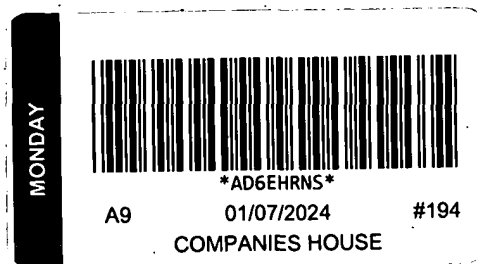


Registered number: 05500950

**TRUFLO AIR MOVEMENT LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 SEPTEMBER 2023**



# TRUFLO AIR MOVEMENT LIMITED

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**TRUFLO AIR MOVEMENT LIMITED**

**COMPANY INFORMATION**

**Directors**

J Nugent  
W.R Heirigs  
T Moser  
W Pelenski

**Company secretary**

Vistra Cosec Limited

**Registered number**

05500950

**Registered office**

First Floor Templeback  
10 Temple Back  
Bristol  
BS1 6FL

**Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
One Chamberlain Square  
Birmingham  
B3 3AX

## TRUFLO AIR MOVEMENT LIMITED

### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023

The directors present their Strategic Report on the Group for the year ended 30 September 2023.

#### Business review

The group continues to be well positioned to support our customer base in the markets we serve in all regions. 2023 accelerated the turnover growth delivered compared to prior year, resulting in a positive sales performance, whilst also recovering margin as input cost pressure eased. This uplift was evident across all geographic areas and sectors, with customers serving mining, construction and power generation being key growth areas.

Group turnover for the year ended 30 September 2023 was £17,064,000 (2022: £13,605,000). World market demand for our products continued to increase in line with the prior year trend, delivering a year-on-year increase of 25%. Strong demand was enjoyed in all geographical areas and sectors, with growth in the UK and EEC strongest year on year. China supplying local markets via local assembly continued to support strong growth to the far east, with construction sectors particularly strong.

Group operating profit and margin % before interest recovered from prior year volatility, with inflationary pressures driven by geopolitical events easing as the year progressed. The Group operating profit before interest for the year was on £2,323,000 (2022 Loss: £442,000). Gross profit percentage increased from 24% in 2022 to 32% in 2023. Customer price increases were pushed through during the year to recover margin lost from 2022 following significant input cost inflation.

Product development and investment in new equipment during the year continued with additional capital spending of £193,000 (2022: £96,000).

Net assets for the Group on 30 September 2023 stood at £5,002,000 (2022: £3,250,000). This is an increase of £1,527,000 from 2022. Tangible fixed assets reduced by £46,000 mainly through depreciation, whilst intangible assets reduced by an amortisation charge of £526,000 and currency adjustment of (£57,000). Net current assets increased by £2,243,000, largely through increased accounts receivables, both external and inter company, from the increased sales activity.

Working capital ratios reduced marginally year on year overall, with a decrease in inventory days partly offset by a modest increase in debtor days.

Net cash flow generated from operating activities improved from prior year in line with profitability.

#### Key performance indicators

	Group 2023	Group 2022
Gross profit (%)	32	24
Operating profit (%)	13	5
Stock days	25	32
Debtor days	49	60
Capital expenditure (£000)	193	96

## **TRUFLO AIR MOVEMENT LIMITED**

### **GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **Business review (continued)**

##### **Method of calculation**

- Gross profit - Ratio of gross profit to revenue expressed as a percentage.
- Operating profit - Ratio of operating profit before amortisation of intangible assets and exchange gains and losses to revenue expressed as a percentage.
- Stock days - The average number of days' worth of sales that is held in stock during the year.
- Debtor days - The average number of days' worth of sales held as debtors during the year.
- Capital expenditure - Investment made in respect of capital items during the year.

The directors do not recommend payment of a dividend.

##### **Future developments**

The Group will continue to develop its existing activities in accordance with the requirements of Phillips and Temro Industries. The route to the European heating market through Phillips and Temro Europe for US manufactured products continues to be expanded as well as the further development of the China market for products supplied by Truflo Air Movement Limited.

##### **Post balance sheet event**

There are no post Balance Sheet events that would significantly affect the operations or profitability of the Group.

##### **Principal risks and uncertainties**

The Group's principal financial instruments comprise intra group trading balances and cash and short-term deposits. The main purpose of these financial instruments is to finance the group's operations. The Group has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The Group does not enter into derivative transactions.

It is, and has been through the period under review, the Group's policy that no trading in financial instruments shall be undertaken. The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Current Geopolitical events continue to add additional uncertainty to the world economy, with energy price volatility, increased protectionist tariffs and adjusted supply chains. Although there is minimal disruption to the supply of materials or demand for our products, commodity prices continue to be volatile, which still impact our industry. Increased input prices will continue to be passed onto our customers, when necessary, in order to mitigate this uncertainty.

##### **Interest rate risk**

The Group's exposure to market risk for changes in interest rates is limited as there are no external debts. The Group's exposure to interest rate fluctuations on its borrowings is managed by the use of inter-group financing where the interest is fixed.

**TRUFLO AIR MOVEMENT LIMITED**

**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**Principal risks and uncertainties (continued)**

**Foreign currency risk**

Despite the majority of sales to customers outside the United Kingdom being denominated in GBP and Inter-company loans denominated in US dollars, the Group's profits and losses can be affected by movements in Euro and US dollar exchange rates. This risk is monitored by the Group, but does not seek to hedge this exposure.

