



**DETA ELECTRICAL COMPANY
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2022

Company no. 00612799

DETA ELECTRICAL COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2022

Company registration number: 00612799 (Incorporated in England)

Registered office: Votec House
Hambridge Lane
Newbury
Berkshire
RG14 5TN

Directors: N J Palmer
S Westbrook
L Yu

Secretary: L Yu

Independent auditor: Fiander Tovell Limited
Stag Gates House
63/64 The Avenue
Southampton
Hampshire
SO17 1XS

DETA ELECTRICAL COMPANY LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 2022

INDEX	PAGE
Strategic report	1 – 3
Report of the directors	4 – 6
Independent auditor's report	7 – 10
Income statement	11
Balance sheet	12
Statement of changes in equity	13
Notes to the financial statements	14 – 27

DETA ELECTRICAL COMPANY LIMITED

STRATEGIC REPORT

For the year ended 31 December 2022

The directors present their Strategic Report for the year ended 31 December 2022.

Principal activity

The principal activity of the company during the year was the distribution of electrical accessories, cable, lighting products and components.

Business review and financial key performance indicators

The principal objective of the company continues to be the delivery of sustainable, responsible and profitable business growth through a strategy of optimum use of the company's expertise in products and market conditions.

The directors use a number of measures, both financial and non-financial, to monitor and benchmark the performance of the company. They regard the following as the key financial indicators of performance.

Turnover increased by 6.8% from £57.5m to £61.4m from organic growth across our product range. The company has continued to successfully build upon its strategy and position of being a market leading manufacturer of specification product, to generate revenue from existing specification contracts and its competitive offering continues to be the selection of choice for many developers, winning the company further new contracts.

The directors are confident about future prospects as opportunities are taken to further widen the company's overall offering to ensure Deta Electrical Company Limited remains the preferred choice for developers, wholesalers and the trade. The directors do not anticipate any major changes in the company's strategy and believe its prospects are good.

Total operating costs increased from £48.6m to £54.3m due to inflationary pressures on input costs. As a result, operating profit decreased from £8.9m to £7.2m. The business has an exposure to exchange rate volatility and despite the challenges faced during the year, a focus on cost containment and by working closely with our customers and suppliers to plan more efficiently around our buying pattern and volumes has helped to minimise the impact this had on our performance.

During the year, the average number of employees in the company increased from 123 to 130.

Net assets increased from £43.0m to £49.1m and net current assets increased from £40.6m to £47.0m as a result of retained profits. The business has maintained strong cash levels including loans to and from our group companies of £40.3m (2021: £39.2m). This is consistent with our expectations, and this cash generation allows ongoing investment in the business from retained profits throughout the year and the financing of working capital requirements during peak trading.

The directors believe the business is in a sound position at the year-end and is well placed to meet the challenges of the year ahead. Despite the uncertainty of inflationary increases on input prices and costs, the business continues to perform strongly and has honoured all ongoing liabilities from cash reserves which remains strong. As inflationary pressures continue to impact the markets in which we operate, uncertainty remains and therefore ongoing review of our cost base continues, as well as seeking out new markets and other opportunities including realising the potential of the digital market place. The directors do not therefore anticipate any major changes in the company's strategy for the year ahead but they remain vigilant for any significant impact to the market environment as a result of continued inflationary pressures. The directors believe the business' prospects are good.

S172(1) Statement

The board of directors of Deta Electrical Company Limited consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Act) in the decisions taken during the year ended 31 December 2022.

Our key stakeholders are our employees, customers and suppliers, the community and environment. These are considered our key stakeholders as they have the most impact on the long-term success of our business.

DETA ELECTRICAL COMPANY LIMITED

STRATEGIC REPORT

For the year ended 31 December 2022

S172(1) Statement (continued)

Below are examples of how the Directors engage with key stakeholders:

Employees

As explained in the Report of the Directors, the involvement of employees is vital to our businesses and the directors keep them informed on matters affecting them as employees and the various factors affecting the performance of the Company. Employee representatives are consulted regularly on a range of matters concerning their interests. The directors also maintain an open-door policy and all employees are encouraged to bring forward their views on all aspects of the Company. The directors consider the above to be effective as it provides a platform for a two-way communication where concerns and ideas can be passed upward where necessary, so that the business can take advantage of opportunities quickly. This also enables key decisions to be taken with the benefit of local feedback.

