

BROOKTHERM (TOPCO) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022

BROOKTHERM (TOPCO) LIMITED

COMPANY INFORMATION

Directors	Jamie Christopher Keating Daniel Christopher Keating
Registered number	12509026
Registered office	3 Kelvin Park Birkenhead Wirral CH41 1LT

BROOKTHERM (TOPCO) LIMITED

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BROOKTHERM (TOPCO) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2022

Introduction

The directors present their strategic report for the period ended 31 March 2022.

Business review

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

The group achieved a gross profit margin of 12.2%.

Principal risks and uncertainties

Principal risk to the group is the uncertainty within the industry but despite this uncertainty the group anticipates further growth in turnover and profitability in the future.

Financial key performance indicators

The group produces a range of Key Performance Indicators to aid the effective management of the business.

This report was approved by the board on 21 December 2022 and signed on its behalf.

J C Keating

Director

BROOKTHERM (TOPCO) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2022

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

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.

Directors

The directors who served during the year were:

Jamie Christopher Keating
Daniel Christopher Keating

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.

BROOKTHERM (TOPCO) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2022**

This report was approved by the board on 21 December 2022 and signed on its behalf.

J C Keating
Director

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

Opinion

We have audited the financial statements of Brooktherm (Topco) Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2022, which comprise the Group Statement of comprehensive income, 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 2022 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

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

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

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

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude

BROOKTHERM (TOPCO) LIMITED

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

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.

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

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

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:

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

The objectives of our audit, in respect to fraud, are:

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

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006), the relevant tax compliance regulations in the UK and the EU General Data Protection Regulation (GDPR).

We understood how the Company is complying with those frameworks by making enquiries of management.

Through consideration of the results of our audit procedures we were able to either corroborate or provide contrary evidence which was then followed up.

Based on our understanding we designed our audit procedures to identify non-compliance with laws and regulations. Our procedures involved:

- Enquiries of management; and
- Journal entry testing, with a focus on journals indicating large or unusual transactions based on our understanding of the business.

We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur by meeting with management to understand where it considered there was susceptibility to fraud.

We also considered performance targets and their propensity to influence efforts made by management to manage revenue and earnings.

Where the risk was considered to be higher, including areas impacting key performance indicators or management remuneration, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition detailed above, the assessment of items identified by management as non-recurring and testing manual journals and were designed to provide reasonable assurance that the financial statements were free from material fraud or error.

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.

BROOKTHERM (TOPCO) LIMITED

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

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.

Eifion Roberts (Senior statutory auditor)

for and on behalf of

Langtons Professional Services Limited

Chartered Accountants

Statutory Auditors

The Plaza

100 Old Hall Street

Liverpool

L3 9QJ

21 December 2022

BROOKTHERM (TOPCO) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2022**

	Note	2022 £	2021 £
Turnover	4	13,424,136	12,194,569
Cost of sales		(11,780,107)	(10,298,682)
Gross profit		1,644,029	1,895,887
Administrative expenses		(749,617)	(661,886)
Other operating income	5	4,706	68,231
Operating profit		899,118	1,302,232
Tax on profit	9	(138,218)	(229,523)
Profit for the financial year		760,900	1,072,709
Profit for the year attributable to:			
Owners of the parent Company		760,900	1,072,709
		760,900	1,072,709

There were no recognised gains and losses for 2022 or 2021 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2022 (2021:£NIL).

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED
REGISTERED NUMBER: 12509026

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	11	878,004	987,755
Tangible assets	12	254,693	224,717
		<u>1,132,697</u>	<u>1,212,472</u>
Current assets			
Stocks	14	593,643	371,338
Debtors: amounts falling due within one year	15	3,662,203	3,008,135
Cash at bank and in hand	16	644,078	1,086,571
		<u>4,899,924</u>	<u>4,466,044</u>
Creditors: amounts falling due within one year	17	(2,615,704)	(2,851,267)
Net current assets		<u>2,284,220</u>	<u>1,614,777</u>
Total assets less current liabilities		<u>3,416,917</u>	<u>2,827,249</u>
Provisions for liabilities			
Deferred taxation	21	(5,900)	-
		<u>(5,900)</u>	<u>-</u>
Net assets excluding pension asset		<u>3,411,017</u>	<u>2,827,249</u>
Net assets		<u><u>3,411,017</u></u>	<u><u>2,827,249</u></u>
Capital and reserves			
Called up share capital	22	6	6
Share premium account	23	1,799,994	1,799,994
Profit and loss account	23	1,611,017	1,027,249
Equity attributable to owners of the parent Company		<u>3,411,017</u>	<u>2,827,249</u>
		<u><u>3,411,017</u></u>	<u><u>2,827,249</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2022.