**Commodity price risk**

The Group's exposure to the price of steel and plastic is high, therefore selling prices are monitored regularly to reduce the impact of such risk. We would seek to pass on significant raw material price increases to defend margins.

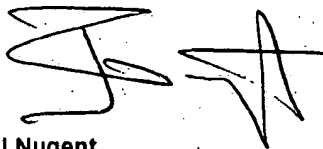
**Credit risk**

The Group only trades with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit vetting procedure. In addition, recoverable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

**Liquidity risk**

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts and inter-group financing.

This report was approved by the board on 28<sup>th</sup> June 2024 and signed on its behalf by:



**J Nugent**  
Director

## **TRUFLO AIR MOVEMENT LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2023**

The directors present their report and the audited consolidated financial statements for the year ended 30 September 2023.

#### **Principal activities**

The principal activity of the Group during the year was the manufacture of impellers, engine cooling fans and the manufacture and supply of engine heating products through its UK company and Belgium subsidiary.

#### **Results**

The Group profit for the year, before taxation, amounted to £1,937,000 (2022: £877,000 Loss)

#### **Matters covered in the Strategic Report**

The business review, key performance indicators and the principal risks and uncertainties are included in the Strategic Report along with the dividend recommendation and future company developments.

#### **Directors**

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

J Nugent  
W R Heirigs  
T Moser  
W Peleriski

None of the directors have qualifying third party indemnity insurance, either during the year or at the date of approval of the financial statements (2022: None).

#### **Employees**

The Group maintains its commitment to proactive programmes for involving its employees in group affairs. This is achieved in a variety of ways, including regular publication of newsletters and staff briefings and by consultations with staff committees.

It is the Group's policy to give full and fair consideration to suitable applicants for employment by disabled persons having regard to their particular aptitudes and abilities. Disabled employees are eligible to participate in all training, career development and promotion opportunities available to staff. Opportunities also exist for employees of the Group who become disabled to continue their employment or to be trained in other positions in the Group.

#### **Research and development**

The activities of the Group are all dedicated towards the design and development of impellers and engine cooling fans for the off-highway, power generation and other applications. The directors consider the investment in research and development to be integral to the continued success of the Group.

## **TRUFLO AIR MOVEMENT LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2023**

#### **Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the the Annual Report and the Financial Statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the Group and Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 Group and Company and of the profit or loss of the Group and Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors are responsible for the maintenance and integrity of the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

#### **Directors' confirmations**

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the Group's and Company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the Group's and Company's auditors are aware of that information.

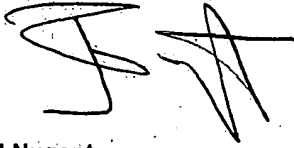
#### **Independent auditors**

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

**TRUFLO AIR MOVEMENT LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

This report was approved by the board on 28th June 2024 and signed on its behalf by:

A handwritten signature in black ink, consisting of a stylized 'J' followed by a star-like shape and a horizontal line.

**J Nugent**  
Director

# Independent auditors' report to the members of Truflo Air Movement Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Truflo Air Movement Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 30 September 2023 and of the group's profit and the group's cash flows for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: Consolidated and Company Balance Sheets as at 30 September 2023; Consolidated Statement of Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated and Company Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

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.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the group's and the company's ability to continue as a going concern.

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements

## TRUFLO AIR MOVEMENT LIMITED

does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, 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 audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. 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 based on these responsibilities.

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

### **Strategic report and Directors' Report**

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 30 September 2023 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

*In light of the knowledge and understanding of the group and company and their environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.*

## **Responsibilities for the financial statements and the audit**

### **Responsibilities of the directors for the financial statements**

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also 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.

In preparing the financial statements, the directors are responsible for assessing the group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 group and industry, we identified that the principal risks of non-compliance with laws and regulations related to the failure to comply with employment laws, taxation laws, health and safety regulations and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial

## TRUFLO AIR MOVEMENT LIMITED

statements such as Companies Act 2006 and relevant tax legislation. 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 the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Detailed discussions with management and walkthrough procedures to understand and evaluate the controls designed to prevent and detect irregularities and fraud;
- challenging and testing assumptions and judgements made by management in their significant accounting estimates;
- Identifying and testing journal entries, in particular journal entries posted with unusual revenue account combinations;
- analytical procedures to identify unusual movements, obtained explanations and the related evidence to assess appropriateness of the movements; and
- Incorporating elements of unpredictability.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. 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 for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

### Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Kingsbury (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Birmingham  
28 June 2024

**TRUFLO AIR MOVEMENT LIMITED**

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
Turnover	5	17,064	13,605
Cost of sales		(11,543)	(10,385)
<b>Gross profit</b>		<b>5,521</b>	<b>3,220</b>
Distribution costs		(754)	(748)
Administrative expenses		(2,454)	(2,933)
Other operating income	6	10	19
<b>Operating profit/(loss)</b>	7	<b>2,323</b>	<b>(442)</b>
Interest payable and similar expenses	11	(386)	(435)
<b>Profit/(Loss) before taxation</b>		<b>1,937</b>	<b>(877)</b>
Tax on profit/(loss)	12	(568)	79
<b>Profit/(Loss) for the financial year</b>		<b>1,369</b>	<b>(798)</b>
Currency translation differences		(35)	(32)
<b>Other comprehensive (expense) for the financial year</b>		<b>(35)</b>	<b>(32)</b>
<b>Total comprehensive income/(expense) for the financial year</b>		<b>1,334</b>	<b>(830)</b>

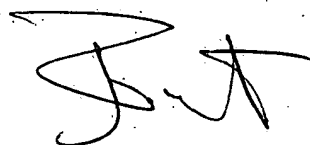
The notes on pages 18 to 40 form part of these financial statements.