Customers and Suppliers

The directors place considerable value on the engagement of customers and suppliers in making decisions taking on board their views and insights through regular dialogue and meetings. We operate on a multi-branch business basis with a high level of decentralisation backed up by strong controls and a reward structure that is based on local performance and individual contribution. Our strategy is to provide the highest possible service to customers. The ability of our branch managers to determine all aspects of their business ensures they are strongly focused on providing the best service to their customers, supporting our key suppliers to get their products to market and employing, retaining and rewarding a high-quality team. We also host customer and supplier events at local and national level, including training for both customers and staff. We work together with our customers and suppliers for the mutual success of our respective businesses. The above aids the achievement of our key performance indicators because by supporting our customers and suppliers' efforts to bring products to market at fair prices, with rigorous quality control and high levels of availability, we ensure that we maximise the opportunities we have for our mutual interests whilst observing our mutual responsibilities to the wider community and environment.

The success of the above is measured using our key performance indicators of turnover and operating income. These key performance indicators, together with customer and supplier feedback were useful early warning indicators that helped the business identify the issues noted in the business review and appropriate action, such as focus on cost reduction, were taken which helped minimise the impact of variable market conditions and allow us to take advantage of seasonal variations.

Community and Environment

In formulating our plan, we took into account the impact of the Company's operations on the community and environment, our wider social responsibilities, and in particular how we comply with legislation and react promptly to local community concerns such as giving staff time-off to perform voluntary activities to help local charitable causes.

As the board of directors, our intention is to behave responsibly and ensure that the management team operate our businesses in a responsible manner, operating within the high standards of business conduct and good governance expected for a Company such as ours and in doing so, will contribute to long term success of our Company.

This is achieved through training, management having regular dialogue with our teams and monitoring through our internal audit function. The intention is to nurture our reputation, through our actions, that reflects our responsible behaviour.

The regular engagement by the directors with all stakeholders such as those described above enables the directors to enhance their awareness of the market, improve decision making and promote the long-term success of the Company more effectively and observe the principles of s172.

DETA ELECTRICAL COMPANY LIMITED

STRATEGIC REPORT

For the year ended 31 December 2022

Principal risks and uncertainties

The directors are responsible for the company's risk management procedure. The directors monitor risks facing the business and identifies any that are emerging. The directors recognise that it is ultimately responsible for the actions that are taken and reserves certain key decisions such as senior appointments, funding of operations and acquisitions.

The directors work with the operational management team to ensure that risks are identified and appropriately managed, in accordance with defined policies and procedures, and that there are clear responsibilities for this. There is an active programme of internal audit which monitors compliances with our standard practice instructions.

The main risks and uncertainties facing the company can be summarised as:

- **Changes in the economic environment**

Contingency plans are used for recession or rapid downturn of our core market. Our key performance indicators act as early warning signals; and focuses on risks affecting our level of business, overheads and working capital.

- **Product demand and obsolescence**

Working closely with and taking into account feedback from our customers, suppliers and colleagues means we are best placed to understand and react according to sudden changes in product demand and technological development.

- **Competitor action**

We work closely with our customers and suppliers for the mutual success of our respective businesses and build strong relationships with these key stakeholders. The feedback from these key stakeholders and our key performance indicators help the directors to review the impact of key decisions and to reconsider them where it is appropriate to do so.

- **Credit risk**

Credit risk is described in the Report of the Directors.

The above are important as they individually and combined could have a significant impact on the operations, cashflow and performance of the business. The directors regularly review and agree policies for managing each of these risks. This review is based on the steps described above and also through our understanding of the industry, regulation, working with our customers and suppliers and seeking professional advice where appropriate. The directors' objective is to minimise the possibility of these risks impacting our business and to mitigate them wherever possible. These policies remain unchanged from previous years.

In addition to the above, the impact of inflationary increases and supply chain issues are also areas of review. The directors are monitoring the impact of inflationary increases to operations and to the customers base. The directors have put in place contingency plans in order to cope with any challenges this may course. The business has long standing relationships with its key suppliers and work closely with the supply chain to ensure minimal adverse impact on operations in the event of unexpected situations occur.

