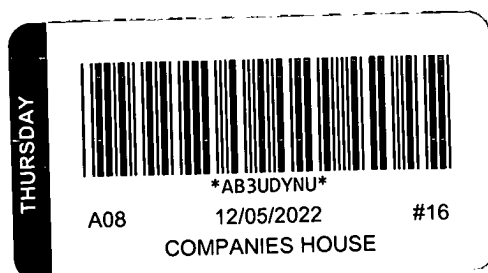


Company Registration No. 01420384 (England and Wales)

THERMEX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2021



THERMEX LIMITED

COMPANY INFORMATION

Director	Mr J G Crossley
Secretary	Mrs M Jordan
Company number	01420384
Registered office	Merse Road North Moons Moat Redditch Worcestershire B98 9HL
Auditor	Burgis & Bullock 23-25 Waterloo Place Warwick Street Leamington Spa Warwickshire CV32 5LA

THERMEX LIMITED

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THERMEX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The director presents the strategic report for the year ended 30 September 2021.

Thermex has been manufacturing shell and tube heat exchangers since 1979, adding air cooled and brazed plate heat exchangers as our expertise progressed in a wider range of related products. We are now one of the world's leading heat exchanger manufacturers, with ISO 9001:2015; ISO 14001 certification and American Society of Mechanical Engineers (ASME) certification and with both a UK manufacturing plant and UK design facility.

Fair review of the business

Thermex turnover increased by over 30% with significant improvements in profitability from 2020 which was adversely affected by the Covid-19 pandemic. The business continues to adapt quickly to challenges of disruption and delays in our global supply chain, commodity price pressure and some markets continue to be affected by Covid-19 restrictions following new variants emerging. Thermex remained fully operational throughout the financial year supporting our customers in key business sectors.

The results for the year are set out in the income statement on page 10. The company turnover £8.9M (2019/20 £6.8m), with Earnings before interest, tax, depreciation and amortization (EBITDA) £1.06m (2019/20 £515k). The business showed agility with improved profit margins and profitability

The financial strength, structure together with the depth and experience of Thermex's employees has allowed the company to adapt to the changing business environment. Our investment program of £2.5m carried over the last five years, with expanded manufacturing and office facilities, additional computer numerical control high-performance machining centres, tube expander, fin press, advanced inspection with 3D laser scanning and 3D printing has helped enable the business to grow in difficult market conditions.

Development of bespoke performance coolers for turbo charged engines used in marine and industrial applications has continued. Our strategy and recent expanded capabilities have given Thermex the platform to launch new products and capacity to take on additional work. The Company strategy is to continue over the long-term to grow and develop the business by providing innovative solutions, improving performance and extending technology.

THERMEX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

Principal risks and uncertainties

Despite inflationary pressure and extended lead times the bound back of economic activity after the global previous decline because of COVID-19, that has created uncertainty and risks; Thermex has continue to experience growth in the initial months of the 2022 financial year.

The company aims to manage competitive risk by pro-actively working with existing customers in diversified geographical and business sectors to develop a long-term relationship. Supplier relationships are managed to ensure they can remain price competitive in the market. The company has a small number of apprentices, together with training plans for existing employees to help employee retention and ensure their skills are developed for the benefit of both the business and employee.

The Company takes measures to manage financial risk, these include hedging foreign exchange, and having assets and liabilities in the same currency. Following our capital investment program, the opportunity been taken to strengthen the balance sheet by reducing short-term borrowings and replacing them with long-term liabilities, this provides an improve the current ratio.

Development and performance

Thermex has also been focused on developing a low carbon resource efficiency strategy to reduce rising energy costs. Focused on installation of more energy efficient plant, good practice processes and greater awareness amongst the workforce of their responsibilities. Leadership and management, R&D, lean manufacturing, productivity and capacity, quality systems, supply chain development has also been a factor in the business managing its expansion over the recent years.

Thermex was awarded ISO 14001 Certification in 2021 in recognition of the Company environmental responsibilities.

