

Company Registration No. 02778816 (England and Wales)

G.A.H. (REFRIGERATION) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

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G.A.H. (REFRIGERATION) LIMITED

COMPANY INFORMATION

Directors	Mr S E W Gilsdorf Mr A B J Mattson Mr J E H Reader
Company number	02778816
Registered office	Quadrant House - Floor 6 4 Thomas More Square London E1W 1YW
Auditor	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Business address	Building 846 Bentwaters Park Rendlesham Woodbridge Suffolk IP12 2TW

G.A.H. (REFRIGERATION) LIMITED

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G.A.H. (REFRIGERATION) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Business review

During the year ended 31 December 2021, the company continued to grow, giving an increase in turnover of 16%, turnover for the year was £32,523,326 (9-month period to 31 December 2020 - £21,008,949 and annualised turnover to 31 December 2020 - £28,011,932). The results of the company are set out on page 10.

The company's manufacturing, sales and maintenance of Transport Refrigeration systems increased in line with demand during the period, with the market for the transportation of temperature sensitive goods in the UK continuing to grow in line with predictions. The GAH units produced are powerful yet light, making them attractive to the transport industry but also minimising the impact on the environment.

Pharmaceutical and dual compartment Heat-Cool systems within fleets have increased due to the impact of Pharma GDP legislation and the impact of COVID-19.

Demand for home delivery of food products by the supermarkets continued to grow during the period, with the COVID-19 pandemic still affecting growth to bigger fleet sizes. Sustained sales of new units increased, on a pro-rata basis.

The directors deem the increase in the sale of units to both the pharmaceutical and home delivery market substantial and sustainable although a slowdown in Q4 was seen due to a slowdown in commercial vehicle availability caused by a worldwide semiconductor shortage.

After sales activities have again increased in line with the new unit supply. The GAH fleet manager system continues to appeal to customers, being simple and efficient way to track the maintenance of systems in use.

Principal risks and uncertainties

The directors have reviewed the business and identified the key business risks to the business as competitor pricing in the UK and Europe.

As we are directly affected by the supply of commercial vehicles, the worldwide shortage of semiconductors will have a detrimental effect on our production until alternative sources are found. New semiconductor plants are under construction and an increase in availability is being seen.

The Russian invasion of Ukraine is also affecting the supply chains for commercial vehicles with many component shortages and alternate sources for components will take time and is outside of the remit of GAH to predict but the significant increase in Maintenance Agreements is offsetting the downturn in new unit supply.

G.A.H. (REFRIGERATION) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

GAH and Covid-19

The directors feel that issues caused by Covid-19 has been mitigated by strategies put in place and has not adversely affected the business. The challenges of Pharma and Supermarket orders during the period has benefited GAH.

Initial impact:

GAH and its employees are classified as 'Key Workers' required to keep the Nation's fleet of food and Pharma delivery vehicles moving. This is now less important as the UK opens for business again. Most GAH office staff and factory workers have returned and are following precautionary procedures as dictated. 'Lockdown' periods were experienced throughout the financial reporting period: office-based staff who were able to work from home were directed to do so. Service staff were provided with appropriate PPE in order for them to carry out their necessary duties. Procedures were put in place to protect manufacturing staff, whilst ensuring that production could continue.

Orders:

The extra orders experienced in Q1 to Q3 were strong enough to give a good year end result despite the slowdown in vehicle availability.

Production:

Production methods have changed allowing faster production and testing.

Servicing:

Service agreements have increased in-line with upturn in unit orders.

Government grants

Government grants of £46,681 were claimed during the year under the Coronavirus Job Retention Scheme ("Furlough Grant") provided by the UK Government. The funds were claimed to offset the costs of those workers needing to be furloughed during the year.

Future business

The upturn in home shopping has been sustained in most cases although the opening up of the UK will see some people returning to shopping. Fleet sizes have levelled and there will be a period of consolidation in fleet sizes. Older vehicles will need to be replaced as the age profile continues to take effect, but vehicle availability will be key to new sales.

Pharma orders have increased and will remain at a steady growth rate. The retail and wholesale market is now opening up as a high percentage vaccinated UK gets back to normal. The directors believe that the company is well placed to fulfil demand as and when vehicle availability returns.

