

SPACE COOLING TOPCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021



SPACE COOLING TOPCO LIMITED

COMPANY INFORMATION

DIRECTORS

J B Anderson
J A Hollingdale
D E Nouch
P E Sindoni
B L Harris (appointed 6 April 2022)

REGISTERED NUMBER

08935318

REGISTERED OFFICE

Causeway Central
Pioneer Park
Bristol
BS4 3QB

INDEPENDENT AUDITORS

Bishop Fleming LLP
Chartered Accountants & Statutory Auditors
10 Temple Back
Bristol
BS1 6FL

BANKERS

The Royal Bank of Scotland plc
First Floor, Trinity Quay 1
Avon Street
Bristol
BS2 0PT

National Westminster Bank plc
First Floor, Trinity Quay 1
Avon Street
Bristol
BS2 0PT

SPACE COOLING TOPCO LIMITED

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SPACE COOLING TOPCO LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

BUSINESS REVIEW

The principal activity of the company during the period was the provision of refrigeration, mechanical and electrical solutions to customers in the food retail, food processing and distribution, and non-food sectors including pharmaceuticals and manufacturing.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board maintains a risk register to manage the principal risks and uncertainties of the business.

The Board considers the principal risks of the business to be:

Covid-19

The business supports key sectors, particularly food retail and food processing, that have continued throughout the pandemic. The Service department were designated key workers and continue to operate. The capital areas of the business are more exposed to lockdown or disruption of the construction sector. The risks associated are mitigated by close liaison with customers on their programmes and accessing government support where possible and appropriate. The risk of widespread absence in the work force is being closely monitored and controlled through tight Covid Secure working practices across all areas of operation and locations.

Market Conditions

Close working relations are maintained with both the company's suppliers and customers in order to monitor market and technology changes. The directors continually monitor other markets and services that are complementary to the company's business model and dynamics and that can be added to the company's range of services.

Debtors and Credit Risk

The principal credit risk arises from trade debtors. A Credit Insurance policy is in place; credit limits and credit terms are set for customers based on a combination of availability of cover, payment history and third party credit references. Credit limits are regularly reviewed in conjunction with debt ageing and collection history. The directors regard the quality and spread of customers as being a safeguard against the risk of default. Stringent daily credit control procedures are undertaken.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The group aims to mitigate liquidity risk by managing cash generation by its operations and, as far as possible, matching supplier payment terms with customer collection terms.

Currency Risk

Many of the overseas suppliers to our UK operations invoice us in Sterling to mitigate our exposure. Where product suppliers invoice in Euros then we have agreed rates with the end users and our contracts allow us to open discussions if the currency moves beyond certain thresholds and apply surcharges where appropriate. Overseas activities are conducted in the local currency to match income and expenditure and remove the risk of currency movements beyond the remittance of profits.

SPACE COOLING TOPCO LIMITED

GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

FINANCIAL KEY PERFORMANCE INDICATORS

Results of key performance indicators: -

	2021	2020
Adjusted Earnings before Interest, Tax, Depreciation and Amortisation	£0.8m	£1.8m
EBTIDA % Sales	1.3%	2.8%
Debtor Days	48 days	63 days
WIP days – Group	15 days	18 days
WIP days – Projects	11 days	21 days
WIP days – Service	15 days	11 days
WIP days – Industrial	16 days	10 days

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE GROUP

As a Board, the Directors have complied with our duties under Section 172 of Companies Act 2006 to promote the success of the company by acting in the way we consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so having regard (amongst other matters) to:-

- a) the likely consequences of any decision in the long term,
- b) the interests of the company's employees,
- c) the need to foster the company's business relationships with suppliers, customers and others,
- d) the impact of the company's operations on the community and the environment,
- e) the desirability of the company maintaining a reputation for high standards of business conduct, and
- f) the need to act fairly as between members of the company.

This report was approved by the board on 18th May 2022 and signed on its behalf.



