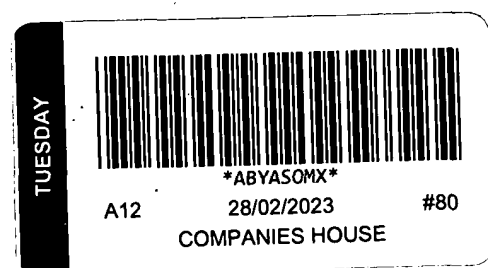


GEMchem Limited

**Directors' Report and Financial
Statements**

Registered number 4507615

31 May 2022



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Directors and advisers

Directors

D E Green
W M Crossland
J Zhang

Company Secretary

J Zhang

Registered Number

4507615

Registered office

1 John Street
Bristol
BS1 2HR

Auditor

Corrigan Accountants Limited
1st Floor
25 King Street
Bristol
BS1 4PB

Banker

HSBC Bank Plc
62 George White Street
Cabot Circus
Bristol
BS1 3BA

Directors' Report

The directors present their annual report and the audited financial statements of GEMchem Limited (the Company) for the year ended 31 May 2022.

Principal activities

The principal activity of the Company is the supply of water treatment products and services.

Results

The results for the year are set out on page 9.

Future developments

The Company's strategic focus is to continue to expand its customer base and to develop new markets throughout the UK.

Political donations

The company made no political donations nor incurred any political expenditure during the year.

Dividends

A dividend of £45,000 was declared and paid during the year (2021: £15,000).

Directors

The directors who held office during the year and to the date of approval of these financial accounts were as follows:

D E Green
W M Crossland
J Zhang

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 they have elected to prepare the financial statements in accordance with United Kingdom Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and 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 judgments and estimates that are reasonable and prudent; and
- 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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility

Directors' Report (Continued)

for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This report has been prepared in accordance with the special provision of sections 415A of Companies Act 2006 relating to small entities; the Company has also taken advantage of the small companies exemption in section 414B from preparing a strategic report.

Independent auditors

The auditors, Corrigan Accountants Limited, have indicated their willingness to continue in office and will be proposed for re-appointment in accordance with the section 485 of the Companies Act 2006.

On behalf of the board



D E Green
Director
6 February 2023

Independent Auditors' report to the members of GEMchem Limited

Opinion

We have audited the financial statements of GEMchem Limited (the 'company') for the year ended 31 May 2022 which comprise the Profit and Loss Account and Other 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2022, 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 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.

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.

Independent Auditors' report to the members of GEMchem Limited (Continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 directors' report.

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

- adequate accounting records have not been kept, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 4 and 5, 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.

Auditor 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 obtained an understanding of the legal and regulatory frameworks applicable to the company and the sector in which it operates. We identify the areas of those legal and regulatory frameworks which could reasonably be expected to have a material effect on the financial statements, based on our experience and through discussion with the directors and other management.

Independent Auditors' report to the members of GEMchem Limited (Continued)

We assessed compliance with these laws and regulations through enquiry with management, review of the company's internal reporting with respect to compliance with laws and regulations, and review of minutes of board meetings.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. In addressing the risk of fraud including the risk of fraud in revenue recognition and management override of controls, we have performed journals testing based on a set of risk criteria and tested journals to supporting documentation where applicable. Audit procedures also included detailed transactional testing with a particular focus around the year-end cut off procedures.

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 FRC's website at:
<https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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.

Corrigan Accountants Limited

Stuart Crisp BSc FCA (Senior Statutory Auditor)
For and on behalf of Corrigan Accountants Limited, Statutory Auditor

1st Floor
25 King Street
Bristol
BS1 4PB

Date: 6 February 2023

Profit and Loss Account and Other Comprehensive Income
for the year ended 31 May 2022

	<i>Note</i>	2022 £	2021 £
Turnover	2	654,368	586,625
Cost of sales		<u>(124,389)</u>	<u>(129,450)</u>
Gross profit		529,979	457,175
Administrative expenses		<u>(369,405)</u>	<u>(390,782)</u>
Operating profit		160,574	66,393
Interest receivable and similar income		<u>497</u>	<u>1,694</u>
Profit before taxation		161,071	68,087
Tax on profit	6	<u>(30,804)</u>	<u>(12,937)</u>
Profit for the financial year		<u><u>130,268</u></u>	<u><u>55,150</u></u>
 Total comprehensive income for the year		 <u><u>130,268</u></u>	 <u><u>55,150</u></u>

There was no other comprehensive income for the current or preceding financial year other than that included in the profit and loss account. All results relate to continuing operations.