G.A.H. (REFRIGERATION) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Financial key performance indicators

The directors use a variety of performance measures to monitor and manage the business. The performance of the company is measured on turnover, operating profit and profit after tax.

The directors report that the operating profit has increased by £2,483,898 (69%) to £6,083,975 (31 December 2020 - £3,600,077); operating profit expressed as a percentage of turnover has increased to 18.7% from 17.1% in the prior period. Profit after tax has increased by £3,386,765 (117%) to £6,292,787 (31 December 2020 - £2,906,022).

The directors are pleased with the performance of the company, with key performance indicators being in-line with expectations. Whilst vehicle supply is a concern, the increased component costs are being offset with new production methods in order to preserve margins. Significant resources have been invested in R & D during recent years, the rewards of which are being illustrated within recent performance and now the investment in manufacturing will show dividends in future months.

Key personnel succession planning

In-line with our upturn in market share and sales, we have invested in succession planning of all key staff and key personnel losses.

On behalf of the board



Mr J E H Reader

Director

Date: 13.06.22

G.A.H. (REFRIGERATION) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of manufacturing of vehicle refrigeration equipment, along with servicing and maintenance of transport refrigeration units.

Results and dividends

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

Ordinary dividends were paid amounting to £4,000,000. The directors do not recommend payment of a further dividend.

Directors

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

Mr S E W Gilsdorf

Mr A B J Mattson

Mr J E H Reader

Auditor

UHY Hacker Young were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

G.A.H. (REFRIGERATION) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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.

On behalf of the board



Mr J E H Reader
Director

Date: 13 . 06 . 22

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF G.A.H. (REFRIGERATION) LIMITED**

Opinion

We have audited the financial statements of G.A.H. (Refrigeration) Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 31 December 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF G.A.H. (REFRIGERATION) 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 directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' 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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF G.A.H. (REFRIGERATION) 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.

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with relevant laws and regulations related to Companies Act 2006, UK tax legislation, Health & Safety regulations, GDPR compliance, Vehicle Certification Agency (VCA) (as Type Approval Authority for the United Kingdom) compliance and ISO 9001 certification. Non-compliance with these laws and regulations might have a material effect on the financial statements.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting of unusual journal entries outside the normal course of business and revenue recognition journal entries to manipulate the Company's performance profit measures and other key performance indicators.

Audit procedures performed included: review of the financial statement and disclosures to underlying supporting documentation, review of compliance with the above laws and regulations specifically to GDPR, VCA and ISO 9001 to related ICO registration documentation as a data controller, VCA conformity of production compliance statement and ISO 9001 certificate for the highest standards of quality as a British Manufacturer, enquiries of management and testing of journals and evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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.

Other matters

The financial statements of G.A.H. (Refrigeration) Limited for the year ended 31 December 2020 were audited by another auditor, who gave an unqualified opinion on 17 August 2021.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF G.A.H. (REFRIGERATION) LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member for our audit work, for this report, or for the opinions we have formed.



Marc Waterman (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

14/6/2022

Date:

Chartered Accountants
Statutory Auditor

G.A.H. (REFRIGERATION) LIMITED**STATEMENT OF COMPREHENSIVE INCOME****FOR THE YEAR ENDED 31 DECEMBER 2021**

		Year ended 31 December 2021 £	Period ended 31 December 2020 £
	Notes		
Turnover	3	32,523,326	21,008,949
Cost of sales		(23,308,431)	(15,590,876)
Gross profit		9,214,895	5,418,073
Administrative expenses		(3,185,017)	(1,867,336)
Other operating income	3	54,097	49,340
Operating profit	4	6,083,975	3,600,077
Interest receivable and similar income	8	28,765	31,719
Interest payable and similar expenses	9	-	(1,184)
Profit before taxation		6,112,740	3,630,612
Tax on profit	10	180,047	(724,590)
Profit for the financial year		6,292,787	2,906,022