BY ORDER OF THE BOARD



L Yu
Secretary
Company registration: 00612799

26/2/23

DETA ELECTRICAL COMPANY LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2022

The directors present their report and the audited financial statements for the year ended 31 December 2022.

Results and dividends

The trading results for the year, and the company's financial position at the end of the year, are shown in the attached financial statements. There was a profit for the year after taxation amounting to £6.1m (2021: £7.3m).

The directors do not recommend a payment of any final dividends (2021: £nil).

Financial risk management objectives and policies

All transactions in derivatives are undertaken to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the company's financial instruments are market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies have remained unchanged from previous years.

Market risk

The company is exposed to foreign exchange risk on certain transactions. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge, the company does not adopt an accounting policy of hedge accounting for these financial statements. There were no hedging arrangements in place as at 31 December 2022 and 31 December 2021.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through support from the parent company.

Credit risk

The company's principal financial assets are cash and trade debtors. The credit risk associated with the company's cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis in conjunction with debt ageing and collection history.

Recruitment and employee relations

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment.

DETA ELECTRICAL COMPANY LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2022

Recruitment and employee relations (continued)

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled every effort is made to ensure that their employment with the company continues and that appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The company places considerable importance on maintaining good relations with employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. Employee representatives are consulted regularly on a range of matters affecting their interests.

Business relationships

The S172(1) statement in the strategic report provides details of how the directors have had regard to the need to foster business relationships with suppliers, customer and other stakeholders during the year.

Future developments

An indication of future developments of the business is included in the strategic report.

Environmental policies

We continue to review our environmental policies and seek at all times to meet our legal obligations.

Directors

The present membership of the Board, and listing of directors who served during the year, is set out below:

N J Palmer
S Westbrook
L Yu

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report and Report of the Directors, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 102 "The Financial Reporting Standard applicable in the UK 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 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;

DETA ELECTRICAL COMPANY LIMITED

REPORT OF THE DIRECTORS

For the year ended 31 December 2022

Directors' responsibilities statement (continued)

- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Provision of information to auditor

The directors confirm that:

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

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company; and
- the Strategic Report and Report of the Directors include a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that they face.

BY ORDER OF THE BOARD



L Yu
Secretary
Company registration: 00612799

26/9/23

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DETA ELECTRICAL COMPANY LIMITED

Opinion

We have audited the financial statements of Deta Electrical Company Limited ('the company') for the year ended 31 December 2022 which comprise the principal accounting policies, the income statement, the balance sheet, the statement of comprehensive income, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS102 "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 December 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's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Strategic Report and Report of the Directors, other than the financial statements and our auditor's report thereon. 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DETA ELECTRICAL COMPANY LIMITED (CONTINUED)

Other information (continued)

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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinion 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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report under the Companies Act 2006

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

Matters on which we are required to report by exception

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.

Responsibilities of the directors for the financial statements

As explained more fully in the directors' responsibilities statement (pages 5 - 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DETA ELECTRICAL COMPANY LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

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.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations.
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience.
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, employment, environmental and health and safety legislation.
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud.
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

Audit response to risks identified

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships.
- tested journal entries to identify unusual transactions.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DETA ELECTRICAL COMPANY LIMITED (CONTINUED)

Audit response to risks identified (continued)

- tested a sample of BACS payments to identify payments being made to unexpected bank accounts.
- performed transactional testing on payroll costs in respect of those employees with responsibility or authority in connection with the payroll function.
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation.
- enquiring of management as to actual and potential litigation and claims.
- reviewing correspondents with HMRC

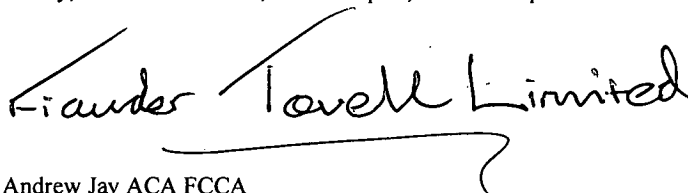
There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Jay ACA FCCA
Senior Statutory Auditor
For and on behalf of Fiander Tovell Limited
Statutory Auditor, Chartered Accountants
Southampton