B L Harris
Director

SPACE COOLING TOPCO LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

BUSINESS REVIEW

The trading results for the year show a turnover of £61,517,671 (2020 £64,730,673) and an operating loss of £734,457 (2020 £765,698) after amortisation of goodwill of £1,153,846 (2020 £1,153,846).

It was another difficult trading year as the company navigated Covid, global supply chain shortages and inflationary cost pressures. These challenges also impacted on our customers, which saw many planned works get pushed back, however this provides a good foundation for 2022 trading. Despite these challenges in 2021, the company performed well in the circumstances, keeping sales at similar levels to 2020 and generating a positive EBITDA % of sales of 1.3%. In December, the company restructured many of its business units to enhance profitability, the impact of which won't be seen until 2022.

Despite repaying most of the outstanding VAT deferred from 2020 and carrying a higher level of inventory to meet the strong opening 2022 order book, the company has utilised customer supply chain finance programs to reduce debtors, increase cash and operate without the need for a bank overdraft.

DIRECTORS

The directors who served during the year were:

J B Anderson
J A Hollingdale
D E Nouch
P E Sindoni

FUTURE DEVELOPMENTS

The company will continue to deliver outstanding quality and service to its existing customer base whilst also building our name and reputation in adjacent sectors. A dedicated team has been formed to respond to the increased level of new customer enquiries.

The budget for 2022 is for a substantial improvement on our 2021 performance; consolidating existing sales, recognising a degree of project slippage from 2021 and a modest amount of additional business from new customer opportunities. These combined with cost savings from our restructure and tight working capital management should see the company return to profitability and maintain its strong balance sheet position.

SPACE COOLING TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

ENGAGEMENT WITH SUPPLIERS, CUSTOMERS AND EMPLOYEES

Suppliers

We work closely with our suppliers and have many long-term relationships built over years of successful delivery. The sustainability and health of the supply chain is vital to the success of the business and the Board consider the impact on suppliers when making decisions. The supply chain includes a number of smaller, owner managed business which we support in relation to, for example, payment terms and health & safety support.

Customers

The Directors, Senior Managers and Account Managers meet regularly with Customers to understand their requirements and seek feedback on our performance. The business has always had a concentration of customers, particularly the major food retailers, with which we have multiple contracts and provide a range of services which underlines the importance of each relationship. The customers as large blue-chip organisations have formal procurement and supplier relationship management programmes which we actively participate in.

Employees

At Space Engineering Services, we recognise that through the integration of experience in all work activities and practices, a positive environment can be created that is compatible with promoting engagement, performance and achievement. Working in partnership with all areas of the business with a common interest in promoting a culture of positive experience is key to the success of this strategy.

Employee Experience was one of the key objectives for the business in 2021, with a specific strategy document and the ultimate goal of creating a great working environment for all employees and to prevent work associated disengagement, for the overall benefit of employees and the organisation. This encompassed the people, the work and the organisation, recognising that employees' values, personal development and work within the business contribute to their overall experience at work.

Working through the ongoing Covid-19 pandemic, we have continued to use technology to maintain regular communication with employees, and have hosted Microsoft Teams Board Q&As in February 2021 and October 2021, in which business objectives and activities have been discussed, inviting all employees to attend, enabling an opportunity for employee voice and discussion. In order to further improve communication, an Internal Communications audit with feedback from 13 group sessions was conducted in October / November 2021, which will inform our improved communication strategy for future years.

Anonymous pulse surveys were carried out in March 2021 and July 2021. The feedback from the first led to the development of local action plans, whilst feedback from the second was specific to the benefits employees values, and changes to our benefits package will be made in 2022, influenced by this survey response. Our overall employee engagement score across these surveys has been positive at 7.3/10

April 2020 saw us introduce WeCare, an enhanced Employee Support Programme, which gave all our employees and their immediate family they lived with access to 24/7 online GP appointments, second medical opinions, mental health support and life events counselling, smoking cessation clinics and get fit programmes, which supported our vision empowering our People to make positive choices about their health, wellness and wellbeing, both in the workplace and at home, through promoting an active and healthy lifestyle, staying well (preventing avoidable illness and infection) and creating an open and supportive culture for our employee to discuss their mental health.