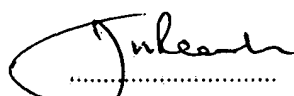
G.A.H. (REFRIGERATION) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12		6		6
Tangible assets	13		68,325		84,213
Investments	14		1		1
			<u>68,332</u>		<u>84,220</u>
Current assets					
Stocks	16	6,696,697		4,219,709	
Debtors	17	7,833,325		8,207,571	
Cash at bank and in hand		2,629,735		3,920,074	
			<u>17,159,757</u>		<u>16,347,354</u>
Creditors: amounts falling due within one year	18	(3,380,048)		(5,010,183)	
Net current assets			<u>13,779,709</u>		<u>11,337,171</u>
Total assets less current liabilities			<u>13,848,041</u>		<u>11,421,391</u>
Provisions for liabilities					
Provisions	19	579,761		445,898	
			<u>(579,761)</u>		<u>(445,898)</u>
Net assets			<u><u>13,268,280</u></u>		<u><u>10,975,493</u></u>
Capital and reserves					
Called up share capital	22		1,122		1,122
Capital redemption reserve			180		180
Profit and loss reserves			13,266,978		10,974,191
Total equity			<u><u>13,268,280</u></u>		<u><u>10,975,493</u></u>

The financial statements were approved by the board of directors and authorised for issue on 13.06.22 and are signed on its behalf by:



Mr J E H Reader
Director

Company Registration No. 02778816

G.A.H. (REFRIGERATION) LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	Share capital £	redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2020		1,122	180	8,130,998	8,132,300
Period ended 31 December 2020:					
Profit and total comprehensive income for the period		-	-	2,906,022	2,906,022
Dividends	11	-	-	(62,829)	(62,829)
Balance at 31 December 2020		1,122	180	10,974,191	10,975,493
Period ended 31 December 2021:					
Profit and total comprehensive income for the period		-	-	6,292,787	6,292,787
Dividends	11	-	-	(4,000,000)	(4,000,000)
Balance at 31 December 2021		1,122	180	13,266,978	13,268,280

G.A.H. (REFRIGERATION) LIMITED

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

1 Accounting policies

Company information

G.A.H. (Refrigeration) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Quadrant House - Floor 6, 4 Thomas More Square, London, E1W 1YW.

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. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues: Interest income/expense and net gains/losses for financial instruments not measured at fair value; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sdiptech AB (publ).

These consolidated financial statements are available from <https://www.sdiptech.se/investor-relations/financial-information> or its registered office, Stureplan 13, 111 45 Stockholm, Sweden.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

1.2 Going concern

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

1.3 Reporting period

The company presents its financial statements for 12 months period ended 31 December 2021. The comparative period represents 9 months i.e. from 1 April 2020 to 31 December 2020 due to a change in its accounting reference date to align it with its fellow group companies' accounting period.

1.4 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the period exclusive of value added tax. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Turnover from service contracts is recognised evenly across the period to which the contract relates to. Service contracts which have a term of twelve months are invoiced monthly in advance at the start of each month.

1.5 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.

1.6 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

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

1.7 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.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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:

Plant and equipment	20-50% straight line
Computers	20% straight line

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.

1.8 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.9 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.10 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.

1.11 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.

1.12 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.

G.A.H. (REFRIGERATION) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 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.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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.

1.13 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.

1.14 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.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 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.

1.15 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.16 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.

1.17 Retirement benefits

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

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.18 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.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.19 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are 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.

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Stock Provision

A provision is made for obsolete and slow moving stock taking into account the expected net realisable value of the individuals items. The assessment is made based on the length of the time the item is held within stock.

Bad debt provision

A provision is made for debtor balances that are no longer recoverable. The assessment is performed by the directors on a an individual balance basis. The assessment included a number of factors including the directors knowledge of the customer and other information available.

Deferred Income

Deferred income is released to the statement of comprehensive income over the term of the service contract. An estimate is made by the directors in relation to how evenly the services will be provided

Warranty Provision

A provision is made for costs expected to be incurred in the future as a result of goods sold. In this assessment, the directors review the actual costs incurred in relation to warranty claims in the past 12 months, making adjustments for expected level of sales.