**TRUFLO AIR MOVEMENT LIMITED**  
**REGISTERED NUMBER: 05500950**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Intangible assets	13	1,734	2,204
Tangible assets	14	2,435	2,481
		<u>4,169</u>	<u>4,685</u>
<b>Current assets</b>			
Stocks	16	1,171	1,177
Debtors	17	7,642	6,416
Cash at bank and in hand	18	737	676
		<u>9,550</u>	<u>8,269</u>
Creditors: amounts falling due within one year	19	(1,897)	(2,047)
		<u>7,653</u>	<u>6,222</u>
<b>Net current assets</b>			
		<u>7,653</u>	<u>6,222</u>
<b>Total assets less current liabilities</b>			
		<u>11,822</u>	<u>10,907</u>
Creditors: amounts falling due after more than one year	20	(6,470)	(6,992)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(543)	(440)
		<u>4,809</u>	<u>3,475</u>
<b>Net assets</b>			
<b>Capital and reserves</b>			
Called up share capital	22	5,759	5,759
Revaluation reserve	23	11	13
Profit and loss account	23	(961)	(2,297)
		<u>4,809</u>	<u>3,475</u>
<b>Total shareholders' funds</b>			
		<u>4,809</u>	<u>3,475</u>

The financial statements on pages 11 to 40 were approved by the Board of Directors on 28<sup>th</sup> June 2024 and signed on its behalf by:



**J Nugent**  
 Director

The notes on pages 18 to 40 form part of these financial statements.

**TRUFLO AIR MOVEMENT LIMITED**  
**REGISTERED NUMBER: 05500950**

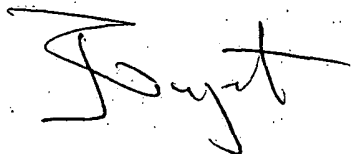
**COMPANY BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2023**

	Note	2023 £000	2022 £000
<b>Fixed assets</b>			
Tangible assets	14	2,399	2,439
Investments	15	825	825
		<u>3,224</u>	<u>3,264</u>
<b>Current assets</b>			
Stocks	16	639	597
Debtors	17	10,700	10,022
Cash at bank and in hand	18	359	473
		<u>11,698</u>	<u>11,092</u>
Creditors: amounts falling due within one year	19	(1,702)	(1,925)
<b>Net current assets</b>		<u>9,996</u>	<u>9,167</u>
<b>Total assets less current liabilities</b>		<u>13,220</u>	<u>12,431</u>
Creditors: amounts falling due after more than one year	20	(5,947)	(6,649)
<b>Provisions for liabilities</b>			
Deferred taxation	21	(543)	(440)
<b>Net assets</b>		<u>6,730</u>	<u>5,342</u>
<b>Capital and reserves</b>			
Called up share capital	22	5,759	5,759
Revaluation reserve	23	11	13
Profit and loss account brought forward		(430)	116
Profit/(Loss) for the financial year		1,388	(548)
Other changes in the profit and loss account		2	2
		<u>960</u>	<u>(430)</u>
Profit and loss account carried forward	23	960	(430)
<b>Total shareholders' funds</b>		<u>6,730</u>	<u>5,342</u>

**TRUFLO AIR MOVEMENT LIMITED**  
**REGISTERED NUMBER: 05500950**

**COMPANY BALANCE SHEET (CONTINUED)**  
**AS AT 30 SEPTEMBER 2023**

The financial statements on pages 11 to 40 were approved by the Board of Directors on 28<sup>th</sup> June 2024 and signed on its behalf by:



**J. Nugent**  
Director

The notes on pages 18 to 40 form part of these financial statements.

TRUFLO AIR MOVEMENT LIMITED

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
<b>At 1 October 2021</b>	<b>5,759</b>	<b>15</b>	<b>(1,469)</b>	<b>4,305</b>
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(798)	(798)
Currency translation differences	-	-	(32)	(32)
<b>Other comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(32)</b>	<b>(32)</b>
<b>Total comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(830)</b>	<b>(830)</b>
<b>Contributions by and distributions to owners</b>				
Transfer between reserves	-	(2)	2	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(2)</b>	<b>2</b>	<b>-</b>
<b>At 30 September 2022 and 1 October 2022</b>	<b>5,759</b>	<b>13</b>	<b>(2,297)</b>	<b>3,475</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	1,369	1,369
Currency translation differences	-	-	(35)	(35)
<b>Other comprehensive expense for the financial year</b>	<b>-</b>	<b>-</b>	<b>(35)</b>	<b>(35)</b>
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>1,334</b>	<b>1,334</b>
<b>Contributions by and distributions to owners</b>				
Transfer between reserves	-	(2)	2	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(2)</b>	<b>2</b>	<b>-</b>
<b>At 30 September 2023</b>	<b>5,759</b>	<b>11</b>	<b>(961)</b>	<b>4,809</b>

The notes on pages 18 to 40 form part of these financial statements.

