	2022 £000	2021 £000
United Kingdom	56,083	52,114
Rest of Europe	11,802	4,392
Rest of World	9,313	8,687
	<b>77,198</b>	<b>65,193</b>

The breakout of turnover into sales of goods and sales of services is as follows:

	2022 £000	2021 £000
Turnover from sale of goods	68,118	57,006
Turnover from sale of services	9,080	8,187
	<b>77,198</b>	<b>65,193</b>

### 5. Other operating expense

	2022 £000	2021 £000
Income from release of intercompany loan payable	2,773	-
Impairment reversal on Barkell's shares	256	-
Loss from release of intercompany loan receivable	(3,107)	-
	<b>(78)</b>	<b>-</b>

Other operating expense includes the effect of a reorganization of the Company's subsidiaries in the year.

The Income from release of intercompany loan payable £2,773 thousand follows Airedale Sheet Metal Limited's waiver on their right to payment. Airedale Sheet Metal Limited, a wholly owned subsidiary of the Company, is expected to be liquidated in calendar year 2022.

The Impairment reversal on Barkell's shares, £256 thousand, relates to the difference between the net value of assets and liabilities acquired by the Company as part of the sale and purchase of the

## Airedale International Air Conditioning Limited

entire business and undertaking of Barkell Limited ("Barkell") and the carrying amount of Barkell's shares. Further details on the business combination with Barkell are offered in Note 26. The release of the intercompany loan receivable £3,107 thousand from Barkell Limited was agreed on March 31, 2022 before the business combination occurred.

### 6. Operating profit

The operating profit is stated after charging:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Depreciation on tangible fixed assets	<b>818</b>	874
Research and development charges as an expense	<b>1,226</b>	1,887
Operating lease expense	<b>1,531</b>	1,117
Fees payable to the company auditor for the audit of the financial statements	<b>136</b>	37
Fees payable to the company auditor for non-audit services	-	4

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>21,029</b>	18,493
Social security costs	<b>1,972</b>	1,729
Other pension costs	<b>1,274</b>	1,136
	<b>24,275</b>	21,358

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

	<b>2022</b>	<b>2021</b>
	<b>No.</b>	<b>No.</b>
Production	<b>384</b>	375
Selling and administration	<b>190</b>	178
	<b>574</b>	553



## Airedale International Air Conditioning Limited

### 8. Directors' remuneration

	2022 £000	2021 £000
Directors' emoluments	241	227

The highest paid director received remuneration of £0.1m (2021 £ 0.2m).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £0.01m (2021 £ 0.02m).

### 9. Financial income (expense)

#### Interest receivable and similar income:

	2022 £000	2021 £000
Interest receivable from group companies	44	55
Other interest receivable	1	6
	45	61

#### Interest payable and similar expenses:

	2022 £000	2021 £000
Loans from group undertakings	(115)	(111)

#### Foreign exchange gains:

	2022 £000	2021 £000
Unrealized gains (losses)	(63)	203
Realized gains	63	6
	-	209

## Airedale International Air Conditioning Limited

### 10. Tax on profit

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Total current tax	<b>531</b>	1,233
Total deferred tax	<b>462</b>	30
Total tax charge for the year	<b>993</b>	1,263

The tax assessed for the year is lower than (2021 – lower than) the standard rate of corporation tax in the UK of 19% (2021 – 19%). The differences are explained below:

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Profit/(loss) before tax	<b>3,230</b>	6,851
Profit before tax multiplied by the standard rate of corporation tax in the UK of 19% (2021 – 19%)	<b>614</b>	1,302
Effects of:		
(Income)/expenses not taxable/deductible for tax purposes	<b>10</b>	5
R&D income non-taxable	<b>(38)</b>	(36)
Tax under (over) provided in previous years	<b>38</b>	(10)
Rate differential on deferred tax	<b>371</b>	-
Other differences	<b>(2)</b>	2
<b>Total tax charge for the year</b>	<b>993</b>	1,263

### Factors that may affect future tax charges

In the Spring Budget 2021, the UK government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

### 11. Dividends

No dividends were paid in 2022 (2021 – Nil).

## Airedale International Air Conditioning Limited

### 12. Tangible assets

	Land and buildings £000	Plant and machinery £000	Motor vehicles £000	Fixtures and fittings £000	Total £000
<b>Cost</b>					
At 1 April 2021	-	10,137	90	3,000	13,227
Additions	-	1,039	-	42	1,081
Disposals	-	-	-	-	-
Barkell merger	1,008	411	20	560	1,999
At 31 March 2022	1,008	11,587	110	3,602	16,307
<b>Accumulated depreciation</b>					
At 1 April 2021	-	6,330	90	2,273	8,693
Additions	-	525	-	293	818
Disposals	-	-	-	-	-
Barkell merger	301	282	20	496	1,099
At 31 March 2022	301	7,137	110	3,062	10,610
<b>Net book value</b>					
At 31 March 2022	707	4,450	-	540	5,697
At 31 March 2021	-	3,807	-	727	4,534

The Barkell merger variance relates to fixed assets arising from the business combination discussed in Note 26.