In light of the ongoing uncertainty related to Covid-19, we introduced an agile working policy in July 2021, offering a great degree of flexibility for employees to ensure life/work balance was maintained during challenging times, and will continue to monitor this to ensure safety, wellbeing, engagement and productivity remain our priority.

As a business that continued to operate throughout the pandemic, with a large proportion of our workforce in public facing roles, as part of our pay review in 2021, an additional days' holiday was awarded to all employees, made available after Step 4 of the Government Roadmap out of lockdown and to be taken by the end of 2022.

SPACE COOLING TOPCO LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

QUALIFYING THIRD PARTY INDEMNITY PROVISIONS

The company has granted an indemnity to all of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

Our Environment

The Company recognises its responsibility to minimise its impact on the natural environment and continues its commitment to reduce its energy consumption and carbon emissions. We have developed three main objectives for developing our sustainability promise:

- Low carbon business
- Green by design
- Sustainable by choice

Energy Consumption and Carbon Emissions

Throughout the year we have implemented several initiatives to reduce costs and emissions, this includes new heating at our manufacturing facility and the increased use and familiarisation of Microsoft Teams has enabled the business to reduce the number of offices we operate and be replaced with home / hybrid working.

We have removed the gas-powered heating from our manufacturing facility and installed electric infrared heaters in work areas within the facility.

The below table highlights the energy / Co2e savings we have made since 2014 and 2019 to date.

2014 > 2021 Co2	2019 > 2021 Co2e
-92.4	-4.40

Utilities and Fuel

The company used 9,460 Kwh of gas, 296,526 Kwh of electricity in the year, 6836 m3 of water and 562,651 litres of fuel.

Greenhouse Gas Emissions

We report Scope 1,2 and 3 emissions defined by the Greenhouse protocol as follows

- Scope 1 (Direct emissions): operation of facilities; and
- Scope 2 (Indirect emissions) consumption of purchased electricity and heat; and
- Scope 3 (Other Indirect emissions) water

Emission Type	CO2e tonnes
	2021
Scope 1 – Operation of facilities	1,522
Scope 2 - Purchased Energy	99
Scope 3 - Water	1.01
Total Emissions	1,622.01
	2021
Greenhouse Gas emissions intensity ratio	
Total Emissions	1,622.01
Turnover (£)	£61,517,671
Intensity Ratio (CO2e tonnes/£m)	26.37

Our methodology has been based on the principles of the Greenhouse Gas Protocol. We have reported on all measured emissions resources available to us. All conversion factors have been derived from the Gov.Uk 2020 conversion factors.

SPACE COOLING TOPCO LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

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, Bishop Fleming LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



B L Harris
Director

Date: 18th May 2022

Causeway Central
Pioneer Park
Bristol
BS4 3QB

SPACE COOLING TOPCO LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

SPACE COOLING TOPCO LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPACE COOLING TOPCO LIMITED

OPINION

We have audited the financial statements of Space Cooling Topco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Income statement, the Group and Company Statements of financial position, 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 December 2021 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 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.

SPACE COOLING TOPCO LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SPACE COOLING TOPCO LIMITED
(CONTINUED)**

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 7, 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.

SPACE COOLING TOPCO LIMITED

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

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.

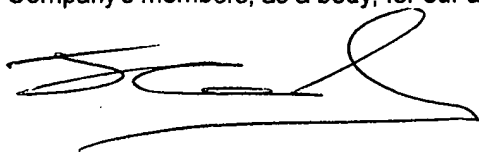
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting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

- We have considered the nature of the industry and sector, control environment and business performance;
- We have considered the results of enquiries with management, the Directors, and representatives from the company in relation to their own identification and assessment of the risks or irregularities within the entity; and
- We have reviewed the documentation of key processes and controls and performed walkthroughs of transactions to confirm that the systems are operating in line with documentation.

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.