Date: 26 September 2023

DETA ELECTRICAL COMPANY LIMITED**INCOME STATEMENT**

For the year ended 31 December 2022

	Note	2022 £000s	2021 £000s
Turnover	2	61,431	57,537
Operating profit	3	7,151	8,888
Interest receivable and similar income	4	98	3
Interest payable and similar charges	5	(7)	(10)
Profit on ordinary activities before taxation		7,242	8,881
Tax on profit on ordinary activities	8	(1,183)	(1,609)
Profit for the financial year		6,059	7,272

All results derive from continuing operations for both the current year and prior year.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents for both the current year and prior year.

There were no recognised gains or losses for both the current year and prior year other than those in the income statement.

The accompanying accounting policies and notes (pages 14-27) form an integral part of the financial statements.

DETA ELECTRICAL COMPANY LIMITED**BALANCE SHEET AT 31 DECEMBER 2022**

Company No. 00612799

	Note	2022 £000s	2021 £000s
Fixed assets			
Tangible assets	9	<u>2,250</u>	<u>2,580</u>
		2,250	2,580
Current assets			
Stocks	10	17,064	15,777
Debtors	11	39,019	38,687
Cash at bank		<u>26,031</u>	<u>22,920</u>
		82,114	77,384
Creditors: Amounts falling due within one year	12	<u>(35,161)</u>	<u>(36,782)</u>
Net current assets		<u>46,953</u>	<u>40,602</u>
Total assets less current liabilities		49,203	43,182
Creditors: Amounts falling due after more than one year	13	(56)	(114)
Provisions for liabilities and charges	15	<u>(56)</u>	<u>(36)</u>
Net assets		<u>49,091</u>	<u>43,032</u>
Capital and reserves			
Called-up share capital	16	2,100	2,100
Capital redemption reserve	17	400	400
Profit and loss account		<u>46,591</u>	<u>40,532</u>
Total shareholders' funds		<u>49,091</u>	<u>43,032</u>

The financial statements on pages 11 to 27 were approved and authorised for issue by the board of directors on 26 September 2023 and were signed on their behalf by



S Westbrook
Director

The accompanying accounting policies and notes (pages 14–27) form an integral part of the financial statements.

DETA ELECTRICAL COMPANY LIMITED**STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2022

	Called-up share capital	Capital redemption reserve	Profit and loss account	Total
	£000s	£000s	£000s	£000s
At 1 January 2021	2,100	400	33,260	35,760
Profit for the year	-	-	7,272	7,272
Dividends paid			-	-
At 31 December 2021	2,100	400	40,532	43,032
Profit for the year	-	-	6,059	6,059
At 31 December 2022	2,100	400	46,591	49,091

The accompanying accounting policies and notes (pages 14–27) form an integral part of the financial statements.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

1 ACCOUNTING POLICIES

These financial statements have been prepared on a going concern basis, under the historical cost convention, and in accordance with applicable UK accounting standards and the Companies Act 2006.

Under the provision of section 400 of the Companies Act 2006 the company is exempt from preparing consolidated financial statements and has not done so, therefore the financial statements show information about the company as an individual entity.

The principal accounting policies are set out below. The preparation of financial statements in compliance with Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies. All figures have been rounded to the nearest one thousand pounds sterling (£1,000).

Cash flow statement

The company is a wholly-owned subsidiary of Newbury Investments (UK) Limited and is included in the consolidated financial statements of Newbury Investments (UK) Limited, which are publicly available. Consequently, the company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 102 paragraph 1.12(b).

Exemptions for qualifying entities under FRS 102

FRS 102 paragraph 1.12 allows a qualifying entity certain disclosure exemptions, subject to certain conditions which have been complied with, including notification of and no objection to the use of exemptions by Company's shareholders.

The company has taken advantage of the following exemptions:

Statements of cash flow

The Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 102 paragraph 3.17(d) on the grounds that a consolidated cash flow statement is included in the financial statements of the Parent.