**TRUFLO AIR MOVEMENT LIMITED**

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

	Called up share capital	Revaluation reserve	Profit and loss account	Total shareholders' funds
	£000	£000	£000	£000
<b>At 1 October 2021</b>	<b>5,759</b>	<b>15</b>	<b>116</b>	<b>5,890</b>
<b>Comprehensive expense for the financial year</b>				
Loss for the financial year	-	-	(548)	(548)
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>-</b>	<b>(548)</b>	<b>(548)</b>
<b>Contributions by and distributions to owners</b>				
Transfer between reserves	-	(2)	2	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(2)</b>	<b>2</b>	<b>-</b>
<b>At 30 September 2022 and 1 October 2022</b>	<b>5,759</b>	<b>13</b>	<b>(430)</b>	<b>5,342</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	1,388	1,388
<b>Total comprehensive income for the financial year</b>	<b>-</b>	<b>-</b>	<b>1,388</b>	<b>1,388</b>
<b>Contributions by and distributions to owners</b>				
Transfer between reserves	-	(2)	2	-
<b>Total transactions with owners</b>	<b>-</b>	<b>(2)</b>	<b>2</b>	<b>-</b>
<b>At 30 September 2023</b>	<b>5,759</b>	<b>11</b>	<b>960</b>	<b>6,730</b>

The notes on pages 18 to 40 form part of these financial statements.

**TRUFLO AIR MOVEMENT LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023 £000	2022 £000
<b>Cash flows from operating activities</b>		
Profit/(Loss) for the financial year	1,369	(798)
<b>Adjustments for:</b>		
Amortisation of intangible assets	409	423
Depreciation of tangible assets	239	294
Loss on disposal of tangible assets	-	-
Interest paid	385	435
Taxation charge	(568)	(79)
Decrease/(Increase) in stocks	6	(167)
(Increase) in debtors	(1,210)	(1,618)
(Decrease)/Increase in creditors	(779)	1,750
Corporation tax paid	445	79
Currency translation differences	97	(112)
<b>Net cash generated from operating activities</b>	<b>639</b>	<b>207</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible assets	-	-
Purchase of tangible assets	(193)	(96)
Sale of tangible assets	-	-
<b>Net cash used in investing activities</b>	<b>(193)</b>	<b>(96)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(385)	(435)
<b>Net cash used in financing activities</b>	<b>(385)</b>	<b>(435)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>61</b>	<b>(324)</b>
Cash and cash equivalents at the beginning of the financial year	676	1,000
<b>Cash and cash equivalents at the end of the financial year</b>	<b>737</b>	<b>676</b>
<b>Cash and cash equivalents at the end of the financial year comprise:</b>		
Cash at bank and in hand	737	676

The notes on pages 18 to 40 form part of these financial statements.

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 1. General information

Truflo Air Movement Limited (the "Company") is a private company limited by shares and is incorporated, registered and domiciled in England, United Kingdom. The address of its registered office is First Floor Templeback, 10 Temple Back, Bristol, BS1 6FL.

The principal activities of the Company and the Group are the design and manufacture of impellers and engine cooling fans.

#### 2. Statement of compliance

The Group and individual financial statements of Truflo Air Movement Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' ('FRS 102') and the Companies Act 2006.

#### 3. Accounting policies

##### 3.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group's accounting policies (see note 4).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied consistently throughout the year:

##### 3.2 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiary undertakings made up to 30 September 2023.

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

Where a subsidiary has different accounting policies to the Group, adjustments are made to those subsidiary financial statements to apply the Group's accounting policies when preparing the consolidated financial statements.

Subsidiary undertakings or associates sold or acquired during the year are included up to, or from, the dates of change of control or change of significant influence respectively.

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 3. Accounting policies (continued)

##### 3.3 Going concern

Geopolitical events continue to add additional uncertainty to the world economy, with energy price volatility, increased protectionist tariffs and adjusted supply chains. Although there is minimal disruption to the supply of materials or demand for our products, commodity prices continue to be volatile, which still impact our industry. Increased input prices will continue to be passed onto our customers, when necessary, in order to mitigate this uncertainty.

The Company meets its day-to-day working capital requirements through its bank facilities. The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current facilities. In addition, the immediate parent company has confirmed its intention via a letter of support to provide such support as the Company requires for its continued operations for a period of not less than 18 months from the date the financial statements were approved. After making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing its financial statements.

##### 3.4 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the Balance Sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Consolidated Statement of Comprehensive Income. The trading results of Group undertakings are translated into sterling at the average exchange rates for the year. The assets and liabilities of overseas undertakings are retranslated at the exchange rates ruling at the year end.

##### 3.5 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 upon despatch of goods supplied.

##### 3.6 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight-line basis over the lease term.

##### 3.7 Finance costs

Finance costs are charged to the Consolidated Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 3. Accounting policies (continued)

##### 3.8 Pensions

The Group operates two defined contribution pension schemes for employees, one in the United Kingdom and one in Belgium. The assets of the schemes are held separate from those of the Group. The annual contributions payable are charged to the Consolidated Statement of Comprehensive Income.

