

Company registration number 01420384 (England and Wales)

THERMEX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2023

THERMEX LIMITED

COMPANY INFORMATION

Director Mr J G Crossley

Company number 01420384

Registered office Merse Road
North Moons Moat
Redditch
Worcestershire
B98 9HL

Auditor Burgis & Bullock
23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

THERMEX LIMITED

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THERMEX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The director presents the strategic report for the year ended 30 September 2023.

Thermex has been manufacturing shell and tube heat exchanges since 1979, adding air cooled, brazed plate heat exchanges and finned tube 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 with both a UK manufacturing plant and UK design facility.

Review of the business

Turnover increased to £11.8M in 2023, an increase of 17% on 2022, this exceeds our peak pre-pandemic turnover of level of £10.3M in 2019. Operating profits also improved during the year. Turnover improvements reflect both growth in core business and winning new OEM contracts.

General inflationary pressure means that there has been some margin squeeze as cost have increased before we were able to increase customer prices, although material commodities, energy and freight costs started to stabilise in the second half of the year.

The results for the year are set out in the income statement on page 1. Earnings before interest, tax, depreciation and amortization (EBITDA) were £1.152m (2021/22 £1.12m). Forecasts indicate turnover and profitability are improving in the current financial year.

Our capital investment program continues with expansion to manufacturing and office facilities, including new computer numerical control high-performance machining centres, tube expander, fin press improvements, 3D laser scanning 3D printing and advanced inspecting and testing facilities.

Our strategy and recent expanded capabilities have given Thermex the platform to launch new products and capacity. In the long-term our strategy is to develop and grow the business by providing innovate solutions, improving performance and extending technology using different materials in heat exchangers.

Principal risks and uncertainties

The company aims to manage competitive risk by pro-actively working with existing customers in diversified geographical and business sectors to develop long-term relationships. Supplier relationships are managed to ensure they can remain price competitive and be innovative in adapting to technical changes. Employees have training plans to improve their skills and development 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. Borrowings are managed to ensure a mixture of short-term and long-term borrowings. The business mitigates against risk to its business information data by being Cyber Essentials Plus Certified.

THERMEX LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

Development and performance

Thermex has focused on developing a low carbon resource efficiency strategy to reduce energy usage; with installation of more energy efficient plant, lighting, and greater awareness amongst the workforce of their responsibilities. Leadership and management, R&D, lean manufacturing, productivity and capacity, quality systems, supply chain development have also been a factor in the business managing its expansion over the recent years. In recognition of our environmental responsibilities, the company has obtained ISO 14001 Certification.

Key performance indicators

In line with its growth strategy, the company monitors turnover and operating profit as its key financial performance indicators.

	2023	2022	2021
	£m	£m	£m
Turnover	11.80	10.10	8.90
Operating profit	0.87	0.76	0.73

On behalf of the board

Mr J G Crossley
Director

28 June 2024

THERMEX LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2023

The director presents his annual report and financial statements for the year ended 30 September 2023.

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 9.

Ordinary interim dividends were paid amounting to £52,500 based on prior years performance. The director does not recommend payment of a final 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 2023

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

28 June 2024

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 2023 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 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 company's affairs as at 30 September 2023 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 or the director's 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, 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 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:

- Reviewing returns made to Companies House and HMRC;
- Discussions with management, including consideration of known or suspected incidences of non-compliance with laws and regulation and fraud;
- Making enquiries of Health & Safety personnel as to the occurrence and nature of reportable incidents.
- 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 journal entries 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;
- 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;
- 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.

THERMEX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THERMEX LIMITED

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.

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 them 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.