Financial instruments disclosures

The Company has taken advantage of the exemption from the financial instruments disclosures required under FRS 102 paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A, as the information is provided in the consolidated financial statement disclosures of the Parent.

Key management personnel compensation

The Company has taken advantage of the exemption from disclosing the Company key management compensation pursuant to FRS 102 paragraph 33.7.

Related party disclosures

The Company has taken advantage of the exemption from disclosing the related party disclosures pursuant to FRS 102 paragraph 33.7.

The company is a wholly-owned subsidiary of Newbury Investments (UK) Limited and is included in the consolidated financial statements of Newbury Investments (UK) Limited, which are publicly available.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Going concern

After considering the Company's performance in the year to 31 December 2022, its future prospects and its cash flow forecasts, the Directors have full expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and at least for a period of twelve months from the date the financial statements are signed. In the unlikely event additional finance is required, Group support is confirmed as available. For this reason, the Directors continue to adopt the going concern basis in preparing the financial statements.

Goodwill

Goodwill arising on the acquisition of the trade and assets of a business represents the excess of the fair value of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and amortised on a straight-line basis over its estimated useful economic life of between 2 and 5 years from the date of acquisition.

Fixed asset investments

Fixed asset investments are shown at cost less any amounts written off. Provisions are made for any impairment. Only dividends received and receivable are credited to the company's income statement.

Fixed assets

All assets are initially measured at cost. Cost comprises the initial purchase price plus, where material, any further directly attributable costs in making the asset available for use. In the case of assets held for leasing, any costs incurred subsequent to the asset becoming available for hire, including the costs of delivery of assets to and installation of assets at customer locations, are expensed as incurred.

Fixed asset depreciation

Depreciation is calculated so as to write off the cost of an asset other than freehold land, less its estimated residual value, over the useful economic life of that asset as follows:

Plant and equipment – 4-10 years straight line

Motor vehicles - 4 years straight line

Office and computer equipment - 4 years straight line

Leasehold improvements – over the lower of the life of the lease or 5 years, straight line.

Where the split of cost between freehold land and buildings can be reliably calculated, the freehold land element is held at historic cost and is not depreciated.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating income" in the income statement.

Intangible Assets – Patented technology & Royalty agreements

Patented technology and royalty agreements are recognised at their initial cost and are written off on a straight-line basis over the lower of the assets useful economic life, or its legal or contractual rights.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete, slow moving and defective items where appropriate. Cost is determined on a first-in, first-out (FIFO) basis which includes the purchase price together with all direct attributable costs and income to bring inventory to its present location and condition.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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.

Creditors

Short term trade 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.

Bank cross guarantee

The fair value of a financial guarantee contract is calculated as the present value of the difference between the net contractual cash flows required under a debt instrument, and the net contractual cash flows that would have been required without the guarantee.

Turnover

The turnover shown in the income statement represents amounts invoiced during the year, exclusive of value added tax. Turnover is recognised when the risk and rewards of ownership of stock is transferred to the customer. This occurs when the stock is delivered to the customer or is collected by them from the point of sale. As such, invoices are raised on delivery or collection and recognised immediately.

Finance lease agreements

Rentals applicable to finance leases where substantially all of the benefits and risks of ownership transfer to the lessee are capitalised and depreciated over the period of the lease.

Operating lease agreements

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.

Government Grants

Government grants relate to claims made under the coronavirus job retention scheme and are recognised in the profit and loss account in the same period as the costs to which they relate.

Pension costs

Defined contribution pension scheme

The company operates a defined contribution scheme for employees. The assets of the scheme are held separately from those of the company in independently administered funds. The amount charged to the income statement in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Current and deferred taxation

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by reporting date.

Financial instruments

Financial liabilities and equity instruments

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities.

Financial liabilities are presented as such in the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the Income Statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

Forward exchange contracts

Forward exchange contracts are used to manage currency fluctuations on stock purchasing in foreign currencies by entering into a forward exchange contract to match the future foreign currency commitment when due. Foreign exchange contracts and the amounts due are valued at the time when the contract is taken out. Any changes in fair value are recognised in the Income Statement.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

Financial instruments (continued)

Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Balance Sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the Income Statement.