Dilapidations

A provision is made for costs expected to be incurred in the future due to contractual requirements under the current lease held. The provision value requires managements best estimate of the costs that will be incurred.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Sales of goods	25,106,137	16,521,375
Sale of services	7,417,189	4,487,574
	<u>32,523,326</u>	<u>21,008,949</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****3 Turnover and other revenue (Continued)**

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	32,453,024	20,934,298
Rest of the world	70,302	74,651
	<u>32,523,326</u>	<u>21,008,949</u>
	2021	2020
	£	£
Other significant revenue		
Grants received	<u>54,097</u>	<u>49,340</u>

Government grant income recognised directly as income comprises of amounts reclaimed from the UK Government under the Coronavirus Job Retention Scheme ("Furlough Grant"), claimed to support the wages costs of those employees furloughed during the COVID-19 pandemic.

There are no unfulfilled conditions or other contingencies attached to the grants recognised as income.

4 Operating profit

	2021	2020
	£	£
Operating profit for the period is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	5,485	6,292
Research and development costs	45,788	26,272
Depreciation of owned tangible fixed assets	<u>45,981</u>	<u>41,149</u>

5 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>15,000</u>	<u>13,000</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****6 Employees**

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

	2021	2020
	Number	Number
Factory and engineering staff	120	106
Management and administrative staff	45	39
Total	<u>165</u>	<u>145</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	5,970,234	4,215,510
Social security costs	563,062	362,192
Pension costs	143,422	102,280
	<u>6,676,718</u>	<u>4,679,982</u>

7 Directors' remuneration

	2021	2020
	£	£
Remuneration for qualifying services	120,083	167,055
Company pension contributions to defined contribution schemes	2,348	10,800
	<u>122,431</u>	<u>177,855</u>

8 Interest receivable and similar income

	2021	2020
	£	£
Interest income		
Interest on bank deposits	4,026	31,719
Interest receivable from group companies	24,739	-
Total income	<u>28,765</u>	<u>31,719</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021****9 Interest payable and similar expenses**

	2021	2020
	£	£
Interest on bank overdrafts and loans	-	1,184

10 Taxation

	2021	2020
	£	£
Current tax		
UK corporation tax on profits for the current period	520,440	727,921
Adjustments in respect of prior periods	(690,725)	-
Total current tax	(170,285)	727,921
Deferred tax		
Origination and reversal of timing differences	(7,932)	(3,331)
Changes in tax rates	(1,830)	-
Total deferred tax	(9,762)	(3,331)
Total tax (credit)/charge	(180,047)	724,590

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****10 Taxation****(Continued)**

The actual (credit)/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	6,112,740	3,630,612
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,161,421	689,816
Tax effect of expenses that are not deductible in determining taxable profit	1,473	28,010
Adjustments in respect of prior years	(690,725)	-
Research and development expenditure	6,621	5,391
Other adjustments	-	1,373
Fixed asset differences	(445)	-
Patent box additional deduction	(599,073)	-
Remeasurement of deferred tax for changes in tax rates	(3,733)	-
Movement in deferred tax not recognised	(55,586)	-
Taxation (credit)/charge for the period	(180,047)	724,590

11 Dividends

	2021 £	2020 £
Final paid	4,000,000	62,829

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

12 Intangible fixed assets

	Patents & licences £
Cost	
At 1 January 2021 and 31 December 2021	6
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	6
At 31 December 2020	6

13 Tangible fixed assets

	Plant and equipment £	Computers £	Total £
Cost			
At 1 January 2021	116,911	155,677	272,588
Additions	19,860	10,233	30,093
At 31 December 2021	136,771	165,910	302,681
Depreciation and impairment			
At 1 January 2021	97,969	90,406	188,375
Depreciation charged in the year	14,411	31,570	45,981
At 31 December 2021	112,380	121,976	234,356
Carrying amount			
At 31 December 2021	24,391	43,934	68,325
At 31 December 2020	18,942	65,271	84,213

14 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	15	1	1

G.A.H. (REFRIGERATION) LIMITED

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

15 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
G.A.H. (Refrigeration Products) Limited	England and Wales	Dormant	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

Quadrant House, Floor 6, 4 Thomas More Square, London, United Kingdom, E1W 1YW

16 Stocks

	2021	2020
	£	£
Raw materials and consumables	5,076,887	3,435,831
Finished goods and goods for resale	1,619,810	783,878
	<u>6,696,697</u>	<u>4,219,709</u>

Stocks are stated after provision for impairment of £371,219 (Period ended 31 December 2020 - £532,347).