Key performance indicators

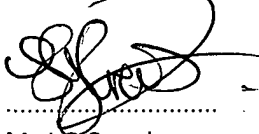
	2021	2020	2019	% Change 2021 2020
Turnover	8.9 Million	6.8 Million	10.3 Million	30.5%
Operating Profit	0.73 Million	0.23 Million	0.93 Million	214.8%
Operating Profit %	8.2%	3.4%	9.0%	
EBITDA	1.059 Million	0.515 Million	1.24 Million	105.7%
EBITDA %	11.9%	7.5%	12.1%	
Stock Turns	3.6	3.9	4.8	2.8%

THERMEX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

On behalf of the board



Mr J G Crossley

Director

Date: 22/4/22

THERMEX LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2021

The director presents his annual report and financial statements for the year ended 30 September 2021.

Principal activities

The principal activity of the company continued to be that of the design and manufacture of heat exchange equipment.

Results and dividends

The results for the year are set out on page 10.

Ordinary interim dividends were paid amounting to £285,941 based on prior years performance. The director does not recommend payment of a further dividend.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

Mr J G Crossley

Auditor

The auditors, Burgis & Bullock, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements 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 company will continue in business.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THERMEX LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

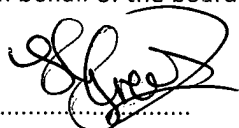
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Strategic report information

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the financial risk management policies and objectives of the company.

On behalf of the board



.....
Mr J G Crossley
Director

Date: 22/4/22

THERMEX LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THERMEX LIMITED

Opinion

We have audited the financial statements of Thermex Limited (the 'company') for the year ended 30 September 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 company's affairs as at 30 September 2021 and of its 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 *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the 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 director with respect to going concern are described in the relevant sections of this report.

THERMEX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THERMEX LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

THERMEX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THERMEX LIMITED

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the company and industry we identified that the principal risk of non-compliance with laws and regulations related to breaches of Companies Act 2006, UK Tax Legislation & Health & Safety regulations. We also evaluated management incentive and opportunities for fraudulent manipulations of the financial statements.

Audit procedures performed included:

- Making enquiries of management as to any instances of non-compliance with laws and regulations
- Reviewing returns made to Companies House and HMRC
- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias
- Reviewing the accounting records for large and unusual transactions and testing any identified and in particular the rationale for any transactions outside the company's normal course of business
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the company's normal course of business
- Testing a sample of debit entries in the profit and loss account to check they are bona-fide costs of the business.
- Testing a sample of bank payments to source documentation

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

THERMEX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THERMEX LIMITED

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

WA Hubbard

Wende Hubbard FCCA (Senior Statutory Auditor)
For and on behalf of Burgis & Bullock

Date: 22nd April 2022

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Warwick Street
Leamington Spa
Warwickshire
CV32 5LA

THERMEX LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	8,903,174	6,824,926
Cost of sales		(6,511,521)	(5,044,706)
Gross profit		<u>2,391,653</u>	<u>1,780,220</u>
Administrative expenses		(1,681,306)	(1,808,145)
Other operating income		23,098	260,890
Operating profit	5	<u>733,445</u>	<u>232,965</u>
Interest receivable and similar income	8	15,223	140
Interest payable and similar expenses	9	(58,858)	(46,860)
Profit before taxation		<u>689,810</u>	<u>186,245</u>
Tax on profit	10	(207,778)	(26,535)
Profit for the financial year		<u>482,032</u>	<u>159,710</u>
Other comprehensive income			
Tax relating to other comprehensive income		(30,325)	(62,564)
Total comprehensive income for the year		<u><u>451,707</u></u>	<u><u>97,146</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

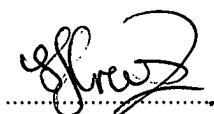
THERMEX LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2021

		2021		2020	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		2,500,689		2,420,939
Current assets					
Stocks	14	1,436,993		972,881	
Debtors falling due after more than one year	15	1,302,589		338,934	
Debtors falling due within one year	15	1,982,391		1,320,807	
Cash at bank and in hand		217,304		665,765	
			4,939,277		3,298,387
Creditors: amounts falling due within one year	16	(3,441,354)		(1,690,064)	
Net current assets			1,497,923		1,608,323
Total assets less current liabilities			3,998,612		4,029,262
Creditors: amounts falling due after more than one year	17		(1,205,971)		(1,517,040)
Provisions for liabilities			(409,606)		(294,953)
Net assets			2,383,035		2,217,269
Capital and reserves					
Called up share capital	23		25,000		25,000
Revaluation reserve			559,580		629,646
Profit and loss reserves			1,798,455		1,562,623
Total equity			2,383,035		2,217,269