Significant judgements and estimates

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Property dilapidations and onerous leases

Under certain operating leases for land and buildings, the company is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The company charges amounts to the income statement so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations. Where repairs are made part way through the lease that will reduce the estimated costs of dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

Where leased properties are vacated the company provides for the best estimate of the future unrecoverable costs of its obligations under those leases.

Stock provisioning

The company holds stock that is subject to changing industry demands. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of goods. See note (10) for the net carrying amount of the inventory and associated provision movement in the year.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note (11) for the net carrying amount of the debtors and associated impairment provision movement in the year.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

2 TURNOVER

The turnover is attributable to the principal activity of the company as described in the report of the directors.

An analysis of turnover by geographical destination is given below:

	2022 £000s	2021 £000s
United Kingdom	58,612	54,534
Europe	2,583	2,679
Rest of the world	236	324
	<u>61,431</u>	<u>57,537</u>

3 OPERATING PROFIT

Operating profit is stated after (charging)/crediting:

	2022 £000s	2021 £000s
Change in stocks of finished goods	1,287	3,893
Purchase of raw materials and consumables	(42,34)	(39,316)
Other external charges	(1,746)	(1,626)
Staff costs (see note 6)	(8,416)	(9,085)
Depreciation written off owned fixed assets	(278)	(271)
Depreciation written off fixed assets on hired purchase or finance leases	(131)	(147)
Advertising	(67)	(108)
Property operating expenses	(1,017)	(593)
Government grants (see note 1)	-	38
Other operating charges	(1,565)	(1,434)
	<u>(54,280)</u>	<u>(48,649)</u>

Other operating charges include but are not limited to stationery, general insurances, computer consumables and group recharges

Operating profit is stated after (charging)/crediting:

	2022 £000s	2021 £000s
Auditor's remuneration		
- Audit fees	(17)	(22)
- Taxation compliance services	(3)	(2)
Other professional services	(2)	(2)
Exchange differences	(778)	916
Profit/(Loss) on disposal of fixed assets	15	8
Operating lease rentals		
- Plant and machinery	(45)	(43)
- Other	(728)	(528)

DETA ELECTRICAL COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

4 INTEREST RECEIVABLE AND SIMILAR INCOME

	2022 £000s	2021 £000s
Interest on tax	4	-
Interest on group loans	94	3
	<u>98</u>	<u>3</u>

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £000s	2021 £000s
Finance lease interest	7	10
	<u>7</u>	<u>10</u>

6 EMPLOYEES

The average number of staff employed by the company during the financial year amounted to:

	2022 No.	2021 No.
Administration	62	61
Sales and distribution	68	62
	<u>130</u>	<u>123</u>

The aggregate payroll costs of the above were:

	2022 £000s	2021 £000s
Wages and salaries	7,182	7,790
Social security costs	757	849
Pension costs (see note 22)	477	446
	<u>8,416</u>	<u>9,085</u>

7 DIRECTORS

Remuneration in respect of directors was as follows:

	2022 £000s	2021 £000s
Emoluments receivable	523	484
Value of company pension contributions to defined contribution scheme	1	1
	<u>524</u>	<u>485</u>

One director (2021: One) had benefits accruing under a defined contribution pension scheme.

DETA ELECTRICAL COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

7 DIRECTORS (CONTINUED)

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2022 £000s	2021 £000s
Emoluments receivable	272	253
	<u>272</u>	<u>253</u>

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2022 £000s	2021 £000s
Current Tax:		
UK corporation tax at 19% (2021: 19%)	1,386	1,835
Adjustment in respect of prior periods	(5)	4
Total current tax	<u>1,381</u>	<u>1,839</u>
Deferred Tax:		
Origination and reversal of timing differences	(209)	(193)
Adjustment in respect of prior periods	11	(37)
Total deferred tax	<u>(198)</u>	<u>(230)</u>
Tax on profit on ordinary activities	<u>1,183</u>	<u>1,609</u>

RECONCILIATION OF TAX CHARGE

The tax assessed on the profit on ordinary activities for the year is lower (2021: lower) than the standard rate of corporation tax in the UK of 19% (2021: 19%).