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

28 June 2024

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Leamington Spa
Warwickshire
CV32 5LA

THERMEX LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023 £	2022 £
Turnover	3	11,785,226	10,063,613
Cost of sales		(8,517,394)	(7,571,121)
Gross profit		<u>3,267,832</u>	<u>2,492,492</u>
Administrative expenses		(2,428,865)	(1,752,912)
Other operating income		26,921	25,093
Operating profit	5	<u>865,888</u>	<u>764,673</u>
Interest receivable and similar income	8	111,049	57,843
Interest payable and similar expenses	9	(154,280)	(75,596)
Profit before taxation		<u>822,657</u>	<u>746,920</u>
Tax on profit	10	(189,830)	(131,045)
Profit for the financial year		<u>632,827</u>	<u>615,875</u>
Other comprehensive income			
Revaluation of tangible fixed assets		-	342,621
Tax relating to other comprehensive income		22,660	(75,720)
Total comprehensive income for the year		<u><u>655,487</u></u>	<u><u>882,776</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 2023

		2023		2022	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	13		2,850,930		2,683,638
Current assets					
Stocks	14	2,171,438		1,604,449	
Debtors falling due after more than one year	15	1,590,704		1,186,881	
Debtors falling due within one year	15	2,856,447		2,985,373	
Cash at bank and in hand		145,606		227,013	
		<u>6,764,195</u>		<u>6,003,716</u>	
Creditors: amounts falling due within one year	16	<u>(5,204,562)</u>		<u>(4,698,985)</u>	
Net current assets			<u>1,559,633</u>		<u>1,304,731</u>
Total assets less current liabilities			<u>4,410,563</u>		<u>3,988,369</u>
Creditors: amounts falling due after more than one year	17		(735,469)		(950,453)
Provisions for liabilities			<u>(522,890)</u>		<u>(488,699)</u>
Net assets			<u><u>3,152,204</u></u>		<u><u>2,549,217</u></u>
Capital and reserves					
Called up share capital	23		25,000		25,000
Revaluation reserve			718,757		786,740
Profit and loss reserves			<u>2,408,447</u>		<u>1,737,477</u>
Total equity			<u><u>3,152,204</u></u>		<u><u>2,549,217</u></u>

The financial statements were approved and signed by the director and authorised for issue on 28 June 2024

Mr J G Crossley

Director

Company Registration No. 01420384

THERMEX LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 October 2021		25,000	559,580	1,798,455	2,383,035
Year ended 30 September 2022:					
Profit for the year		-	-	615,875	615,875
Other comprehensive income:					
Revaluation of tangible fixed assets		-	342,621	-	342,621
Tax relating to other comprehensive income		-	(75,720)	-	(75,720)
Total comprehensive income for the year		-	266,901	615,875	882,776
Dividends	11	-	-	(716,594)	(716,594)
Transfers		-	(39,741)	39,741	-
Balance at 30 September 2022		25,000	786,740	1,737,477	2,549,217
Year ended 30 September 2023:					
Profit for the year		-	-	632,827	632,827
Other comprehensive income:					
Tax relating to other comprehensive income		-	22,660	-	22,660
Total comprehensive income for the year		-	22,660	632,827	655,487
Dividends	11	-	-	(52,500)	(52,500)
Transfers		-	(90,643)	90,643	-
Balance at 30 September 2023		25,000	718,757	2,408,447	3,152,204

THERMEX LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

	Notes	2023		2022	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	30		1,084,322		1,465,704
Interest paid			(154,280)		(75,596)
Income taxes paid			(151,054)		(128,788)
			<u>778,988</u>		<u>1,261,320</u>
Net cash inflow from operating activities					
Investing activities					
Purchase of tangible fixed assets		(223,754)		(202,628)	
Proceeds from disposal of tangible fixed assets		9,000		28,584	
Intercompany loans made		(294,543)		-	
Directors loan account movement		89,517		(79,113)	
Interest received		1,769		57,843	
			<u>(418,011)</u>		<u>(195,314)</u>
Net cash used in investing activities					
Financing activities					
Repayment of bank loans		(280,690)		(286,254)	
Payment of finance leases obligations		(109,194)		(53,449)	
Dividends paid		(52,500)		(716,594)	
			<u>(442,384)</u>		<u>(1,056,297)</u>
Net cash used in financing activities					
Net (decrease)/increase in cash and cash equivalents					
			(81,407)		9,709
Cash and cash equivalents at beginning of year			227,013		217,304
			<u>145,606</u>		<u>227,013</u>
Cash and cash equivalents at end of year					

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2023

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 2023

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	6.7 - 20% on cost
Fixtures, fittings & equipment	10-20% on cost
Computer equipment	33% on cost
Motor vehicles	25% on cost

Freehold land and buildings are held under the revaluation model.