The financial statements were approved and signed by the director and authorised for issue on 22/4/22



Mr J G Crossley

Director

Company Registration No. 01420384

THERMEX LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 SEPTEMBER 2021

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2019		25,000	714,440	1,912,284	2,651,724
Year ended 30 September 2020:					
Profit for the year		-	-	159,710	159,710
Other comprehensive income:					
Tax relating to other comprehensive income		-	(62,564)	-	(62,564)
Total comprehensive income for the year		-	(62,564)	159,710	97,146
Dividends	11	-	-	(531,601)	(531,601)
Transfers		-	(22,230)	22,230	-
Balance at 30 September 2020		25,000	629,646	1,562,623	2,217,269
Year ended 30 September 2021:					
Profit for the year		-	-	482,032	482,032
Other comprehensive income:					
Tax relating to other comprehensive income		-	(30,325)	-	(30,325)
Total comprehensive income for the year		-	(30,325)	482,032	451,707
Dividends	11	-	-	(285,941)	(285,941)
Transfers		-	(39,741)	39,741	-
Balance at 30 September 2021		25,000	559,580	1,798,455	2,383,035

THERMEX LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 SEPTEMBER 2021

		2021		2020	
Notes	£	£	£	£	
Cash flows from operating activities					
Cash generated from operations	30	1,681,695		206,306	
Interest paid		(58,858)		(46,860)	
Income taxes paid		(105,813)		(32,620)	
		1,517,024		126,826	
Investing activities					
Purchase of tangible fixed assets		(405,375)	(169,803)		
Proceeds on disposal of tangible fixed assets		18,583	-		
Loans made		(1,080,390)	-		
Receipts arising from loans made		-	232,378		
Interest received		2,121	140		
		(1,465,061)		62,715	
Financing activities					
Proceeds of new bank loans		-	1,250,000		
Repayment of bank loans		(69,439)	(97,877)		
Payment of finance leases obligations		(137,401)	(206,377)		
Dividends paid		(285,941)	(531,601)		
		(492,781)		414,145	
Net (decrease)/increase in cash and cash equivalents		(440,818)		603,686	
Cash and cash equivalents at beginning of year		658,122		54,436	
Cash and cash equivalents at end of year		217,304		658,122	
Relating to:					
Cash at bank and in hand		217,304		665,765	
Bank overdrafts included in creditors payable within one year		-		(7,643)	
		217,304		665,765	

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

Company information

Thermex Limited is a private company limited by shares incorporated in England and Wales. The registered office is Merse Road, North Moons Moat, Redditch, Worcestershire, B98 9HL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	straight line over 50 years
Plant and machinery	10% on cost
Fixtures, fittings & equipment	10-20% on cost
Computer equipment	33% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

1 Accounting policies

(Continued)

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

1.17 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the director are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Stock provision

In relation to potentially obsolete stocks, the directors have made key assumptions regarding the provision to be included within the financial statements. 'Stocks' included on the balance sheet are stated net of any provision. The stock provision at the year end is £91,292.

Warranty provision

In relation to potential future warranty costs, the directors have made key assumptions regarding the provision to be included within the financial statements. The provision is calculated based on a percentage of turnover along with any known specific items and is based on historical costs incurred. The warranty provision at the year end is £80,620.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sale of goods	8,903,174	6,824,926
	<u>8,903,174</u>	<u>6,824,926</u>
	2021	2020
	£	£
Other significant revenue		
Interest income	15,223	140
Grants received	23,098	260,890
	<u>38,321</u>	<u>261,030</u>
	2021	2020
	£	£
Turnover analysed by geographical market		
UK	5,034,015	3,635,580
Europe	2,628,914	2,552,140
ROW	1,240,245	637,206
	<u>8,903,174</u>	<u>6,824,926</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

4 Other operating income

	2021	2020
	£	£
Government grants		
Coronavirus Job Retention Scheme (CJRS)	57	206,903
Coronavirus Business Interruption Loan Scheme (CBILS) - Interest	-	3,383
Coronavirus Business Interruption Loan Scheme (CBILS) - Discount	-	30,063
Other grants	23,041	20,541
	23,098	260,890
	23,098	260,890

The Coronavirus Job Retention Scheme (CJRS), is a government scheme set up to cover certain employment costs for employees who have been unable to work due to COVID-19.