J C Keating
Director

D C Keating
Director

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED
REGISTERED NUMBER: 12509026

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2022

BROOKTHERM (TOPCO) LIMITED
REGISTERED NUMBER: 12509026

COMPANY BALANCE SHEET
AS AT 31 MARCH 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	13	2,720,850	2,720,850
		<u>2,720,850</u>	<u>2,720,850</u>
Current assets			
Debtors: amounts falling due within one year	15	807,441	-
		<u>807,441</u>	<u>-</u>
Total assets less current liabilities		3,528,291	2,720,850
Creditors: amounts falling due after more than one year	18	(1,728,291)	(920,850)
Net assets excluding pension asset		<u>1,800,000</u>	<u>1,800,000</u>
Net assets		<u><u>1,800,000</u></u>	<u><u>1,800,000</u></u>
Capital and reserves			
Called up share capital	22	6	6
Share premium account	23	1,799,994	1,799,994
		<u>1,800,000</u>	<u>1,800,000</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 December 2022.

J C Keating
Director

D C Keating
Director

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
At 1 April 2021	6	1,799,994	1,027,249	2,827,249	2,827,249
Profit for the year	-	-	760,900	760,900	760,900
Dividends: Equity capital	-	-	(177,132)	(177,132)	(177,132)
At 31 March 2022	6	1,799,994	1,611,017	3,411,017	3,411,017

The notes on pages 16 to 30 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Share premium account	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£	£
Profit for the period	-	-	1,072,709	1,072,709	1,072,709
Dividends: Equity capital	-	-	(45,460)	(45,460)	(45,460)
Shares issued during the period	6	1,799,994	-	1,800,000	1,800,000
At 31 March 2021	6	1,799,994	1,027,249	2,827,249	2,827,249

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2022**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2021	6	1,799,994	-	1,800,000
Profit for the year	-	-	177,132	177,132
Dividends: Equity capital	-	-	(177,132)	(177,132)
At 31 March 2022	6	1,799,994	-	1,800,000

The notes on pages 16 to 30 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Profit for the period	-	-	45,460	45,460
Dividends: Equity capital	-	-	(45,460)	(45,460)
Shares issued during the period	6	1,799,994	-	1,800,000
At 31 March 2021	6	1,799,994	-	1,800,000

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2022**

	2022 £	2021 £
Cash flows from operating activities		
Profit for the financial year	760,900	1,072,709
Adjustments for:		
Amortisation of intangible assets	109,751	109,751
Depreciation of tangible assets	638	2,682
Government grants	(4,706)	-
Taxation charge	138,217	229,523
(Increase)/decrease in stocks	(222,306)	48,934
(Increase) in debtors	(655,068)	(468,927)
Increase in creditors	9,752	112,738
Corporation tax (paid)/received	(376,631)	24,621
Net cash generated from operating activities	(239,453)	1,132,031
Cash flows from investing activities		
Purchase of tangible fixed assets	(30,614)	-
Government grants received	4,706	-
Net cash from investing activities	(25,908)	-
Cash flows from financing activities		
Dividends paid	(177,132)	(45,460)
Net cash used in financing activities	(177,132)	(45,460)
Net (decrease)/increase in cash and cash equivalents	(442,493)	1,086,571
Cash and cash equivalents at beginning of year	1,086,571	-
Cash and cash equivalents at the end of year	644,078	1,086,571
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	644,078	1,086,571
	644,078	1,086,571

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 MARCH 2022**

	At 1 April 2021	Cash flows	At 31 March 2022
	£	£	
Cash at bank and in hand	1,086,571	(442,493)	644,078
	<u>1,086,571</u>	<u>(442,493)</u>	<u>644,078</u>

The notes on pages 16 to 30 form part of these financial statements.

