

BROOKTHERM HOLDINGS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

BROOKTHERM HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Daniel Christopher Keating Jamie Christopher Keating
Company secretary	Christopher Keating
Registered number	07101572
Registered office	3 Kelvin Park Birkenhead Wirral CH41 1LT
Independent auditors	Langtons Professional Services Limited Registered Auditors & Statutory Auditor The Plaza, 100 Old Hall Street Liverpool Merseyside L3 9QJ

BROOKTHERM HOLDINGS LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditors' Report	4 - 6
Consolidated Profit and Loss Account	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12
Notes to the Financial Statements	13 - 26

BROOKTHERM HOLDINGS LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

Introduction

The directors present their strategic report for the year ended 31 March 2020.

Business review

The results for the year and financial position of the group are shown in the annexed financial statements.

Annual turnover has increased by £0.1m in 2020 which represents a 0.91% decrease on the previous year.

The group achieved a gross profit margin of 16.9% compared to that of 15.6% in 2019.

Principal risks and uncertainties

Principal risks to the group continue to be uncertainty within the industry but despite this uncertainty the group anticipates further growth in turnover and profitability in the future.

Financial key performance indicators

Given the straightforward nature of the business, the group's directors are of the opinion that analysis using Key Performance Indicators is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board on 17 March 2021 and signed on its behalf.

J C Keating

Director

BROOKTHERM HOLDINGS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report and the financial statements for the year ended 31 March 2020.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £812,690 (2019 - £700,219).

The directors recommended and paid dividends of £721,116 (2019: £849,228) for the year ended 31 March 2020.

Directors

The directors who served during the year were:

C Keating (resigned 10 March 2020)
D C Keating
J C Keating

Future developments

The directors are satisfied with the result for the year and are positive for the future, based on the ongoing improvement initiatives within the business.

BROOKTHERM HOLDINGS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

Post balance sheet events

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

Auditors

The auditors, Langtons Professional Services Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 17 March 2021 and signed on its behalf.

J C Keating

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROOKTHERM HOLDINGS LIMITED

Opinion

We have audited the financial statements of Brooktherm Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2020, which comprise the Group Profit and Loss Account, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, 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 of the parent Company's affairs as at 31 March 2020 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group's or the parent Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROOKTHERM HOLDINGS LIMITED (CONTINUED)

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 Auditors' 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.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the 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 the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

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

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BROOKTHERM HOLDINGS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

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 Group financial statements

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

Mr Eifion Roberts (Senior Statutory Auditor)

for and on behalf of

Langtons Professional Services Limited

Registered Auditors

Statutory Auditor

The Plaza, 100 Old Hall Street

Liverpool

Merseyside

L3 9QJ

17 March 2021

BROOKTHERM HOLDINGS LIMITED

**CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover	4	11,604,837	11,711,320
Cost of sales		(9,639,618)	(9,890,176)
Gross profit		1,965,219	1,821,144
Administrative expenses		(1,032,126)	(956,688)
Operating profit	5	933,093	864,456
Interest receivable and similar income	9	-	56
Profit before tax		933,093	864,512
Tax on profit	10	(120,403)	(164,293)
Profit for the financial year		812,690	700,219
Profit for the year attributable to:			
Owners of the parent		812,690	700,219
		812,690	700,219

The Company has not traded during the year. During this period, the Company received no income and incurred no expenditure other than exempted payments under the provisions of section 1169 (3)(b) of the Companies Act 2006.

BROOKTHERM HOLDINGS LIMITED
REGISTERED NUMBER: 07101572

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	227,398	230,081
		<u>227,398</u>	<u>230,081</u>
Current assets			
Stocks	14	420,270	552,460
Debtors: amounts falling due after more than one year	15	327,432	-
Debtors: amounts falling due within one year	15	2,584,779	2,249,016
Cash at bank and in hand	16	448,426	569,560
		<u>3,780,907</u>	<u>3,371,036</u>
Creditors: amounts falling due within one year	17	(2,384,871)	(2,069,257)
Net current assets		<u>1,396,036</u>	<u>1,301,779</u>
Total assets less current liabilities		<u>1,623,434</u>	<u>1,531,860</u>
Provisions for liabilities			
Net assets		<u>1,623,434</u>	<u>1,531,860</u>
Capital and reserves			
Called up share capital	21	90	90
Profit and loss account	22	1,623,344	1,531,770
Equity attributable to owners of the parent Company		<u>1,623,434</u>	<u>1,531,860</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2021.

J C Keating
Director

D C Keating
Director

The notes on pages 13 to 26 form part of these financial statements.

BROOKTHERM HOLDINGS LIMITED
REGISTERED NUMBER: 07101572

COMPANY BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	13	100	100
		<u>100</u>	<u>100</u>
Current assets			
Debtors: amounts falling due after more than one year	15	327,432	-
		<u>327,432</u>	<u>-</u>
Total assets less current liabilities		327,532	100
Creditors: amounts falling due after more than one year		(327,442)	(10)
		<u>90</u>	<u>90</u>
Net assets		<u>90</u>	<u>90</u>
Capital and reserves			
Called up share capital	21	90	90
Profit for the year		721,116	849,228
Other changes in the profit and loss account		(721,116)	(849,228)
		<u>90</u>	<u>90</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 March 2021.