The Coronavirus Business Interruption Loan Scheme (CBILS) is a government initiative to help UK small and medium sized businesses affected by coronavirus to access finance. The interest element shown above represents the interest that the government has paid on the company's behalf during the year. The discount represents the remaining interest that the government will pay after the year end.

The Government have also provided a guarantee in the sum of £800,000 to the loan provider in respect of the capital amount due for repayment.

5 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(6,608)	7,391
Research and development costs	10,897	66,277
Government grants	(23,098)	(260,890)
Fees payable to the company's auditor for the audit of the company's financial statements	16,015	11,050
Depreciation of owned tangible fixed assets	294,093	226,575
Depreciation of tangible fixed assets held under finance leases	31,532	55,389
Profit on disposal of tangible fixed assets	(18,583)	-
Impairment of stocks recognised or reversed	164,204	124,733
Operating lease charges	9,180	8,189
	9,180	8,189
	9,180	8,189

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021 Number	2020 Number
56	59
<u>56</u>	<u>59</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,608,709	1,625,544
Social security costs	147,942	135,642
Pension costs	62,922	41,941
	<u>1,819,573</u>	<u>1,803,127</u>

7 Director's remuneration

	2021 £	2020 £
Remuneration for qualifying services	54,063	52,503
Company pension contributions to defined contribution schemes	32,000	-
	<u>86,063</u>	<u>52,503</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

8 Interest receivable and similar income	2021	2020
	£	£
Interest income		
Interest on bank deposits	2,121	140
Interest receivable from group companies	13,102	-
	<u>15,223</u>	<u>140</u>
Total income	<u>15,223</u>	<u>140</u>
 Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>15,223</u>	<u>140</u>
9 Interest payable and similar expenses	2021	2020
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	14,016	9,636
Other interest on financial liabilities	39,539	22,937
	<u>53,555</u>	<u>32,573</u>
Other finance costs:		
Interest on finance leases and hire purchase contracts	5,303	13,434
Other interest	-	853
	<u>58,858</u>	<u>46,860</u>
10 Taxation	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	<u>123,450</u>	<u>17,408</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

10 Taxation	(Continued)	
	2021	2020
	£	£
Deferred tax		
Origination and reversal of timing differences	31,445	9,127
Changes in tax rates	52,883	-
	84,328	9,127
Total deferred tax	84,328	9,127
Total tax charge	207,778	26,535

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£	£
Profit before taxation	689,810	186,245
	689,810	186,245
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	131,064	35,387
Tax effect of expenses that are not deductible in determining taxable profit	16,285	995
Effect of change in corporation tax rate	60,429	18,160
Depreciation on assets not qualifying for tax allowances	-	11,464
Research and development tax credit	-	(35,497)
Deferred tax adjustments in respect of prior years	-	(3,974)
	207,778	26,535
Taxation charge for the year	207,778	26,535

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£	£
Deferred tax arising on:		
Revaluation of property	30,325	62,564
	30,325	62,564

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

11 Dividends

	2021	2020
	£	£
Final paid	285,941	531,601
	<u>285,941</u>	<u>531,601</u>

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021	2020
		£	£
In respect of:			
Stocks	14	164,204	124,733
		<u>164,204</u>	<u>124,733</u>
Recognised in:			
Cost of sales		164,204	124,733
		<u>164,204</u>	<u>124,733</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Tangible fixed assets