Joseph Scaife FCA (Senior statutory auditor)
for and on behalf of
Bishop Fleming LLP
Chartered Accountants
Statutory Auditors
10 Temple Back
Bristol
BS1 6FL
Date:

2015/22

SPACE COOLING TOPCO LIMITED**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	61,517,671	64,730,673
Cost of sales		(40,961,367)	(41,123,610)
Gross profit		20,556,304	23,607,063
Administrative expenses		(21,290,761)	(24,372,761)
Operating loss	5	(734,457)	(765,698)
Interest receivable and similar income	9	1,898	5,425
Interest payable and similar expenses	10	(1,214,892)	(1,239,591)
Grant income received - Coronavirus Job Retention Scheme		-	583,732
Loss before tax		(1,947,451)	(1,416,132)
Tax on loss	11	(181,938)	(8,291)
Loss for the financial year		(2,129,389)	(1,424,423)

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

The notes on pages 17 to 33 form part of these financial statements.

SPACE COOLING TOPCO LIMITED
REGISTERED NUMBER:08935318

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	12	2,692,308	3,846,154
Tangible assets	13	605,736	657,533
		<u>3,298,044</u>	<u>4,503,687</u>
Current assets			
Stocks	15	3,448,910	2,878,925
Debtors: amounts falling due within one year	16	8,387,953	15,080,586
Cash at bank and in hand	17	5,461,730	6,669,139
		<u>17,298,593</u>	<u>24,628,650</u>
Creditors: amounts falling due within one year	18	(10,709,255)	(17,115,566)
Net current assets		<u>6,589,338</u>	<u>7,513,084</u>
Total assets less current liabilities		<u>9,887,382</u>	<u>12,016,771</u>
Creditors: amounts falling due after more than one year	19	(23,008,756)	(23,008,756)
Net liabilities		<u>(13,121,374)</u>	<u>(10,991,985)</u>
Capital and reserves			
Called up share capital	21	100,000	100,000
Profit and loss account	22	(13,221,374)	(11,091,985)
		<u>(13,121,374)</u>	<u>(10,991,985)</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



B L Harris
 Director

Date: 18th May 2022

The notes on pages 17 to 33 form part of these financial statements.

SPACE COOLING TOPCO LIMITED
REGISTERED NUMBER:08935318

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	14	20,000,000	20,000,000
Creditors: amounts falling due within one year	18	(2,180,520)	(1,030,082)
Net current liabilities		(2,180,520)	(1,030,082)
Total assets less current liabilities		17,819,480	18,969,918
Creditors: amounts falling due after more than one year	19	(23,008,756)	(23,008,756)
Net liabilities		(5,189,276)	(4,038,838)
Capital and reserves			
Called up share capital	21	100,000	100,000
Profit and loss account brought forward		(4,138,838)	(2,985,249)
Loss for the year		(1,150,438)	(1,153,589)
Profit and loss account carried forward		(5,289,276)	(4,138,838)
		(5,189,276)	(4,038,838)

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



B L Harris
 Director

Date: 18th May 2022

The notes on pages 17 to 33 form part of these financial statements.

SPACE COOLING TOPCO LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	100,000	(9,667,562)	(9,567,562)
Loss for the year	-	(1,424,423)	(1,424,423)
At 1 January 2021	100,000	(11,091,985)	(10,991,985)
Loss for the year	-	(2,129,389)	(2,129,389)
At 31 December 2021	100,000	(13,221,374)	(13,121,374)

The notes on pages 17 to 33 form part of these financial statements.

SPACE COOLING TOPCO LIMITED

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2020	100,000	(2,985,249)	(2,885,249)
Loss for the year	-	(1,153,589)	(1,153,589)
At 1 January 2021	100,000	(4,138,838)	(4,038,838)
Loss for the year	-	(1,150,438)	(1,150,438)
At 31 December 2021	100,000	(5,289,276)	(5,189,276)

The notes on pages 17 to 33 form part of these financial statements.