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 2023

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 2023

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 2023

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 2023

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 2023

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 £100,923.

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 £88,389.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

3	Turnover and other revenue	2023	2022
		£	£
	Turnover analysed by class of business		
	Sale of goods	11,785,226	10,063,613
		<u>11,785,226</u>	<u>10,063,613</u>
		2023	2022
		£	£
	Turnover analysed by geographical market		
	UK	6,366,561	5,673,362
	EU	3,126,250	2,812,010
	ROW	2,292,415	1,578,241
		<u>11,785,226</u>	<u>10,063,613</u>
		2023	2022
		£	£
	Other revenue		
	Interest income	111,049	57,843
	Grants received	26,921	25,093
		<u>137,970</u>	<u>82,936</u>
4	Other operating income	2023	2022
		£	£
	Government grants		
	Other grants	26,921	25,093
		<u>26,921</u>	<u>25,093</u>

Other grants above relates to adhoc capital grants which are being amortised over the useful life of the related asset.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

5 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	17,387	(4,672)
Research and development costs	23,036	11,718
Government grants	(26,921)	(25,093)
Fees payable to the company's auditor for the audit of the company's financial statements	31,711	19,168
Depreciation of owned tangible fixed assets	249,734	340,830
Depreciation of tangible fixed assets held under finance leases	32,382	12,960
Profit on disposal of tangible fixed assets	(3,804)	(3,672)
Impairment of stocks recognised or reversed	236,854	171,589
Operating lease charges	8,433	6,594
	<u> </u>	<u> </u>

6 Employees

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

	2023	2022
	Number	Number
	61	58
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	2,348,975	1,779,291
Social security costs	249,812	173,264
Pension costs	70,816	39,389
	<u> </u>	<u> </u>
	<u>2,669,603</u>	<u>1,991,944</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

7 Director's remuneration

	2023	2022
	£	£
Remuneration for qualifying services	510,364	55,593
Company pension contributions to defined contribution schemes	-	4,000
	510,364	59,593
	510,364	59,593

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2022 - 1).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2023	2022
	£	£
Remuneration for qualifying services	510,364	-
	510,364	-

8 Interest receivable and similar income

	2023	2022
	£	£
Interest income		
Interest on bank deposits	1,769	843
Interest receivable from group companies	109,280	57,000
	111,049	57,843
Total income	111,049	57,843

	2023	2022
	£	£
Investment income includes the following:		

Interest on financial assets not measured at fair value through profit or loss	111,049	57,843
	111,049	57,843

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

		2023	2022
		£	£
9	Interest payable and similar expenses		
		2023	2022
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	70,135	46,200
	Other interest on financial liabilities	69,412	25,379
		<u>139,547</u>	<u>71,579</u>
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	14,733	4,017
		<u>154,280</u>	<u>75,596</u>
		<u><u>154,280</u></u>	<u><u>75,596</u></u>
10	Taxation		
		2023	2022
		£	£
	Current tax		
	UK corporation tax on profits for the current period	136,418	145,283
	Adjustments in respect of prior periods	(3,439)	(17,611)
		<u>132,979</u>	<u>127,672</u>
	Total current tax	<u>132,979</u>	<u>127,672</u>
		<u><u>132,979</u></u>	<u><u>127,672</u></u>
	Deferred tax		
	Origination and reversal of timing differences	56,851	3,373
		<u>56,851</u>	<u>3,373</u>
	Total tax charge	<u>189,830</u>	<u>131,045</u>
		<u><u>189,830</u></u>	<u><u>131,045</u></u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