BROOKTHERM (TOPCO) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2022

1. General information

Brooktherm (Topco) Limited is a private limited company, limited by shares, incorporated in England and Wales. Its registered office is 3 Kelvin Park, Birkenhead, Wirral, CH41 1LT. The company number is 12509026.

These financial statements present information about the group, incorporating the subsidiaries, Brooktherm Holdings Limited and Brooktherm Refrigeration Limited, companies registered in England and Wales.

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 Statement of comprehensive income 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 statement of comprehensive income 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 10 March 2020.

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;

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.3 Revenue (continued)

- 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 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.5 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.6 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.

2.7 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

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.

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	- 33% 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 statement of comprehensive income 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

2. Accounting policies (continued)

2.11 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.

2.12 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.

2.13 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.

2.14 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.

2.15 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 the depreciation of assets, provision for doubtful debts and provisions for obsolete stock.

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

4. Turnover

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

	2022 £	2021 £
Industrial and marine refrigeration	13,424,136	12,194,569
	<u>13,424,136</u>	<u>12,194,569</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	12,094,186	11,164,753
Rest of Europe	1,137,355	924,828
Rest of the world	192,595	104,987
	<u>13,424,136</u>	<u>12,194,568</u>

5. Other operating income

	2022 £	2021 £
Coronavirus job retention scheme	4,706	68,231
	<u>4,706</u>	<u>68,231</u>

6. Auditors' remuneration

	2022 £	2021 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	<u>9,500</u>	<u>7,775</u>

Fees payable to the Group's auditor and its associates in respect of:

All other services	5,502	10,675
	<u>5,502</u>	<u>10,675</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

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

	Group 2022 £	Company 2022 £
Wages and salaries	2,976,728	-
Cost of defined contribution scheme	70,317	-
	<u>3,047,045</u>	<u>-</u>

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

	Group 2022 No.	<i>Group 2021 No.</i>	Company 2022 No.	<i>Company 2021 No.</i>
Directors	2	2	2	2
Employees	64	63	-	-
	<u>66</u>	<u>65</u>	<u>2</u>	<u>2</u>

8. Directors' remuneration

	2022 £	<i>2021 £</i>
Directors' emoluments	19,128	29,000
	<u>19,128</u>	<u>29,000</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

9. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	134,158	233,408
Adjustments in respect of previous periods	(2,840)	(3,485)
Total current tax	131,318	229,923
Deferred tax		
Origination and reversal of timing differences	6,900	(400)
Taxation on profit on ordinary activities	138,218	229,523

Factors affecting tax charge for the year/period

The tax assessed for the year/period is the same as (2021 - the same as) the standard rate of corporation tax in the UK of 19% (2021 - 19%) as set out below:

	2022 £	2021 £
Profit on ordinary activities before tax	899,118	1,302,232
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	170,832	247,424
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	23,437	24,179
Adjustments to tax charge in respect of prior periods	(2,840)	(3,485)
Effect of a change in tax rate leading to an increase (decrease) in taxation	(822)	(56)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	(52,389)	(38,539)
Total tax charge for the year/period	138,218	229,523

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

10. Dividends

	2022 £	2021 £
Ordinary shares	177,132	45,460
	<u>177,132</u>	<u>45,460</u>

11. Intangible assets

Group and Company

	Goodwill £
Cost	
At 1 April 2021	1,097,506
At 31 March 2022	<u>1,097,506</u>
Amortisation	
At 1 April 2021	109,751
Charge for the year on owned assets	109,751
At 31 March 2022	<u>219,502</u>
Net book value	
At 31 March 2022	<u>878,004</u>
<i>At 31 March 2021</i>	<u>987,755</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

12. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 April 2021	224,717	10,300	28,454	263,471
Additions	-	-	30,614	30,614
At 31 March 2022	<u>224,717</u>	<u>10,300</u>	<u>59,068</u>	<u>294,085</u>
Depreciation				
At 1 April 2021	-	10,300	28,454	38,754
Charge for the year on owned assets	-	-	638	638
At 31 March 2022	<u>-</u>	<u>10,300</u>	<u>29,092</u>	<u>39,392</u>
Net book value				
At 31 March 2022	<u>224,717</u>	<u>-</u>	<u>29,976</u>	<u>254,693</u>
At 31 March 2021	<u>224,717</u>	<u>-</u>	<u>-</u>	<u>224,717</u>

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

	2022 £	2021 £
Freehold	224,717	224,717
	<u>224,717</u>	<u>224,717</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

13. Fixed asset investments

Company

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2021	2,720,850
At 31 March 2022	<u>2,720,850</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Brooktherm Holdings Limited	Ordinary	100 %
Brooktherm Refrigeration Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 March 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Brooktherm Holdings Limited	90	177,132
Brooktherm Refrigeration Limited	3,453,963	870,651

14. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	357,333	200,874
Work in progress	236,310	170,464
	<u>593,643</u>	<u>371,338</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

15. Debtors

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Trade debtors	2,747,333	2,894,918	-	-
Other debtors	859,541	83,113	807,441	-
Prepayments	55,329	29,104	-	-
Deferred taxation	-	1,000	-	-
	<u>3,662,203</u>	<u>3,008,135</u>	<u>807,441</u>	<u>-</u>

16. Cash and cash equivalents

	Group 2022	<i>Group 2021</i>
	£	£
Cash at bank and in hand	644,078	1,086,571
	<u>644,078</u>	<u>1,086,571</u>

17. Creditors: Amounts falling due within one year

	Group 2022	<i>Group 2021</i>
	£	£
Trade creditors	2,137,738	1,297,083
Corporation tax	134,158	379,472
Other taxation and social security	266,093	585,696
Other creditors	15,056	41,588
Accruals and deferred income	62,659	547,428
	<u>2,615,704</u>	<u>2,851,267</u>

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

	Company 2022	<i>Company 2021</i>
	£	£
Amounts owed to group undertakings	1,728,291	920,850
	<u>1,728,291</u>	<u>920,850</u>

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2022 £	<i>Group 2021 £</i>
Within one year	99,353	129,144
Between 1-5 years	19,255	65,368
	<u>118,608</u>	<u>194,512</u>

20. Financial instruments

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	644,078	1,086,571	-	-
Financial assets that are debt instruments measured at amortised cost	3,606,874	2,978,031	807,441	-
	<u>4,250,952</u>	<u>4,064,602</u>	<u>807,441</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>(2,170,955)</u>	<u>(1,357,205)</u>	<u>(1,728,291)</u>	<u>(920,850)</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 and other debtors.

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

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

21. Deferred taxation

Group

	2022
	£
At beginning of year	1,000
Charged to profit or loss	(6,900)
At end of year	<u>(5,900)</u>
	Group
	2022
	£
Accelerated capital allowances	(5,900)
	<u>(5,900)</u>
	<i>Group</i>
	<i>2021</i>
	<i>£</i>
	<i>1,000</i>
	<u>1,000</u>

22. Share capital

	2022	2021
	£	£
Allotted, called up and fully paid		
600 (2021 - 600) Ordinary shares of £0.01 each	<u>6</u>	<u>6</u>

23. Reserves

Profit and loss account

Includes all current and prior period retained profits and losses.

24. 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 in to the fund and amounted to £70,317 (2021: £66,968). Contributions totalling £11,864 (2021: £10,899) were payable to the fund at the balance sheet date and are included in creditors.

BROOKTHERM (TOPCO) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2022**

25. Related party transactions

Dividends of £177,132 (2021: £45,460) have been paid by the group during the year.

During the year the company charged rent of £2,600 (2021: £2,650) to, and was provided with consultancy services of £117,864 (2021: £113,028) by, associated companies.

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

	2022 £	2021 £
Mr D C Keating	255,567	(444)
Mr J C Keating	423,945	(729)
Mrs V K Keating	127,929	-
Companies associated due to family relationships	(22,461)	(10,050)
	<u>784,980</u>	<u>(11,223)</u>

All transactions are at an arm's length basis.

26. Controlling party

The company is controlled by the directors.

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