SPACE COOLING TOPCO LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
Cash flows from operating activities		
Loss for the financial year	(2,129,389)	(1,424,423)
Adjustments for:		
Amortisation of intangible assets	1,153,846	1,153,846
Depreciation of tangible assets	374,987	487,206
Loss on disposal of tangible assets	(2,500)	(3,901)
Interest paid	1,214,892	1,239,591
Interest received	(1,898)	(5,425)
Taxation charge	181,938	24,363
(Increase)/decrease in stocks	(569,985)	20,315
Decrease in debtors	6,299,466	2,882,144
(Decrease)/increase in creditors	(6,399,913)	1,468,265
Corporation tax received	205,337	-
Net cash generated from operating activities	326,781	5,841,981
Cash flows from investing activities		
Purchase of tangible fixed assets	(323,190)	(284,830)
Sale of tangible fixed assets	2,500	7,786
Interest received	1,898	5,425
Net cash from investing activities	(318,792)	(271,619)
Cash flows from financing activities		
Repayment of other loans	(506)	-
Interest paid	(1,214,892)	(1,239,591)
Net cash used in financing activities	(1,215,398)	(1,239,591)
Net (decrease)/increase in cash and cash equivalents	(1,207,409)	4,330,771
Cash and cash equivalents at beginning of year	6,669,139	2,338,368
Cash and cash equivalents at the end of year	5,461,730	6,669,139
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	5,461,730	6,669,139
	5,461,730	6,669,139

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1. GENERAL INFORMATION

Space Cooling Topco Limited is a limited liability company incorporated in England and Wales. The registered office is Causeway Central, Pioneer Park, Bristol, BS4 3QB.

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 Income statement in these financial statements.

The following principal accounting policies have been applied:

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 Statement of financial position, 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 income statement from the date on which control is obtained. They are deconsolidated from the date control ceases.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

2. ACCOUNTING POLICIES (continued)

2.3 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.4 REVENUE

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

In the case of supply & installation contracts, turnover reflects the contract activity for the period, and represents the proportion of total contract value which costs incurred to date bear to total expected contract costs. The attributable profit on these contracts is recognised once their outcome can be assessed with reasonable certainty. The profit recognised reflects the proportion of work completed to date on the project. Full provision is made for losses on all contracts in the period in which the loss is first foreseen.

Income from manufactured products and imported cabinets on a supply only basis is recognised when title passes to the client. Typically this is on delivery to site although in some instances the contract terms allow for recognition of revenue on completion of production or import into the UK at which point title is transferred prior to delivery.

Maintenance contract income for comprehensive contracts is recognised on a daily basis across the contract period. Income for "Pay As You Go" contracts and additional works outside the scope of the comprehensive agreements is recognised as the service is delivered.

2.5 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. ACCOUNTING POLICIES (continued)

2.6 INTEREST INCOME

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

2.7 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.8 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 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 Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

2.10 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 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 reporting 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 reporting date.

2. ACCOUNTING POLICIES (continued)

2.11 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 income statement over its useful economic life of 6 years.

2.12 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:

Short-term leasehold property	- 10 years
Fixtures and fittings	- 4 years
Computer equipment	- 4 years

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.

2.13 VALUATION OF INVESTMENTS

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 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.

At each reporting 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.

2.15 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.

2. ACCOUNTING POLICIES (continued)

2.16 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.

2.17 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.

2.18 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 reporting 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 Statement of financial position.

2.19 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these significant judgments and estimates have been made include:

Amounts recoverable on contracts

Amounts recoverable on contracts are recognised based on the proportion of work completed to date on the project. The attributable profit is recognised once their outcome can be assessed with reasonable certainty.

4. TURNOVER

The whole of the turnover is attributable to the principal activity of the group.

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	58,342,301	62,508,999
Rest of Europe	3,175,370	2,221,674
	<u>61,517,671</u>	<u>64,730,673</u>

5. OPERATING LOSS

The operating loss is stated after charging:

	2021 £	2020 £
Depreciation - owned assets	374,987	487,206
Loss on disposal of fixed assets	(2,500)	(3,901)
Amortisation of goodwill	1,153,846	1,153,846
Loss on foreign exchange	(40,095)	41,623
Other operating lease rentals	1,176,055	1,759,753
	<u>1,176,055</u>	<u>1,759,753</u>