	Freehold buildings £	Plant and machinery £	Fixtures, fittings & equipment £	Computer equipment £	Motor vehicles £	Total £
Cost or valuation						
At 1 October 2020	1,200,000	2,200,033	344,984	126,231	151,654	4,022,902
Additions	-	248,572	3,980	6,777	146,046	405,375
Disposals	-	(45,000)	-	(1,318)	(65,955)	(112,273)
At 30 September 2021	<u>1,200,000</u>	<u>2,403,605</u>	<u>348,964</u>	<u>131,690</u>	<u>231,745</u>	<u>4,316,004</u>
Depreciation and impairment						
At 1 October 2020	52,533	1,107,722	234,873	101,504	105,331	1,601,963
Depreciation charged in the year	70,044	174,966	39,178	15,521	25,916	325,625
Eliminated in respect of disposals	-	(45,000)	-	(1,318)	(65,955)	(112,273)
At 30 September 2021	<u>122,577</u>	<u>1,237,688</u>	<u>274,051</u>	<u>115,707</u>	<u>65,292</u>	<u>1,815,315</u>
Carrying amount						
At 30 September 2021	<u>1,077,423</u>	<u>1,165,917</u>	<u>74,913</u>	<u>15,983</u>	<u>166,453</u>	<u>2,500,689</u>
At 30 September 2020	<u>1,147,467</u>	<u>1,092,311</u>	<u>110,111</u>	<u>24,727</u>	<u>46,323</u>	<u>2,420,939</u>

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2021 £	2020 £
Plant and machinery	206,268	392,492
Motor vehicles	13,542	-
Other assets	-	129,311
	<u>219,810</u>	<u>521,803</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

13 Tangible fixed assets

(Continued)

Included in land and buildings is land totalling £166,834 (2020: £166,834) which is not being depreciated.

The land and buildings were valued on an open market value basis on 17th December 2019 by John Truslove (RICS IRRV), Chartered Surveyors and Valuers. The director is of the opinion that the land and buildings are included at their fair value at 30 September 2021.

The following assets are carried at valuation. If the assets were measured using the cost model, the carrying amounts would be as follows:

	2021	2020
	£	£
Cost	731,943	731,943
Accumulated depreciation	(293,001)	(229,925)
Carrying value	<u>438,942</u>	<u>502,018</u>
14 Stocks		
	2021	2020
	£	£
Finished goods, Raw materials and Work in Progress	<u>1,436,993</u>	<u>972,881</u>
15 Debtors		
	2021	2020
Amounts falling due within one year:	£	£
Trade debtors	1,682,149	1,164,572
Corporation tax recoverable	31,308	-
Amounts owed by group undertakings	50,000	50,000
Other debtors	98,582	3,811
Prepayments and accrued income	120,352	102,424
	<u>1,982,391</u>	<u>1,320,807</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

15 Debtors	(Continued)	
	2021	2020
Amounts falling due after more than one year:	£	£
Amounts owed by group undertakings	1,302,589	338,934
	3,284,980	1,659,741
Total debtors		
16 Creditors: amounts falling due within one year		
	2021	2020
	£	£
	Notes	
Bank loans and overdrafts	18 287,830	95,473
Obligations under finance leases	19 42,909	141,554
Trade creditors	1,300,680	805,438
Corporation tax	155,609	106,664
Other taxation and social security	40,232	60,543
Other creditors	1,082,445	252,961
Accruals and deferred income	531,649	227,431
	3,441,354	1,690,064

Creditors falling due within one year totalling £1,110,514. (2020: £344,797) are secured by way of charges held over various assets of the company, including trade debtors.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	18	1,019,853	1,289,292
Obligations under finance leases	19	27,218	65,974
Government grants	21	158,900	161,774
		1,205,971	1,517,040
		1,205,971	1,517,040

Creditors falling due after one year totalling £420,405 (2020: £571,673) are secured by way of charges held over various assets of the company, including trade debtors.

A portion of the bank loan is a government backed Coronavirus Business Interruption Loan Scheme (CBILS) Loan and is repayable by equal instalments over 5 years from September 2021. From September 2021 interest is payable at 3.96% over base rate.

18 Loans and overdrafts

	2021 £	2020 £
Bank loans	1,307,683	1,377,122
Bank overdrafts	-	7,643
	1,307,683	1,384,765
	1,307,683	1,384,765
Payable within one year	287,830	95,473
Payable after one year	1,019,853	1,289,292
	1,307,683	1,384,765

The long-term loans are secured by fixed and floating charges over the company and all property and assets.