The Belgium pension scheme is accounted for as a defined contribution pension scheme. Management has determined that the fair value of the minimum guaranteed return equates to the book value.

##### 3.9 Current and deferred taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Consolidated Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

###### *Current tax*

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the year end.

###### *Deferred tax*

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements.

Deferred tax is recognised on all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

##### 3.10 Intangible assets

Intangible assets are stated at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated, using the straight-line method, to allocate the depreciable amount of the assets to their residual values over their estimated useful lives, as follows:

Customer intangibles	-	3 - 5 years
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Amortisation is included in 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the Consolidated Statement of Comprehensive Income over its estimated economic life of 10 years.

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 3. Accounting policies (continued)

##### 3.11 Tangible assets

Tangible assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	- 50 years
Plant and machinery	- 4 - 10 years straight line
Assets under construction	- Not depreciated

Included within freehold property is land which is not depreciated.

##### 3.12 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 3.13 Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Costs include all direct costs and an appropriate proportion of fixed and variable overheads.

##### 3.14 Debtors

Short-term debtors are measured at the transaction price, less any provision for impairment.

##### 3.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

##### 3.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**3. Accounting policies (continued)**

**3.17 Financial instruments**

The Company has chosen to adopt the sections 11 and 12 of FRS 102 in respect of financial instruments.

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable and loans to/from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 3. Accounting policies (continued)

##### 3.18 Business combinations

Business combinations are accounted for by applying the purchase method.

The cost of a business combination is the fair value of the consideration given, liabilities incurred or assumed and of equity instruments issued plus the costs directly attributable to the business combination where control is achieved in stages the cost is the consideration at the date of each transaction.

Contingent consideration is initially recognised at estimated amount where the consideration is probable and can be measured reliably. Where (i) the contingent consideration is not considered probable or cannot be reliably measured but subsequently becomes probable and measurable or (ii) contingent consideration-previously measured is adjusted, the amounts are recognised as an adjustment to the cost of the business combination.

On acquisition of a business, fair values are attributed to the identifiable assets, liabilities and contingent liabilities unless the fair value cannot be measured reliably, in which case the value is incorporated in goodwill. Where the fair value of contingent liabilities cannot be reliably measured they are disclosed on the same basis as other contingent liabilities.

Goodwill recognised represents the excess of the fair value and directly attributable costs of the purchase consideration over the fair values to the Group's interest in the identifiable net assets, liabilities and contingent liabilities acquired.

On acquisition, goodwill is allocated to cash-generating units ('CGU's') that are expected to benefit from the combination.

Goodwill is amortised over its expected useful life which is estimated to be ten years. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the Consolidated Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**4. Judgements in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**a. Critical judgements in applying the Group's accounting policies**

*i. Impairment of intangible assets including goodwill*

The Group considers whether intangible assets including goodwill are impaired. Where an indication of impairment is identified the estimation of recoverable amount requires estimation of the recoverable value of the cash generating units (CGUs). In the judgement of the directors, there have been no indicators of impairment and therefore intangible assets including goodwill do not need impairing.

*ii. Recognition of deferred tax assets*

The Company assesses whether it is appropriate to recognise, at the Balance Sheet date, deferred tax assets resulting from historical trading losses, timing differences and pension. In the judgement of the directors, the Company is forecasting profits in the future and therefore recognition of a deferred tax asset is appropriate.

**b. Key accounting estimates and assumptions**

*i. Useful lives of tangible and intangible assets*

Tangible and intangible assets are recognised at cost, less accumulated depreciation, amortisation and any impairments. Amortisation and depreciation take place over the estimated useful life, down to the assessed residual value. The carrying amount of the Company's fixed assets is tested as soon as changed conditions show that a need for impairment has arisen. The remaining useful lives is considered a source of estimation uncertainty.

*ii. Impairment of intangible assets including goodwill*

Where an indication of impairment is identified the estimation of recoverable amount requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows.

*iii. Estimation of deferred tax assets*

The amount of deferred tax recognised is based on estimates of the timing and amount of future taxable profits of the Company, which in turn relies upon estimates of future operating profits and the occurrence, timing and tax treatment of significant items of income and expenditure including contributions to pension schemes. Further disclosures relating to the effect on the profit and loss account of the recognition of deferred tax assets are included in note 12, and the amount of deferred tax asset recognised and other relevant disclosures are included in note 21.

**TRUFLO AIR MOVEMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023****5. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2023</b>	2022
	<b>£000</b>	£000
Sale of goods	<b>17,064</b>	13,605

Analysis of turnover by country of destination:

	<b>2023</b>	2022
	<b>£000</b>	£000
United Kingdom	<b>2,919</b>	2,060
Rest of Europe	<b>5,115</b>	4,112
Rest of the world	<b>9,030</b>	7,433
	<b>17,064</b>	13,605

**6. Other operating income**

	<b>2023</b>	2022
	<b>£000</b>	£000
Other operating income	<b>10</b>	19

**7. Operating profit/(loss)**

The operating profit/(loss) is stated after charging/(crediting):

	<b>2023</b>	2022
	<b>£000</b>	£000
Research and development expenditure	<b>35</b>	18
Depreciation of tangible assets	<b>236</b>	294
Amortisation of intangible assets	<b>409</b>	423
Foreign exchange (gains)/losses	<b>(439)</b>	669
Operating lease rentals	<b>23</b>	14

Foreign exchange gain is a result of year end translation of US dollar denominated loan with Phillips and Temro Industries Inc.