SPACE COOLING TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

6. AUDITORS' REMUNERATION

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,500	69,642

FEE PAYABLE TO THE GROUP'S AUDITOR AND ITS ASSOCIATES IN RESPECT OF:

Taxation compliance services	7,800	9,450
All other services	6,000	-
	<u>13,800</u>	<u>9,450</u>

7. EMPLOYEES

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	14,884,737	17,240,777	-	-
Social security costs	1,719,458	1,976,216	-	-
Cost of defined contribution scheme	496,459	587,343	-	-
	<u>17,100,654</u>	<u>19,804,336</u>	<u>-</u>	<u>-</u>

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

	2021 No.	2020 No.
Production staff	229	292
Administrative and management staff	176	176
	<u>405</u>	<u>468</u>

The Company has no employees other than the directors, who did not receive any remuneration (2020:£NIL)

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

8. DIRECTORS' REMUNERATION

	2021 £	2020 £
Directors' emoluments	245,561	338,878
Group contributions to defined contribution pension schemes	30,296	31,500
	<u>275,857</u>	<u>370,378</u>

The highest paid director received remuneration of £149,990 (2020:£147,914).

The value of the Group's contributions paid to a money purchase scheme in respect of the highest paid director amounted to £27,000 (2020:£21,000).

9. INTEREST RECEIVABLE

	2021 £	2020 £
Bank interest receivable	<u>1,898</u>	<u>5,425</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Bank interest payable	64,454	76,890
Interest payable on Investor Loan	563,690	565,234
Interest payable on Loan Notes	586,748	588,355
Other interest payable	-	9,112
	<u>1,214,892</u>	<u>1,239,591</u>

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

11. TAXATION

	2021 £	2020 £
CORPORATION TAX		
Current tax on profits for the year	39,585	8,429
Adjustments in respect of previous periods	-	(10,235)
	<u>39,585</u>	<u>(1,806)</u>
TOTAL CURRENT TAX	<u>39,585</u>	<u>(1,806)</u>
DEFERRED TAX		
Origination and reversal of timing differences	196,316	(8,940)
Changes to tax rates	(53,963)	18,915
Adjustment in respect of previous periods	-	122
	<u>142,353</u>	<u>10,097</u>
TOTAL DEFERRED TAX	<u>142,353</u>	<u>10,097</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>181,938</u>	<u>8,291</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is the same as (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below:

	2021 £	2020 £
Loss on ordinary activities before tax	<u>(1,947,451)</u>	<u>(1,416,132)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(370,016)	(269,065)
EFFECTS OF:		
Non-tax deductible amortisation of goodwill and impairment	219,231	219,162
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	235,131	110,443
Capital allowances for year in excess of depreciation	(12,762)	-
Difference in tax rates on overseas earnings	-	(22,977)
Adjustments to tax charge in respect of prior periods	-	(10,357)
Other timing differences	114,706	-
Effect of change in tax rates	(6,847)	(18,915)
Transfer pricing arrangements	2,495	-
TOTAL TAX CHARGE FOR THE YEAR	<u>181,938</u>	<u>8,291</u>

SPACE COOLING TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. TAXATION (CONTINUED)

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

12. INTANGIBLE ASSETS

Group

	Goodwill £
COST	
At 1 January 2021	23,130,916
At 31 December 2021	<u>23,130,916</u>
AMORTISATION	
At 1 January 2021	19,284,762
Charge for the year	1,153,846
At 31 December 2021	<u>20,438,608</u>
NET BOOK VALUE	
At 31 December 2021	<u>2,692,308</u>
At 31 December 2020	<u>3,846,154</u>

The company holds no intangible assets.