One loan is being repaid monthly over 14 years and matures in June 2023. Interest of 2.25% plus LIBOR is being charged on the loan.

The second loan is being repaid over 5 years and matures in March 2025. Interest of 2.25% plus the base rate is being charged on the loan.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

19 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Within one year	42,909	141,554
In two to five years	27,218	65,974
	70,127	207,528
	70,127	207,528

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021	Liabilities 2020
	£	£
Balances:		
Accelerated capital allowances	253,104	174,519
Revaluations	157,817	127,492
Retirement benefit obligations	(887)	(574)
Other provisions	(428)	(6,484)
	409,606	294,953
	409,606	294,953
Movements in the year:		2021
		£
Liability at 1 October 2020		294,953
Charge to profit or loss		84,328
Charge to other comprehensive income		30,325
		409,606
Liability at 30 September 2021		409,606

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

21 Deferred grants

	2021	2020
	£	£
Arising from government grants	158,900	161,774
	<u>158,900</u>	<u>161,774</u>

The company has recognised £23,041 (2020 - £20,541) as income for factory in the year and £158,900 (2020 - £161,774) is held as deferred income within liabilities.

22 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	62,922	41,941
	<u>62,922</u>	<u>41,941</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital issued and fully paid				
Ordinary of £1 each	25,000	25,000	25,000	25,000
	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

24 Financial commitments, guarantees and contingent liabilities

At 30 September 2021 the company has entered into short-term forward exchange contracts amounting to £nil (2020 - £373,308).

At 30 September 2021 the company has committed to the purchase of plant and machinery for the value of £105,158 (2020 - £117,500).

There is a contingent liability in respect of a guarantee given by Natwest to HMRC for £12,000 (2020 - £12,000) with recourse to the company under counter indemnity.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

25 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021	2020
	£	£
Within one year	3,350	5,286
Between two and five years	4,467	-
	<u>7,817</u>	<u>5,286</u>

26 Events after the reporting date

Dividends totalling £140,000 have been paid since the year end.

27 Related party transactions

Transactions with related parties

During the year loans were advanced to other related parties of £21,745 (2020: £nil). Repayments received during the year were £10,811 (2020: £nil). The balance at the year end was £18,745 (2020: £3,811)

Other information

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company.

28 Directors' transactions

Other debtors includes a loan of £79,837 (2020 - £nil) made to the director in the year. No interest was due on this loan.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

29 Ultimate controlling party

Diamond Rain Limited is the immediate and ultimate parent undertaking. The ultimate controlling party of Diamond Rain Limited is Mr J G Crossley.

The smallest and largest group for which consolidated accounts are prepared is Diamond Rain Limited.

Copies of the group accounts can be obtained from the parents registered office, which is Thermex Limited, Merse Road, Moons Moat North Industrial Estate, Redditch, Worcestershire, B98 9HL.

30 Cash generated from operations

	2021	2020
	£	£
Profit for the year after tax	482,032	159,710
Adjustments for:		
Taxation charged	207,778	26,535
Finance costs	58,858	46,860
Investment income	(15,223)	(140)
Gain on disposal of tangible fixed assets	(18,583)	-
Depreciation and impairment of tangible fixed assets	325,625	281,964
Movements in working capital:		
(Increase)/decrease in stocks	(464,112)	291,893
(Increase)/decrease in debtors	(500,439)	584,570
Increase/(decrease) in creditors	1,608,633	(1,346,860)
(Decrease)/increase in deferred income	(2,874)	161,774
Cash generated from operations	<u>1,681,695</u>	<u>206,306</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2021

31 Analysis of changes in net debt

	1 October 2020 £	Cash flows 30 September 2021 £	£
Cash at bank and in hand	665,765	(448,461)	217,304
Bank overdrafts	(7,643)	7,643	-
	<u>658,122</u>	<u>(440,818)</u>	<u>217,304</u>
Borrowings excluding overdrafts	(1,377,122)	69,439	(1,307,683)
Obligations under finance leases	(207,528)	137,401	(70,127)
	<u>(926,528)</u>	<u>(233,978)</u>	<u>(1,160,506)</u>