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**8. Auditors' remuneration**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Group's auditors for the audit of the Group's annual financial statements	<b>94</b>	<b>79</b>
<b>Fees payable to the Group's auditors in respect of:</b>		
All other services	<b>12</b>	<b>18</b>

**9. Employees**

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Wages and salaries	<b>2,911</b>	<b>2,398</b>	<b>2,615</b>	<b>2,145</b>
Social security costs	<b>336</b>	<b>276</b>	<b>268</b>	<b>217</b>
Other pension costs	<b>140</b>	<b>122</b>	<b>133</b>	<b>115</b>
	<b>3,387</b>	<b>2,796</b>	<b>3,016</b>	<b>2,477</b>

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

	<b>Group</b>	<b>Group</b>	<b>Company</b>	<b>Company</b>
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
	<b>Number</b>	<b>Number</b>	<b>Number</b>	<b>Number</b>
Administration	<b>34</b>	<b>32</b>	<b>30</b>	<b>28</b>
Production	<b>36</b>	<b>35</b>	<b>32</b>	<b>31</b>
Directors	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>
	<b>74</b>	<b>71</b>	<b>66</b>	<b>63</b>

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 10. Directors' remuneration

	2023 £000	2022 £000
Aggregate directors' remuneration	374	228
Company contributions to defined contribution pension schemes	29	25
	<u>403</u>	<u>253</u>

During the year retirement benefits were accruing to 4 directors (2022: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £232,000 (2022: £123,000).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £13,000 (2022: £15,000).

The highest paid director exercised no share options in 2023 (2022: no options exercised) and received no shares under a long-term incentive scheme in 2023 (2022: no shares received).

Key management has been determined to be the statutory directors.

#### 11. Interest payable and similar expenses

	2023 £000	2022 £000
Bank interest payable	23	19
Loans from group undertakings	363	416
	<u>386</u>	<u>435</u>

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**12. Tax on Profit/(Loss)**

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
<b>Corporation tax</b>		
Current tax on profits for the year	<b>482</b>	-
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>87</b>	<b>(186)</b>
Changes to tax rates	<b>(1)</b>	<b>107</b>
<b>Total deferred tax</b>	<b>86</b>	<b>(79)</b>

**Factors affecting tax (credit)/charge for the year**

The tax assessed for the year is lower than (2022: higher than) the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%). The differences are explained below:

	<b>2023</b>	<b>2022</b>
	<b>£000</b>	<b>£000</b>
(Loss)/Profit before taxation	<b>1937</b>	<b>(877)</b>
(Loss)/profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2022: 19.00%)	<b>484</b>	<b>(166)</b>
<b>Effects of:</b>		
Changes in provisions leading to an(decrease)/increase in the tax charge	<b>1</b>	<b>(20)</b>
Changes to tax rates	<b>(3)</b>	<b>107</b>
<b>Total tax (credit)/charge for the financial year</b>	<b>482</b>	<b>(79)</b>

**Factors that may affect future tax charges**

Changes to the UK corporation tax rates were substantively enacted as part of Finance Act 2021 (published on 24 May 2021, with royal assent received on 10 June 2021). This confirmed an increase to the corporation tax rate to 25% with effect from 1 April 2023. Deferred taxes at the Balance Sheet date have been calculated based on the corporation tax rate of 25% that is enacted at the reporting date.

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**13. Intangible assets**

**Group**

	<b>Customer intangibles £000</b>	<b>Purchased goodwill £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 October 2022	4,526	8,371	12,897
Currency adjustment	0	(118)	(118)
Transfer currency adjustment to amortisation	(0)	118	118
At 30 September 2023	<u>4,526</u>	<u>8,371</u>	<u>12,897</u>
<b>Accumulated amortisation</b>			
At 1 October 2022	4,525	6,168	10,693
Charge for the year	1	408	409
Currency adjustment	-	(57)	(57)
Transfer currency adjustment from Cost	(0)	118	118
At 30 September 2023	<u>4,526</u>	<u>6,637</u>	<u>11,163</u>
<b>Net book value</b>			
At 30 September 2023	<u>0</u>	<u>1,734</u>	<u>1,734</u>
At 30 September 2022	<u>1</u>	<u>2,203</u>	<u>2,204</u>

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**13. Intangible assets (continued)**

**Company**

	<b>Customer intangibles £000</b>	<b>Purchased goodwill £000</b>	<b>Total £000</b>
<b>Cost</b>			
At 1 October 2022	4,502	4,174	8,676
At 30 September 2023	4,502	4,174	8,676
<b>Accumulated amortisation</b>			
At 1 October 2022	4,502	4,174	8,676
At 30 September 2023	4,502	4,174	8,676
<b>Net book value</b>			
At 30 September 2023	-	-	-
At 30 September 2022	-	-	-