J C Keating
Director

D C Keating
Director

The notes on pages 13 to 26 form part of these financial statements.

BROOKTHERM HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2019	90	1,531,770	1,531,860
Profit for the year	-	812,690	812,690
Dividends: Equity capital	-	(721,116)	(721,116)
At 31 March 2020	90	1,623,344	1,623,434

The notes on pages 13 to 26 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2018	90	1,680,779	1,680,869
Profit for the year	-	700,219	700,219
Dividends: Equity capital	-	(849,228)	(849,228)
At 31 March 2019	90	1,531,770	1,531,860

The notes on pages 13 to 26 form part of these financial statements.

BROOKTHERM HOLDINGS LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2019	90	-	90
Comprehensive income for the year			
Profit for the year	-	721,116	721,116
Dividends: Equity capital	-	(721,116)	(721,116)
At 31 March 2020	<u>90</u>	<u>-</u>	<u>90</u>

The notes on pages 13 to 26 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2018	90	-	90
Comprehensive income for the year			
Profit for the year	-	849,228	849,228
Dividends: Equity capital	-	(849,228)	(849,228)
At 31 March 2019	<u>90</u>	<u>-</u>	<u>90</u>

The notes on pages 13 to 26 form part of these financial statements.

BROOKTHERM HOLDINGS LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2020**

	2020 £	2019 £
Cash flows from operating activities		
Profit for the financial year	812,690	700,219
Adjustments for:		
Depreciation of tangible assets	2,683	2,682
Interest received	-	(56)
Taxation charge	120,403	164,293
Decrease/(increase) in stocks	132,191	(123,903)
(Increase)/decrease in debtors	(638,295)	509,051
Increase in creditors	330,974	42,852
Corporation tax (paid)	(160,664)	(193,588)
Net cash generated from operating activities	<u>599,982</u>	<u>1,101,550</u>
Cash flows from investing activities		
Interest received	-	56
Net cash from investing activities	<u>-</u>	<u>56</u>
Cash flows from financing activities		
Dividends paid	(721,116)	(849,228)
Net cash used in financing activities	<u>(721,116)</u>	<u>(849,228)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(121,134)</u>	<u>252,378</u>
Cash and cash equivalents at beginning of year	569,560	317,182
Cash and cash equivalents at the end of year	<u><u>448,426</u></u>	<u><u>569,560</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	448,426	569,560
	<u><u>448,426</u></u>	<u><u>569,560</u></u>

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

1. General information

Brooktherm Holdings Limited is a private limited company, limited by shares, incorporated in England and Wales. It's registered office is 3 Kelvin Park, Birkenhead, Wirral, CH41 1LT. The company number is 07101572.

These consolidated financial statements present information about the company and its subsidiary Brooktherm Refrigeration Limited.

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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Profit and Loss Account in these financial statements.

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Profit and Loss Account from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.8 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as below.

Depreciation is provided on the following basis:

Freehold property	- No depreciation charged
Plant and machinery	- 25% on cost
Fixtures and fittings	- 25% on cost

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

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

2.9 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated Profit and Loss Account for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.10 Stocks

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

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

2.11 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.12 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.13 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.

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.15 Financial instruments

The Group 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 ordinary shares.

2.16 Dividends

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The directors have made judgements with regards to depreciation of assets, provisions for bad debts and provisions for obsolete stock.

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

4. Turnover

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Industrial and marine refrigeration	11,604,837	11,711,320
	<u>11,604,837</u>	<u>11,711,320</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	10,664,335	10,634,256
Rest of Europe	794,038	954,192
Rest of the world	146,464	122,872
	<u>11,604,837</u>	<u>11,711,320</u>

5. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	2,682	2,682
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	7,150	7,150
Other operating lease rentals	183,790	166,776
Defined contribution pension cost	<u>60,037</u>	<u>46,745</u>

6. Auditors' remuneration

	2020 £	2019 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>7,150</u>	<u>7,150</u>

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

7. Employees

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

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Wages and salaries	2,803,609	<i>2,549,845</i>	-	-
Cost of defined contribution scheme	60,037	<i>46,745</i>	-	-
	<u>2,863,646</u>	<u><i>2,596,590</i></u>	<u>-</u>	<u>-</u>

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

	2020 No.	<i>2019 No.</i>
Employees	<u>65</u>	<u><i>62</i></u>

8. Directors' remuneration

	2020 £	<i>2019 £</i>
Directors' emoluments	25,884	<i>25,272</i>
	<u>25,884</u>	<u><i>25,272</i></u>

9. Interest receivable

	2020 £	<i>2019 £</i>
Other interest receivable	-	<i>56</i>
	<u>-</u>	<u><i>56</i></u>

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

10. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	149,549	168,510
Adjustments in respect of previous periods	(28,866)	(3,600)
	<u>120,683</u>	<u>164,910</u>
Deferred tax		
Origination and reversal of timing differences	(280)	(617)
	<u>120,403</u>	<u>164,293</u>
Taxation on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is the same as (2019 - the same as) the standard rate of corporation tax in the UK of 19% (2019 - 19%) as set out below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>933,093</u>	<u>864,512</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	177,288	164,257
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	8,838	14,161
Adjustments to tax charge in respect of prior periods	(28,866)	(3,600)
Effect of a change in tax rate leading to an increase (decrease) in taxation	193	(152)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(37,050)	(10,373)
Total tax charge for the year	<u>120,403</u>	<u>164,293</u>

Factors that may affect future tax charges

There are no factors that may affect future tax charges.