	2022 £000s	2021 £000s
Profit on ordinary activities before taxation	<u>7,242</u>	<u>8,881</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2021: 19%)	1,376	1,687
Effect of:		
Expenses not deductible for tax purposes	4	5
Depreciation in excess of capital allowances	6	143
Adjustment in respect of prior periods	(5)	4
Other timing differences	<u>(198)</u>	<u>(230)</u>
Tax charge for the year	<u>1,183</u>	<u>1,609</u>

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

8 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

Factors affecting future tax charges

The main rate of UK corporation tax remained at 19% throughout 2022. In the 2021 Finance Bill, which was passed into law on 24 May 2021, it was announced that the Corporation Tax main rate would rise to 25% with effect from 1 April 2023.

9 TANGIBLE FIXED ASSETS

	Freehold and long leasehold £000s	Plant and equipment £000s	Motor vehicles £000s	Office and Computer equipment £000s	Leasehold improvements £000s	Total £000s
Cost						
At 1 January 2022	300	883	736	820	1,142	3,881
Additions	-	23	56	8	-	87
Disposals	-	-	(70)	-	-	(70)
At 31 December 2022	300	906	722	828	1,142	3,898
Depreciation						
At 1 January 2022	40	192	463	479	127	1,301
Charge for the year	6	89	139	99	76	409
Disposals	-	-	(62)	-	-	(62)
At 31 December 2022	46	281	540	578	203	1,648
Net book value at 31 December 2022	254	625	182	250	939	2,250
Net book value at 31 December 2021	260	691	273	341	1,015	2,580

Included within motor vehicles is £163,000 (2021: £247,000) relating to cost and net book value relating to leased automobiles. The depreciation charged in respect of these assets during the year amounted to £131,000 (2021: £147,000).

10 STOCKS

	2022 £000s	2021 £000s
Finished goods	17,064	15,777

An impairment reversal of £219,000 (2021: £27,000 charge) was recognised in cost of sales during the year.

DETA ELECTRICAL COMPANY LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2022

11 DEBTORS

	2022 £000s	2021 £000s
Trade debtors	20,962	18,825
Amounts owed by group undertakings	16,180	18,191
Corporation tax receivable	154	-
Deferred taxation (see note 14)	391	193
Other debtors	268	279
Prepayments and accrued income	1,064	1,199
	<u>39,019</u>	<u>38,687</u>

Amounts owed by group undertakings are unsecured, repayable on demand and interest bearing at a rate of 1.5% above the NatWest Bank Plc's base rate.

An appreciation of £5,000 (2021: £17,000 charge) was recognised within trade debtors.

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £000s	2021 £000s
Trade creditors	13,538	12,202
Amounts owed to group undertakings	1,875	1,875
Corporation tax payable	-	556
Other taxation and social security	1,041	1,187
Other creditors	211	179
Finance lease creditor (see note 20)	101	131
Accruals and deferred income	18,359	20,622
Pension contributions	36	30
	<u>35,161</u>	<u>36,782</u>

Amounts owed to group undertakings are unsecured, repayable on demand and interest bearing at a rate of 1.5% above the NatWest Bank Plc's base rate.

13 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £000s	2021 £000s
Finance lease creditor (see note 20)	<u>56</u>	<u>114</u>
	<u>56</u>	<u>114</u>

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

14 DEFERRED TAXATION

The movement in the deferred taxation account during the year was:

	2022 £000s	2021 £000s
At the beginning of the year	193	(37)
Income statement movement arising during the year	209	193
Adjustments in respect of prior periods	(11)	37
At the end of the year	391	193

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2022 £000s	2021 £000s
Capital allowances and depreciation	(80)	(230)
Other timing differences	471	423
	391	193

Factors affecting future tax charges

The main rate of UK corporation tax remained at 19% throughout 2022. The main rate is increasing and will rise to 25% with effect from 1 April 2023.