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**14. Tangible assets**

**Group**

	Freehold property £000	Plant and machinery £000	Assets under construction £000	Total £000
<b>Cost</b>				
At 1 October 2022	2,028	3,176	64	5,268
Additions	30	173	54	257
Disposals	-	(26)	(64)	(90)
Currency adjustment	-	(11)	-	(11)
Transfer currency adjustment to depreciation	-	11	-	11
At 30 September 2023	<u>2,058</u>	<u>3,323</u>	<u>54</u>	<u>5,435</u>
<b>Accumulated depreciation</b>				
At 1 October 2022	303	2,484	-	2,787
Charge for the year	31	205	-	236
Disposals	-	(26)	-	(26)
Currency adjustment	-	(10)	-	(10)
Transfer currency adjustment to depreciation	-	11	-	11
Revaluation adjustment	2	-	-	2
At 30 September 2023	<u>336</u>	<u>2,664</u>	<u>-</u>	<u>3,000</u>
<b>Net book value</b>				
At 30 September 2023	<u>1,722</u>	<u>659</u>	<u>54</u>	<u>2,435</u>
At 30 September 2022	<u>1,725</u>	<u>692</u>	<u>64</u>	<u>2,481</u>

Included within freehold property is land of £850,000 (2022: £850,000) which is not depreciated.

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**14. Tangible assets (continued)**

**Company**

	<b>Freehold property £000</b>	<b>Plant and machinery £000</b>	<b>Assets under construction £000</b>	<b>Total £000</b>
<b>Cost</b>				
At 1 October 2022	2,028	2,856	64	4,948
Additions	30	158	54	242
Disposals	-	-	(64)	(64)
At 30 September 2023	<u>2,058</u>	<u>3,014</u>	<u>54</u>	<u>5,126</u>
<b>Accumulated depreciation</b>				
At 1 October 2022	303	2,206	-	2,509
Charge for the year	32	186	-	218
Disposals	2	(2)	-	-
At 30 September 2023	<u>337</u>	<u>2,390</u>	<u>-</u>	<u>2,727</u>
<b>Net book value</b>				
At 30 September 2023	<u>1,721</u>	<u>624</u>	<u>54</u>	<u>2,399</u>
At 30 September 2022	<u>1,725</u>	<u>650</u>	<u>64</u>	<u>2,439</u>

Included within freehold property is land of £850,000 (2022: £850,000) which is not depreciated.

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

**15. Investments**

**Company**

	<b>Investments in subsidiary companies £000</b>
<b>Cost and Net Book Value</b>	
At 1 October 2022	825
At 30 September 2023	<u>825</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Philips and Temro Industries Europe Limited	Rue du Roua, 704140, Sprimont, Belgium	Manufacturing	Ordinary	100%

The directors believe that the carrying value of investments is supported by the discounted cashflows of its subsidiary.

**16. Stocks**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Raw materials and consumables	777	831	245	251
Work in progress	263	187	263	187
Finished goods and goods for resale	131	159	131	159
	<u>1,171</u>	<u>1,177</u>	<u>639</u>	<u>597</u>
Stock provisions included in above figure	(77)	(102)	(77)	(102)

There is no significant difference between the replacement cost of work in progress and finished goods and goods for resale and their carrying amounts. Stocks are stated after provisions for obsolete and low moving stock.

**TRUFLO AIR MOVEMENT LIMITED**

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**17. Debtors**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Trade debtors	2,268	2,225	1,808	1,908
Amounts owed by group undertakings	4,299	3,105	8,523	7,688
Other debtors	300	368	235	327
Deferred taxation (note 21)	625	608	-	-
Prepayments and accrued income	150	110	134	99
	<u>7,642</u>	<u>6,416</u>	<u>10,700</u>	<u>10,022</u>
Provisions for trade debtors impairment included above		(1)		(1)

Trade debtors are stated after provisions for impairment.

*Group*

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

*Company*

Amounts owed by group undertakings includes £4,224,000 (2022: £4,584,000) falling due after more than one year. It is unsecured, earns interest at 6.5% and is receivable in August 2027. The remaining amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

**18. Cash at bank and in hand**

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Cash at bank and in hand	737	676	359	473

**TRUFLO AIR MOVEMENT LIMITED**

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**19. Creditors: amounts falling due within one year**

	<b>Group 2023 £000</b>	Group 2022 £000	<b>Company 2023 £000</b>	Company 2022 £000
Trade creditors	1,301	1,644	1,218	1,582
Corporation tax	42	-	(10)	-
Other taxation and social security	70	72	65	68
Other creditors	42	16	38	9
Accruals and deferred income	442	315	391	266
	<u>1,897</u>	<u>2,047</u>	<u>1,702</u>	<u>1,925</u>

**20. Creditors: amounts falling due after more than one year**

	<b>Group 2023 £000</b>	Group 2022 £000	<b>Company 2023 £000</b>	Company 2022 £000
Amounts owed to group undertakings	6,470	6,992	5,947	6,649

Amounts owed to group undertakings are unsecured, interest bearing at 6.5% and are repayable in August 2027.