The notes on pages 12 to 18 form part of these financial statements.

Balance Sheet

at 31 May 2022

	Note	2022		2021	
		£	£	£	£
Fixed assets					
Tangible assets	7		386		941
Current assets					
Inventories	8		29,869		48,258
Debtors	9		105,394		69,579
Cash at bank and in hand			<u>276,180</u>		<u>181,827</u>
			411,443		299,664
Creditors: amounts falling due within one year	10		<u>(129,712)</u>		<u>(103,639)</u>
Net current assets			281,731		196,025
Total assets less current liabilities			<u>282,117</u>		<u>196,966</u>
Provisions for liabilities					
Deferred tax liability			<u>(97)</u>		<u>(213)</u>
Net assets			<u>282,020</u>		<u>196,753</u>
Capital and reserves					
Called up share capital	11		5,000		5,000
Profit and loss account			<u>277,020</u>		<u>191,753</u>
Shareholders' funds			<u>282,020</u>		<u>196,753</u>

The notes on pages 12 to 18 form part of these financial statements.

These financial statements, which have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within the Companies Act 2006, Pt. 15, were approved by the board of directors on 6 February 2023 and were signed on its behalf by:



D E Green
Director

Registered Number: 4507615

Statement of Changes in Equity
for the year ended 31 May 2022

	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 June 2020	5,000	151,603	156,603
<i>Total comprehensive income for the year</i>			
Profit or loss	-	55,150	55,150
Total comprehensive income for the year	-	206,753	211,753
Dividends paid		(15,000)	(15,000)
Balance at 31 May 2021	5,000	191,753	196,753
 Balance at 1 June 2021	 5,000	 191,753	 196,753
<i>Total comprehensive income for the year</i>			
Profit or loss	-	130,268	126,760
Total comprehensive income for the year	-	322,021	318,513
Dividends paid		(45,000)	(45,000)
Balance at 31 May 2022	5,000	277,021	278,513

The notes on pages 12 to 18 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

GEMchem Limited (the "Company") is a private company limited by shares and incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the United Kingdom and Republic of Ireland ("*FRS 102*"). The presentation currency of these financial statements is Pound Sterling.

The Company's ultimate parent undertaking, Thermal Energy International Inc, includes the Company in its consolidated financial statements. The consolidated financial statements of Thermal Energy International Inc are available to the public and may be obtained from 36 Antares Drive, 2nd Floor, Suite 850, Ottawa, ON K2E 7W5. In these financial statements, the Company has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Thermal Energy International Inc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 14.

1.1 Accounting convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

On the basis of their assessment of the Company's financial position - cash of £276,180 (2021: £181,827), net assets of £278,513 (2021: £196,753) and net current assets of £278,340 (2021: £196,025) and future forecasts and the enquiries made of the directors of the Company's parent company, Thermal Energy International (UK) Limited, the Company's directors have a reasonable expectation that the Company will be able to continue in operational existence for the foreseeable future. Furthermore, the directors have received an undertaking from the ultimate parent company to continue to provide financial assistance, as required, for a period of at least 12 months from the date of these financial statements to enable the Company to meet its obligations as they fall due. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes (continued)

1 Accounting policies (continued)

1.3 Foreign currency

The Company's functional and presentation currency is the pound sterling. Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- Plant and machinery 5 years
- Computer equipment 3 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in, first-out principle and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs in bringing them to their existing location and condition.

At the end of each reporting period inventories are assessed for impairment. If an item of inventory is impaired, the identified inventory is reduced to its selling price less costs to sell and an impairment charge is recognised in the profit and loss account. Where a reversal of the impairment is required the impairment charge is reversed, up to the original impairment loss, and is recognised as a credit in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

1.7 Employee benefits

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.8 Turnover

Turnover comprises revenue recognised by the Company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised on dispatch in the case of goods sold.

1.9 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains that are recognised in the profit and loss account (see foreign currency accounting policy).

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

1.10 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

1.11 Dividends

Dividend distributions to the Company's shareholders are recognised as a liability in the period in which dividends are approved.