10 Taxation

(Continued)

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:

	2023	2022
	£	£
Profit before taxation	822,657	746,920
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 22.01% (2022: 19.00%)	181,067	141,915
Tax effect of expenses that are not deductible in determining taxable profit	(2,067)	2,605
Effect of change in corporation tax rate	6,513	550
Permanent capital allowances in excess of depreciation	5,328	2,501
Under/(over) provided in prior years	(1,011)	(16,526)
	<u> </u>	<u> </u>
Taxation charge for the year	189,830	131,045
	<u> </u>	<u> </u>

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:

	2023	2022
	£	£
Deferred tax arising on:		
Revaluation of property	(22,660)	75,720
	<u> </u>	<u> </u>

11 Dividends

	2023	2022
	£	£
Interim paid	52,500	716,594
	<u> </u>	<u> </u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

12 Impairments

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

	Notes	2023	2022
		£	£
In respect of:			
Stocks	14	236,854	171,589
		<u> </u>	<u> </u>
Recognised in:			
Cost of sales		236,854	171,589
		<u> </u>	<u> </u>

13 Tangible fixed assets

	Freehold buildings	Plant and fixtures, fittings & machinery	equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 October 2022	1,350,000	2,527,589	404,458	177,022	142,356	4,601,425
Additions	-	338,817	70,231	45,556	-	454,604
Disposals	-	-	(5,000)	(884)	(19,869)	(25,753)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2023	1,350,000	2,866,406	469,689	221,694	122,487	5,030,276
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment						
At 1 October 2022	-	1,378,280	320,379	127,583	91,545	1,917,787
Depreciation charged in the year	19,000	183,612	36,052	24,288	19,164	282,116
Eliminated in respect of disposals	-	-	-	(688)	(19,869)	(20,557)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2023	19,000	1,561,892	356,431	151,183	90,840	2,179,346
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount						
At 30 September 2023	1,331,000	1,304,514	113,258	70,511	31,647	2,850,930
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 2022	1,350,000	1,149,309	84,079	49,439	50,811	2,683,638
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

13 Tangible fixed assets

(Continued)

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

	2023	2022
	£	£
Plant and machinery	413,543	189,425

Included in land and buildings is land totalling £400,000 (2022: £166,834) which is not being depreciated.

The land and buildings were valued on an open market value basis on 28th September 2022 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 2023.

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

	2023	2022
	£	£
Cost	731,943	731,943
Accumulated depreciation	(330,577)	(323,304)
Carrying value	401,366	408,639

14 Stocks

	2023	2022
	£	£
Finished goods, Raw materials and Work in Progress	2,171,438	1,604,449

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

15 Debtors

	2023	2022
Amounts falling due within one year:	£	£
Trade debtors	2,154,974	2,411,047
Corporation tax recoverable	29,463	31,308
Other debtors	90,347	160,467
Prepayments and accrued income	581,663	382,551
	2,856,447	2,985,373
	2,856,447	2,985,373
	2023	2022
Amounts falling due after more than one year:	£	£
Amounts owed by group undertakings	1,590,704	1,186,881
	1,590,704	1,186,881
	1,590,704	1,186,881
Total debtors	4,447,151	4,172,254
	4,447,151	4,172,254

16 Creditors: amounts falling due within one year

		2023	2022
	Notes	£	£
Bank loans	18	276,850	289,845
Obligations under finance leases	19	114,675	55,348
Trade creditors		1,538,573	1,326,737
Corporation tax		134,573	154,493
Other taxation and social security		56,678	147,774
Government grants	21	27,873	25,177
Other creditors		2,440,328	2,109,535
Accruals and deferred income		615,012	590,076
		5,204,562	4,698,985
		5,204,562	4,698,985

Creditors falling due within one year totalling £1,062,662 (2022: £1,016,331) 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 2023