SPACE COOLING TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. TANGIBLE FIXED ASSETS

Group

	Short-term leasehold property £	Fixtures and fittings & Computer Equipment £	Total £
COST OR VALUATION			
At 1 January 2021	1,041,952	7,786,358	8,828,310
Additions	-	323,190	323,190
Disposals	-	(19,000)	(19,000)
At 31 December 2021	<u>1,041,952</u>	<u>8,090,548</u>	<u>9,132,500</u>
DEPRECIATION			
At 1 January 2021	932,624	7,238,153	8,170,777
Charge for the year	56,746	318,241	374,987
Disposals	-	(19,000)	(19,000)
At 31 December 2021	<u>989,370</u>	<u>7,537,394</u>	<u>8,526,764</u>
NET BOOK VALUE			
At 31 December 2021	<u>52,582</u>	<u>553,154</u>	<u>605,736</u>
At 31 December 2020	<u>109,328</u>	<u>548,205</u>	<u>657,533</u>

The company holds no tangible fixed assets.

SPACE COOLING TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

14. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 January 2021	29,042,162
At 31 December 2021	<u>29,042,162</u>
IMPAIRMENT	
At 1 January 2021	9,042,162
At 31 December 2021	<u>9,042,162</u>
NET BOOK VALUE	
At 31 December 2021	<u>20,000,000</u>
At 31 December 2020	<u>20,000,000</u>

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding
Space Cooling Systems Holdings Limited	1)	Ordinary	100%
Orwell Design Associates Limited	1)	Ordinary	100%
Space Engineering Services Limited *	1)	Ordinary	100%
Space Cooling Systems Limited *	1)	Ordinary	100%
Case & Cold Services Limited *	1)	Ordinary	100%
Space Engineering Limited *	1)	Ordinary	100%
Space Engineering Services KFT *	2)	Ordinary	100%

Subsidiaries denoted with a * indicates indirect shareholding.

- 1) The registered office of the company is Causeway Central, Pioneer Park, Bristol, BS4 3QB.
- 2) The registered office of the company is 9012 Győr, Mérföldkö Magánút 14., Hungary.

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

15. STOCKS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	<u>3,448,910</u>	<u>2,878,925</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stocks recognised as an expense in the year were £30,441,275 (2020 £26,995,030).

16. DEBTORS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	5,890,626	11,093,754	-	-
Other debtors	253,198	328,865	-	-
Prepayments and accrued income	564,812	570,945	-	-
Amounts recoverable on contracts	1,623,874	2,644,304	-	-
Corporation tax	26,913	271,835	-	-
Deferred taxation	28,530	170,883	-	-
	<u>8,387,953</u>	<u>15,080,586</u>	<u>-</u>	<u>-</u>

Amounts owed by group undertakings are non-interest bearing and repayable on demand.

17. CASH AND CASH EQUIVALENTS

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Cash at bank and in hand	<u>5,461,730</u>	<u>6,669,139</u>	<u>-</u>	<u>-</u>

SPACE COOLING TOPCO LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Interest payable on Investor loan	142,081	142,081	142,081	142,081
Interest payable on Loan notes	176,216	176,722	176,216	176,722
Trade creditors	6,333,082	10,464,427	-	-
Amounts owed to group undertakings	-	-	1,862,223	711,279
Other taxation and social security	2,060,458	4,358,567	-	-
Other creditors	167,697	188,520	-	-
Accruals and deferred income	1,829,721	1,785,249	-	-
	<u>10,709,255</u>	<u>17,115,566</u>	<u>2,180,520</u>	<u>1,030,082</u>

Amounts owed to group undertakings are non-interest bearing and repayable on demand.

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Investor loan	11,273,801	11,273,801	11,273,801	11,273,801
Loan notes	11,734,955	11,734,955	11,734,955	11,734,955
	<u>23,008,756</u>	<u>23,008,756</u>	<u>23,008,756</u>	<u>23,008,756</u>

The investor loan, and the loan notes both fall due on the 30th of April 2024 and bear interest at 5% per annum. They are secured by a fixed and floating charge over certain assets of the Company and Group as described in note 24.