**21. Deferred taxation**

**Group**

	<b>2023 £000</b>
At beginning of year	168
Charged to profit or loss	(86)
<b>At end of year</b>	<u>82</u>

**Company**

	<b>2023 £000</b>
At beginning of year	(440)
Charged to profit or loss	(103)
<b>At end of year</b>	<u>(543)</u>

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**21. Deferred taxation (continued)**

The deferred tax balance is made up as follows:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>	<b>Company 2023 £000</b>	<b>Company 2022 £000</b>
Trading losses	625	608	-	-
Other timing differences	(543)	(440)	(543)	(440)
	<u>82</u>	<u>168</u>	<u>(543)</u>	<u>(440)</u>
<b>Comprising:</b>				
Asset - due within one year	6293	713	4	105
Liability	(547)	(545)	(547)	(545)
	<u>82</u>	<u>168</u>	<u>(543)</u>	<u>(440)</u>

**22. Called up share capital**

	<b>2023 £000</b>	<b>2022 £000</b>
<b>Allotted, called up and fully paid</b>		
5,758,578 (2022: 5,758,578) Ordinary shares of £1 (2022: £1) each	<u>5,759</u>	<u>5,759</u>

**23. Reserves**

**Revaluation reserve**

Revaluation reserve represents retained revaluation gains and accumulated losses for the year and prior years.

**Profit and loss account**

The accumulated losses represent accumulated comprehensive income for the year and losses in prior years less dividends paid.

**TRUFLO AIR MOVEMENT LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
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**24. Contingent liabilities**

There were no contingent liabilities for both the Group and Company at 30 September 2022 or 30 September 2023.

**25. Capital commitments**

At 30 September the Group and Company had capital commitments as follows:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
Contracted for but not provided in these financial statements	-	-

**26. Pension commitments**

The pension cost charge for the Group represents contributions payable by the Group to the personal pension plans of certain employees and amounted to £140,220 (2022: £121,902).

The pension cost charge for the Company represents contributions payable by the Company to the personal pension plans of certain employees and amounted to £132,648 (2022: £115,444).

**27. Commitments under operating leases**

At 30 September the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2023 £000</b>	<b>Group 2022 £000</b>
Not later than 1 year	23	15
Later than 1 year and not later than 5 years	38	27
	<b>61</b>	<b>42</b>

## TRUFLO AIR MOVEMENT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

#### 28. Related party transactions

##### Group 2023

During the year the Group undertook the related party transactions as listed below:

Name	Sales to £000	Purchases from £000	Amounts owed to £000	Amounts owed by £000
PTI Engineered Engine Components (Yizheng) Ltd China	1,350	640	132	526
Arctic Fox LLC (USA)	55	-	-	55
Phillips and Temro Industries Inc.	630	420	6,338	3,718
PTI Europe	-	-	-	-
	<b>2,035</b>	<b>1,060</b>	<b>6,470</b>	<b>4,299</b>

##### Company 2023

During the year the Company undertook the related party transactions as listed below:

Name	Sales to £000	Purchases from £000	Amounts owed to £000	Amounts owed by £000
PTI Engineered Engine Components (Yizheng) Ltd China	1,288	-	-	526
Arctic Fox LLC (USA)	55	-	-	55
Phillips and Temro Industries Inc.	389	282	5,947	3,718
PTI Europe	-	-	-	4,224
	<b>1,732</b>	<b>282</b>	<b>5,947</b>	<b>8,523</b>

**TRUFLO AIR MOVEMENT LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2023****28. Related party transactions (continued)****Group 2022**

During the year the Group undertook the related party transactions as listed below:

Name	Sales to £000	Purchases from £000	Amounts owed to £000	Amounts owed by £000
PTI Engineered Engine Components (Yizheng) Ltd China	1,011	481	44	547
Phillips and Temro Industries Inc.	451	439	6,948	2,558
PTI Europe	-	-	-	-
	<b>1,462</b>	<b>920</b>	<b>6,992</b>	<b>3,105</b>

**Company 2022**

During the year the Company undertook the related party transactions as listed below:

Name	Sales to £000	Purchases from £000	Amounts owed to £000	Amounts owed by £000
PTI Engineered Engine Components (Yizheng) Ltd China	889	-	-	547
Phillips and Temro Industries Inc.	286	267	6,649	2,558
PTI Europe	-	-	-	4,583
	<b>1,175</b>	<b>267</b>	<b>6,649</b>	<b>7,688</b>

The above are all related parties by virtue of being fellow companies of the ultimate shareholders of the Company. The transactions are all at arms' length and relate to the provision of goods and services between the parties associated with the Company's principal activity.

See note for disclosure of the directors' remuneration and key management compensation.

**29. Post balance sheet events**

There are no post Balance Sheet events that would significantly affect the operations or profitability of the Group.

## TRUFLO AIR MOVEMENT LIMITED

### 30. Ultimate parent undertaking and controlling party

The directors consider that the Company's immediate parent undertaking as at 30 September 2023 was PTI Silencing-Cooling Holdings LLC. as a result of its ownership of 100% of the issued share capital. On 23 December 2019 the ownership was transferred to Phillips & Temro Industries Inc. The directors consider that the controlling party of the Group is Harbour Group.

The ultimate parent undertaking, controlling party and the smallest and largest group to consolidate is Harbour Group, a privately owned company registered in the United States of America, by virtue of their acquisition on 12 March 2015 of the 100% shareholding in Phillips & Temro Industries Inc. Copies of the Harbour Group consolidated financial statements can be obtained from 7733 Forsyth Blvd, 23rd Floor, Saint Louis, Missouri 63105 United States of America.