15 PROVISIONS FOR LIABILITIES AND CHARGES

	2022 £000s	2021 £000s
Property dilapidations:		
At the beginning of the year	36	637
Income statement charge	20	36
Utilised during year	-	(419)
Released during year	-	(218)
At the end of the year	56	36

A provision has been made for the expected reinstatement costs for all leased properties. The settlement timing of these obligations is dependent upon the remaining lease terms.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

16	SHARE CAPITAL	2022	2021
	Allotted, called up and fully paid	£000s	£000s
	2,100,000 ordinary shares of £1 each	<u>2,100</u>	<u>2,100</u>

17	CAPITAL REDEMPTION RESERVE	2022	2021
		£000s	£000s
	At 31 December 2022 and 31 December 2021	<u>400</u>	<u>400</u>

Capital redemption reserve represents the redemption of preference shares previously issued.

18 CAPITAL COMMITMENTS

At 31 December 2022 the company had capital commitments of £130,000 (2021: £193,000) in respect of capital projects entered into but which had not been completed at the year end. All capital commitments related to property, plant and equipment.

19 CONTINGENT LIABILITIES

BANK CROSS GUARANTEE

There is an unlimited cross guarantee between the company, Newbury Investments (UK) Limited, Decco Limited, Norbain Holdings Limited, Primaflow Limited, Ryness Electrical Supplies Limited, Stearn Electric Company Limited, UK Cables Limited, UK Electric Limited and UK Test Instruments Limited in favour of Natwest Bank Plc. The obligation under this guarantee at 31 December 2022 was £nil (2021: £nil).

There were no other contingent liabilities at 31 December 2022 or at 31 December 2021.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

20 LEASING COMMITMENTS

At the end of the year the company had future minimum lease payments under non-cancellable operating leases for:

	2022 £000s	2021 £000s
Land and buildings:		
Within one year	738	738
Within two to five years	2,950	2,950
Over five years	5,224	5,962
	<u>8,912</u>	<u>9,650</u>

Finance leases

The future minimum payments under finance leases are as follows:

	2022 £000s	2021 £000s
Within one year	104	137
Within two to five years	59	116
	<u>163</u>	<u>253</u>
Less: finance charges included above	(6)	(8)
	<u>157</u>	<u>245</u>

Certain motor vehicles are held under finance lease arrangements. Finance lease liabilities are secured by the related assets held under finance leases. The lease agreements generally include fixed lease payments and a purchase option at the end of the lease term.

21 RELATED PARTY TRANSACTIONS

The company is a wholly owned subsidiary undertaking of Newbury Investments (UK) Limited and has taken advantage of the exemption available under Financial Reporting Standard 102 Section 33 'Related Party Disclosures' not to disclose details of transactions with entities which are part of this group.

The company made sales of approximately £27,000,000 (2021: £23,900,000) to companies connected to certain shareholders of the group's ultimate parent undertaking of which amounts receivable of £8,000,000 (2021: £7,000,000) were still outstanding at the year end. Further, there were related party charges from these related companies of £500,000 (2021: £400,000) in respect of non-trading transactions. In the opinion of the directors all transactions were at arm's length.

22 PENSION ARRANGEMENTS

Defined benefit pension scheme

Certain employees of the company are members of a defined benefit scheme operated by a non-group company. The assets of the scheme are managed through a separate trustee administered fund. The scheme was closed to future accrual at 31 March 2011.

DETA ELECTRICAL COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2022

22 PENSION ARRANGEMENTS (CONTINUED)

Defined contribution pension scheme

The company operates a defined contribution pension scheme for the benefit of its employees and directors. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds, including the non-group defined benefit pension scheme, and amounted to £477,000 (2021: £446,000). Contribution of £36,000 (2021: £30,000) were outstanding at the year end.

23 POST BALANCE SHEET EVENT

On 31 January 2023, the company acquired certain trade and assets of Timeguard Limited. The business operates in the UK as a distributor of electrical controls, accessories and LED lighting under the trading name of Timeguard. The nature of this event is non-adjusting and does not impact the going concern of the company.

24 ULTIMATE PARENT COMPANY

The ultimate parent company is Newbury Investments Holdings Limited, a company registered in England and Wales. The smallest group in which the results of the company are consolidated is that headed by Newbury Investments (UK) Limited, and the largest group in which the results of the company are consolidated is that headed by Newbury Investments Holdings Limited. A copy of these accounts may be obtained from Companies House. The ultimate controlling party of Newbury Investments (UK) Limited is Newbury Investments Holdings Limited.