20. DEFERRED TAXATION

Group

	2021 £
At beginning of year	170,883
Charged to profit or loss	(142,353)
AT END OF YEAR	<u><u>28,530</u></u>

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

20. DEFERRED TAXATION (CONTINUED)

	Group 2021 £	Group 2020 £
Accelerated capital allowances	18,225	40,825
Other timing differences	10,217	18,574
Losses	88	111,484
	<u>28,530</u>	<u>170,883</u>

21. SHARE CAPITAL

	2021 £	2020 £
AUTHORISED, ALLOTTED, CALLED UP AND FULLY PAID		
49,000 (2020:49,000) Ordinary A shares of £1.00 each	49,000	49,000
28,000 (2020:28,000) Ordinary B shares of £1.00 each	28,000	28,000
15,000 (2020:15,000) Ordinary C shares of £1.00 each	15,000	15,000
8,000 (2020:8,000) Ordinary D shares of £1.00 each	8,000	8,000
	<u>100,000</u>	<u>100,000</u>

The A, B, C and D classes of ordinary shares rank pari passu in all respects.

22. RESERVES

Profit and loss account

This reserve includes all current retained profits and losses. All are considered to be distributable.

23. ANALYSIS OF NET DEBT

	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	6,669,139	(1,207,409)	5,461,730
Debt due after 1 year	(23,008,756)	-	(23,008,756)
Debt due within 1 year	(318,803)	506	(318,297)
	<u>(16,658,420)</u>	<u>(1,206,903)</u>	<u>(17,865,323)</u>

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

24. CONTINGENT LIABILITIES

The Company entered into a Debenture dated 2 May 2014 guaranteeing all sums due to Royal Bank of Scotland by way of a fixed and floating charge over certain assets of the Group.

The Company entered into a Second Ranking Debenture dated 2 May 2014 guaranteeing all sums due to Dover Refrigeration and Food Equipment UK Limited and the holders of the Secured Loan Notes by way of a fixed and floating charge over certain assets of the Group.

25. 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 £496,459 (2020: £587,343). Contributions totalling £101,551 (2020: £96,390) were payable to the fund at the reporting date and are included in creditors.

26. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the Group had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £
Not later than 1 year	1,047,395	789,945
Later than 1 year and not later than 5 years	1,269,552	1,410,338
	<u>2,316,947</u>	<u>2,200,283</u>

SPACE COOLING TOPCO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

27. RELATED PARTY TRANSACTIONS

The Group has taken advantage of the exemption available under FRS 102 33.1a to not disclose related party transactions within a wholly owned group.

Advansor A/S (incorporated in Denmark) and SWEP International Limited are wholly owned subsidiaries of Dover Corporation which is an investor in Space Cooling Topco Limited. A number of Space Cooling Topco Limited Directors are employees of Hillphoenix Inc, a wholly owned subsidiary of Dover Corporation. Therefore, any member of that group is considered a related party as a result of common influence.

All transactions were carried out on normal commercial terms. During the current and previous year the values of transactions, together with the balances owed at the end of the period, are below:

	Transactions 2021 £	Outstanding 2021 £	Transactions 2020 £	Outstanding 2020 £
Purchases:				
Advansor A/S	1,574,582	337,684	363,707	9,655
SWEP International	1,585	-	14,575	-

During 2014, a secured loan of £11,273,801 was made by Dover Refrigeration and Food Equipment UK Limited as part of the funding of the Group. During the year interest accrued totalling £563,690 (2020 £565,234). At the end of the year the full capital amount remains outstanding together with an interest balance of £142,081 (2020 £142,081).

As part of the Group funding, two (2020: three) of the Directors hold Secured Loan Notes arising from their former shareholdings in Space Cooling Systems Holdings Limited. The value of their Loan Notes is £2,271,131. During the period, the interest accrued totalled £113,557 (2020 £113,868). At the balance sheet date £28,622 (2020 £28,622) is outstanding.

John Hollingdale is a Director of Space Engineering Services Limited and Director and Shareholder of Space Cooling Topco Limited. Mr Hollingdale was also Chairman of Gloucester County Cricket Club. Space Engineering Services Limited sponsored the club in the previous year for £10,000. At the previous year-end no balance was outstanding.

28. POST BALANCE SHEET EVENTS

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

29. CONTROLLING PARTY

The directors are considered to be the ultimate controlling party by virtue of their ability to act in concert in respect of the operational and financial policies of the company.