## Airedale International Air Conditioning Limited

### 13. Investments

#### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding	Principal activity
Airedale Sheet Metal Limited	Ordinary shares	100%	Non-trading
Airedale Compact Systems Limited	Ordinary shares	100%	Non-trading
Barkell Limited	Ordinary shares	100%	Manufacture and sale, air handling units
Airedale Group Limited	Ordinary shares	100%	Non-trading

The registered address of, Airedale Sheet Metal Limited, Airedale Compact Systems Limited and Airedale Group Limited is Leeds Road, Rawdon, Leeds, West Yorkshire, LS19 6JY.

The registered address of Barkell Limited is Unit 22 No 1 Industrial Estate, Consett. Co. Durham, DH8 682.

The £2.487m carrying value of investments in the balance sheet fully relates to Barkell Limited. It has increased by £256k as a consequence of a reversal of impairments made in prior years. See notes 5 and 16 for further information.

All these subsidiaries have been liquidated at the date of the approval of these financial statements.

### 14. Inventories

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	<b>6,290</b>	4,491
Work in progress	<b>2,747</b>	2,458
Finished goods and goods for resale	<b>1,344</b>	6,552
	<b>10,381</b>	13,501

Inventories are stated net of provisions of £0.8m (2021 £0.5m).

Finished goods and goods for resale are net of £7.1m of product sold to customers under bill and hold agreements.

## Airedale International Air Conditioning Limited

### 15. Debtors

#### Amounts falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Trade debtors	23,122	15,547
Amounts owed by group undertakings	2,765	3,965
Prepayments and accrued income	590	382
Corporate income tax receivable	478	-
Other debtors	85	18
	<b>27,040</b>	<b>19,912</b>

Trade debtors are stated net of provisions for impairment of £0.06m (2021: £0.06m). No security is held for non-trading balances owed by group undertakings, which are repayable on demand. There are no non-trading intercompany balances.

#### Amounts falling due after one year

Debtors falling due after one year is Nil (2021: £0.12m).

### 16. Creditors: amounts falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>£000</b>	<b>£000</b>
Bank loans and overdrafts	3,500	3,920
Trade creditors	13,324	9,475
Amounts owed to group undertakings	4,716	3,645
Corporate income tax payable	-	88
Other taxation and social security	694	1,260
Accruals and deferred income	2,090	3,498
	<b>24,324</b>	<b>21,886</b>

Interest is payable on bank loans balances at a rate of 2.32% (2021: 2.33%). No security is held for bank loans owed, which are subject to revolving terms and are repayable on demand.

Amounts owed to group undertakings include a £2.487m payable to wholly owned subsidiary Barkell Limited, which was settled against a dividend receivable from Barkell in May 2022.

## Airedale International Air Conditioning Limited

### 17. Deferred tax

	<b>2022</b> <b>£000</b>
At beginning of year	(1,023)
Charged to profit or loss	(462)
Barkell merger	(81)
<b>At end of year</b>	<b>(1,566)</b>

	<b>2022</b> <b>£000</b>	<b>2021</b> <b>£000</b>
Accelerated capital allowances	804	510
Deferred gains	701	533
Other timing differences	(29)	(20)
	<b>1,476</b>	<b>1,023</b>

The Barkell merger variance relates to deferred tax arising from the business combination discussed in Note 26.

### 18. Other provisions

	<b>2022</b> <b>£000</b>
<u>Warranty provision:</u>	
At beginning of year	500
Utilised in the year	(820)
Charged to profit and loss	776
Barkell merger	41
<b>At end of year</b>	<b>497</b>

The company gives warranties at point of sale its products to customers. It is anticipated that the majority of cash outflows in respect of the year-end balance will occur in one year.

The Barkell merger variance relates to warranty provision arising from the business combination discussed in Note 26.

## Airedale International Air Conditioning Limited

### 19. Called-up share capital

Called-up share capital is made of 450,000 ordinary shares of £1 each, unchanged from previous year.

### 20. Reserves

The company's capital and reserves are as follows:

- called up share capital, which represents the nominal value of the shares issued;
- capital redemption reserve, which contains the nominal value of own shares that have been acquired by the company and cancelled; and
- Profit and loss account, which represents cumulative profits or losses, net of dividends paid and other adjustments.