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Dividends

	2020 £	2019 £
Ordinary shares	721,116	849,228
	<u>721,116</u>	<u>849,228</u>

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2019	224,717	10,300	28,454	263,471
At 31 March 2020	<u>224,717</u>	<u>10,300</u>	<u>28,454</u>	<u>263,471</u>
Depreciation				
At 1 April 2019	-	10,300	23,090	33,390
Charge for the year on owned assets	-	-	2,683	2,683
At 31 March 2020	<u>-</u>	<u>10,300</u>	<u>25,773</u>	<u>36,073</u>
Net book value				
At 31 March 2020	<u>224,717</u>	<u>-</u>	<u>2,681</u>	<u>227,398</u>
At 31 March 2019	<u>224,717</u>	<u>-</u>	<u>5,364</u>	<u>230,081</u>

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Freehold	224,717	224,717
	<u>224,717</u>	<u>224,717</u>

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2019	100
At 31 March 2020	<u>100</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

Name	Class of shares	Holding
Brooktherm Refrigeration Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2020 and the profit or loss for the year ended on that date for the subsidiary undertaking were as follows:

Name	Aggregate of share capital and reserves	Profit/(Loss)
Brooktherm Refrigeration Limited	1,623,444	812,690

14. Stocks

	Group 2020 £	Group 2019 £
Raw materials and consumables	216,600	299,135
Work in progress	203,670	253,325
	<u>420,270</u>	<u>552,460</u>

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

15. Debtors

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Due after more than one year				
Amounts owed by group undertakings	327,432	-	327,432	-
	<u>327,432</u>	<u>-</u>	<u>327,432</u>	<u>-</u>

	Group 2020 £	<i>Group 2019 £</i>
Due within one year		
Trade debtors	2,455,973	2,147,785
Other debtors	86,527	66,190
Prepayments and accrued income	41,679	34,721
Deferred taxation	600	320
	<u>2,584,779</u>	<u>2,249,016</u>

16. Cash and cash equivalents

	Group 2020 £	<i>Group 2019 £</i>
Cash at bank and in hand	448,426	569,560
	<u>448,426</u>	<u>569,560</u>

17. Creditors: Amounts falling due within one year

	Group 2020 £	<i>Group 2019 £</i>
Trade creditors	1,425,454	1,416,369
Corporation tax	149,549	164,910
Other taxation and social security	445,094	243,715
Other creditors	36,380	9,640
Accruals and deferred income	328,394	234,623
	<u>2,384,871</u>	<u>2,069,257</u>

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

18. Creditors: Amounts falling due after more than one year

	Company 2020 £	<i>Company 2019 £</i>
Amounts owed to group undertakings	327,442	10
	<u>327,442</u>	<u>10</u>

19. Financial instruments

	Group 2020 £	<i>Group 2019 £</i>	Company 2020 £	<i>Company 2019 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	448,426	569,560	-	-
Financial assets that are debt instruments measured at amortised cost	2,869,922	2,213,975	327,432	-
	<u>3,318,348</u>	<u>2,783,535</u>	<u>327,432</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(1,487,519)</u>	<u>(1,467,177)</u>	<u>(327,442)</u>	<u>(10)</u>

Financial assets measured at fair value through profit or loss comprise of cash at bank and in hand.

Financial assets that are debt instruments measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and other creditors.

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

20. Deferred taxation

Group

	2020 £
At beginning of year	320
Charged to profit or loss	280
At end of year	<u>600</u>

The deferred tax asset is made up as follows:

	Group 2020 £	<i>Group 2019 £</i>
Accelerated capital allowances	600	320
	<u>600</u>	<u>320</u>

21. Share capital

	2020 £	<i>2019 £</i>
Allotted, called up and fully paid		
90 (2019 - 90) Ordinary shares shares of £1.00 each	<u>90</u>	<u>90</u>

22. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

23. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £60,037 (2019: £46,745). Contributions totalling £10,145 (2019: £6,185) were payable to the fund at the balance sheet date and are included in creditors.

BROOKTHERM HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

24. Commitments under operating leases

At 31 March 2020 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2020 £	<i>Group 2019 £</i>
Not later than 1 year	165,154	62,583
Later than 1 year and not later than 5 years	126,952	14,787
	<u>292,106</u>	<u>77,370</u>

25. Related party transactions

Included within debtors/(creditors) are the following balances:

Mr D C Keating 2020: £nil (2019: £21,056)

All transactions are at an arms length basis.

26. Ultimate controlling party

The ultimate parent company is Brooktherm (Topco) Limited. The company is controlled by the directors.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.