17 Creditors: amounts falling due after more than one year

	Notes	2023 £	2022 £
Bank loans and overdrafts	18	463,889	731,584
Obligations under finance leases	19	116,162	53,833
Government grants	21	155,418	165,036
		735,469	950,453
		735,469	950,453

Creditors falling due after one year totalling £273,384 (2022: £318,750) 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

	2023 £	2022 £
Bank loans	740,739	1,021,429
	740,739	1,021,429
Payable within one year	276,850	289,845
Payable after one year	463,889	731,584
	740,739	1,021,429

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

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

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

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

19 Finance lease obligations

	2023	2022
	£	£
Future minimum lease payments due under finance leases:		
Within one year	114,675	55,349
In two to five years	116,162	53,832
	230,837	109,181
	230,837	109,181

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	Liabilities
	2023	2022
	£	£
Balances:		
Accelerated capital allowances	314,174	258,190
Revaluations	210,876	233,537
Retirement benefit obligations	(1,531)	(1,366)
Other provisions	(629)	(1,662)
	522,890	488,699
	522,890	488,699
Movements in the year:		2023
		£
Liability at 1 October 2022		488,699
Charge to profit or loss		56,851
Credit to other comprehensive income		(22,660)
		522,890
Liability at 30 September 2023		522,890

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

21 Government grants

	2023	2022
	£	£
Arising from government grants	183,291	190,213
	<u> </u>	<u> </u>
Included in the financial statements as follows:		
Current liabilities	27,873	25,177
Non-current liabilities	155,418	165,036
	<u> </u>	<u> </u>
	<u>183,291</u>	<u>190,213</u>

22 Retirement benefit schemes

	2023	2022
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	70,816	39,389
	<u> </u>	<u> </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

	2023	2022	2023	2022
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary of £1 each	25,000	25,000	25,000	25,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

24 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:

	2023	2022
	£	£
Within one year	6,274	8,507
Between two and five years	860	7,133
	<u>7,134</u>	<u>15,640</u>

25 Financial commitments, guarantees and contingent liabilities

At 30 September 2023 the company has entered into short-term forward exchange contracts amounting to £189,579 (2022 - £120,565).

At 30 September 2023 the company has committed to the purchase of plant and machinery for the value of £nil (2022 - £124,364).

There is a contingent liability in respect of a guarantee given by Natwest to HMRC for £12,000 (2022 - £12,000) with recourse to the company under counter indemnity.

26 Events after the reporting date

No dividends 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 £nil (2022: £nil). Repayments received during the year were £nil (2022: £18,745). The balance at the year end was £nil (2022: £nil)

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.

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

28 Directors' transactions

Other debtors includes a loan of £69,433 (2022 - £158,950) made to the director in the year. No interest was due on this loan.

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

	2023	2022
	£	£
Profit for the year after tax	632,827	615,875
Adjustments for:		
Taxation charged	189,830	131,045
Finance costs	154,280	75,596
Investment income	(111,049)	(57,843)
Gain on disposal of tangible fixed assets	(3,804)	(3,672)
Depreciation and impairment of tangible fixed assets	282,116	353,790
Movements in working capital:		
Increase in stocks	(566,989)	(167,456)
Decrease/(increase) in debtors	37,564	(732,060)
Increase in creditors	476,469	1,240,990
(Decrease)/increase in deferred income	(6,922)	9,439
Cash generated from operations	<u>1,084,322</u>	<u>1,465,704</u>

THERMEX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2023

31 Analysis of changes in net debt

	1 October 2022	Cash flows	New finance leases	30 September 2023
	£	£	£	£
Cash at bank and in hand	227,013	(81,407)	-	145,606
Borrowings excluding overdrafts	(1,021,429)	280,690	-	(740,739)
Obligations under finance leases	(109,181)	109,194	(230,850)	(230,837)
	<u>(903,597)</u>	<u>308,477</u>	<u>(230,850)</u>	<u>(825,970)</u>
	<u><u>(903,597)</u></u>	<u><u>308,477</u></u>	<u><u>(230,850)</u></u>	<u><u>(825,970)</u></u>

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