There is no other comprehensive income or loss in the year (2021: £Nil).

### 21. Contingent liabilities

The company has given bank guarantees relating to customs and other bonds of £0.2m (2021 £0.1m). There were no other contingent liabilities at 31 March 2022 (2021 £Nil).

### 22. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £1.1m (2021 £1.1m). Contributions totaling £0.2m (2021 £0.2m) were payable to the fund at the reporting date and are included in creditors.

### 23. Commitments under operating leases

At 31 March 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £000	2021 £000
<b>Land and buildings</b>		
Not later than 1 year	1,046	1,483
Later than 1 year and not later than 5 years	4,768	5,041
Later than 5 years	1,577	2,692
	<b>7,391</b>	<b>9,216</b>
<b>Vehicles, plant and equipment</b>		
Not later than 1 year	494	145
Later than 1 year and not later than 5 years	513	37
	<b>1,007</b>	<b>182</b>

## **Airedale International Air Conditioning Limited**

### **24. Related party transactions**

The company has taken advantage of the exemption available in Section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### **25. Ultimate parent company and controlling party**

The immediate parent undertaking is Modine UK Dollar Limited, a company registered in the United Kingdom.

The ultimate parent undertaking and controlling party is Modine Manufacturing Company Inc. a company incorporated in the USA. Modine Manufacturing Company Inc. is the parent of the smallest and largest group of undertakings for which financial statements were drawn up and of which Airedale International Air Conditioning Limited is a member. Copies of the group financial statements of Modine Manufacturing Company Inc. may be obtained from its registered office at 1500 DeKoven Avenue, Racine, Wisconsin, USA.



## Airedale International Air Conditioning Limited

### 26. Barkell business combination

On 31 March 2022 the company purchased the entire business, assets and liabilities of its wholly owned subsidiary Barkell Limited ("Barkell") for an amount of £2.487m. Barkell is expected to be liquidated later in 2022. The carrying value of Barkell's shares in these financial statements amounted to £2.487m, after it had been increased by £256k by reversing previous years' impairments, as commented above in note 5. The payable to Barkell arising from the purchase of the business, also amounting to £2.487m, was settled against a dividend distributed from Barkell in May 2022.

The net book value of the assets and liabilities hived-up is shown as follows:

<b>Net book value hived-up</b>	<b>£000</b>
Tangible assets	900
Inventories	1,439
Debtors: amounts falling due within one year	2,579
Cash at bank and in hand	422
Creditors: amounts falling due within one year	(2,731)
Deferred tax	(81)
Other provisions	(41)
<b>Net assets hived-up</b>	<b>2,487</b>

## Airedale International Air Conditioning Limited

### 27. Restatement of comparative information

In the FY21 financial statements, the statement of comprehensive income was presented on a different basis to that used in the current year financial statements. In the prior year certain costs related to revenue generation were included in distribution costs and administrative expenses. Furthermore, the content of the financial statement line item of distribution costs is now reported into administrative expenses. Finally, foreign exchange gains and losses are now reported in a separate line item below operating income while they were included in cost of sales in FY21.

The previous presentation reflected a legacy Airedale mapping and was deemed reasonable at the time, prior to the Modine acquisition. Now that the Company is fully integrated in the Modine group, the business is now looked from a one-company perspective and statutory accounts are presented in line with this group presentation. This change in accounting policy will provide the users with a more reliable and consistent presentation.

The table below shows the effects on FY21 from the restatement described above, resulting into a reduction of gross profit by £2.071m, and gross profit reported from 24% to 21%. Other than the statement of comprehensive income, no other notes or primary statements are impacted by this restatement.

	2021 £000	2021 £000	2021 £000
	As reported	Adjustment	Re-stated
Turnover	65,193	-	65,193
Cost of sales	(49,249)	(2,071)	(51,320)
<b>Gross profit</b>	<b>15,944</b>	<b>(2,071)</b>	<b>13,873</b>
Distribution costs	(1,940)	1,940	-
Administrative expenses	(7,103)	(79)	(7,182)
<b>Operating profit</b>	<b>6,901</b>	<b>(210)</b>	<b>6,691</b>
Interest receivable and similar income	61	-	61
Interest payable and similar expense	(111)	-	(111)
Foreign exchange gains	-	210	210
<b>Profit before tax</b>	<b>6,851</b>	<b>-</b>	<b>6,851</b>
Tax on profit	(1,263)	-	(1,263)
<b>Profit for the financial year</b>	<b>5,588</b>	<b>-</b>	<b>5,588</b>
Other comprehensive income	-	-	-
<b>Total comprehensive income for the year</b>	<b>5,588</b>	<b>-</b>	<b>5,588</b>