17 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	5,566,365	5,860,118
Corporation tax recoverable	1,249,472	38,942
Amounts owed by group undertakings	564,911	2,054,325
Prepayments and accrued income	437,022	248,393
	<u>7,817,770</u>	<u>8,201,778</u>
Deferred tax asset (note 20)	15,555	5,793
	<u>7,833,325</u>	<u>8,207,571</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****17 Debtors****(Continued)**

Impairment recognised in the profit and loss for the year ended 31 December 2021 in respect of bad and doubtful trade debtors amounted to £556,029 (Period ended 31 December 2020 - £14,283).

Trade debtors are stated after provisions for impairment of £48,787 for the year ended 31 December 2021 (Period ended 31 December 2020 - £72,728).

Amounts owed by group undertakings are unsecured, interest free and are repayable on demand.

18 Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	2,353,269	3,344,922
Amounts owed to group undertakings	1,027	1,027
Corporation tax	-	479,806
Other taxation and social security	453,244	671,623
Other creditors	30,576	27,542
Accruals and deferred income	541,932	485,263
	<u>3,380,048</u>	<u>5,010,183</u>

Amounts owed to group undertakings are unsecured, interest free and are payable on demand.

19 Provisions for liabilities

	2021	2020
	£	£
Warranty Provision	479,761	345,898
Dilapidation reserve	100,000	100,000
	<u>579,761</u>	<u>445,898</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****19 Provisions for liabilities****(Continued)**

Movements on provisions:

	Warranty Provision	Dilapidation reserve	Total
	£	£	£
At 1 January 2021	345,898	100,000	445,898
Additional provisions in the year	914,221	-	914,221
Reversal of provision	(780,358)	-	(780,358)
At 31 December 2021	<u>479,761</u>	<u>100,000</u>	<u>579,761</u>

The warranty provision has been recognised to reflect the estimated cost of repairing faults on units sold during the financial year. Goods are sold inclusive of a 12 months warranty, therefore these costs are expected to occur over the next 12 months.

The dilapidation provision has been recognised to reflect the estimated cost of returning leased premises back to their original condition as per the lease agreement. These costs are expected to occur on the termination of the lease.

20 Deferred taxation

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

	Assets 2021	Assets 2020
Balances:	£	£
Accelerated capital allowances	(11,967)	(15,124)
Short term timing difference	27,522	20,917
	<u>15,555</u>	<u>5,793</u>

G.A.H. (REFRIGERATION) LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2021****20 Deferred taxation (Continued)**

	2021
	£
Movements in the year:	
Asset at 1 January 2021	(5,793)
Credit to profit or loss	(9,762)
	<u> </u>
Asset at 31 December 2021	<u>(15,555)</u>

The deferred tax asset set out above is expected to reverse within 12 months.

21 Retirement benefit schemes

	2021	2020
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	143,422	102,280
	<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.

22 Share capital

	2021	2020	2021	2020
	Number	Number	£	£
Ordinary share capital				
Issued and fully paid				
Ordinary Shares of £1 each	1,122	1,122	1,122	1,122
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

23 Operating lease commitments

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	167,339	77,566
Between two and five years	544,385	14,094
	<u> </u>	<u> </u>
	<u>711,724</u>	<u>91,660</u>

G.A.H. (REFRIGERATION) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

24 Related party transactions

The company has taken advantage of the exemption within FRS 102 from disclosing transactions with members of the same group that are wholly owned.

25 Ultimate controlling party

The company's immediate parent undertaking is Elasta Limited, a company registered in England and Wales. The registered office of Elasta Limited is Quadrant House Floor 6, 4 Thomas More Square, London, United Kingdom, E1W 1YW.

The ultimate parent undertaking and controlling party of the company is Sdiptech AB (publ.) a company registered in Sweden. The largest group to consolidate these financial statements is that of Sdiptech AB (publ.).