Notes (continued)

2 Turnover

All turnover arose within the United Kingdom and relates solely to the Company's principal activity.

3 Operating Profit

Operating profit is stated after charging:

	2022 £	2021 £
Depreciation charge	555	543

4 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	2022	2021
Directors	1	1
Sales	4	5
	<u>5</u>	<u>6</u>

5 Directors' remuneration

	2022 £	2021 £
Directors' remuneration	89,560	88,599
Contributions to defined contribution plans	36,418	34,357
	<u>125,978</u>	<u>122,956</u>

During the year, retirement benefits were accruing to one director (2021: one) in respect of defined contribution pension scheme.

Notes (continued)

6 Taxation

Total tax expense recognised in the profit and loss account

	2022 £	2021 £
<i>Current tax</i>		
Current tax on income for the year	30,685	12,937
Adjustment in respect of prior years	(235)	-
Total current tax	<u>30,920</u>	<u>12,937</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	(106)	-
Impact of change in tax rate	(11)	-
Total deferred tax	<u>(117)</u>	<u>-</u>
Total tax on profit	<u>30,803</u>	<u>12,937</u>

In the Spring Budget 2021, the UK Government announced that from 1 April 2023, the corporation tax rate would increase to 25% (rather than remaining at 19% as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

7 Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
<i>Cost</i>			
At beginning of year	4,753	7,719	12,472
Additions	-	-	-
At end of year	<u>4,753</u>	<u>7,719</u>	<u>12,472</u>
<i>Depreciation</i>			
At beginning of year	4,597	6,934	11,531
Charge for year	56	489	555
At end of year	<u>4,653</u>	<u>7,433</u>	<u>12,086</u>
<i>Net book value</i>			
At 31 May 2022	<u>100</u>	<u>286</u>	<u>386</u>
At 31 May 2021	<u>156</u>	<u>785</u>	<u>941</u>

Notes (continued)

8 Inventories

	2022 £	2021 £
Raw Materials	29,869	48,258
	<u>29,869</u>	<u>48,258</u>

£106,000 of raw material was recognised in cost of sales in the year (2021: £152,743).

9 Debtors

	2022 £	2021 £
Trade debtors	101,560	68,247
Prepayments and accrued income	3,834	1,332
	<u>105,394</u>	<u>69,579</u>

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Trade creditors	20,931	27,065
Corporation tax	30,768	12,937
Other taxation and social security	37,645	32,192
Accruals and deferred income	40,368	31,445
	<u>129,712</u>	<u>103,639</u>

11 Share capital

	2022 £	2021 £
<i>Allotted, called up and fully paid</i>		
1,000 Ordinary shares of £5 each (2021: 1,000)	<u>5,000</u>	<u>5,000</u>

12 Related parties

During the year, the company sold £9,249 (2021: £7,969) of goods and services to its parent company, Thermal Energy International (UK) Ltd. Thermal Energy International (UK) Ltd owns 67% of the share capital of the company.

The company was charged rent of £3,414 (2021: £3,414) by Thermal Energy International (UK) Ltd for the use of office space within the Thermal Energy International (UK) Office in Bristol.

At 31 May 2022 there is no outstanding amount owed by Thermal Energy International (UK) Ltd (2021: £nil).

A dividend of £45,000 (2021: £15,000) was declared and paid during the year to Thermal Energy International (UK) Ltd.

Notes *(continued)*

13 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Thermal Energy International (UK) Limited, a company registered in the United Kingdom. The ultimate controlling party and parent undertaking is Thermal Energy International Inc, a company incorporated and registered in Canada.

The largest and smallest group in which the results of the Company are consolidated is that headed by Thermal Energy International Inc. The consolidated accounts of this company are available to the public and may be obtained from the registered address of Thermal Energy International Inc at 36 Antares Drive, 2nd Floor, Suite 850, Ottawa, ON, Canada, K2E 7W5.

14 Accounting estimates and judgements

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. The judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of the valuation of assets and liabilities that are not readily apparent from other sources. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates and assumptions are recognised in the year in which they are revised and in any future years affected. Actual results may differ from these estimates, judgements and assumptions.

There are no other critical judgements or key sources of estimation uncertainty that the directors have made in the process of applying the company's accounting policies that would have a significant effect on the amounts recognised in the financial statements.