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**DMC TECHNOLOGIES LIMITED**

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**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2020**

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**DMC TECHNOLOGIES LIMITED**

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**COMPANY INFORMATION**

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**Directors**

S A Davey  
A P Tatham  
N A Deman  
P Jan (appointed 1 July 2020)

**Registered number**

02511016

**Registered office**

Kings Parade  
Lower Coombe Street  
Croydon  
CR0 1AA

**Accountants**

Smith & Williamson LLP  
Accountants  
25 Moorgate  
London  
EC2R 6AY

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**DMC TECHNOLOGIES LIMITED**

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**CONTENTS**

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	Page
<b>Directors' Report</b>	1
<b>Directors' Responsibilities Statement</b>	2
<b>Accountant's Report</b>	3
<b>Statement of Income and Retained Earnings</b>	4
<b>Balance Sheet</b>	5 - 6
<b>Notes to the Financial Statements</b>	7 - 15

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**DMC TECHNOLOGIES LIMITED**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2020**

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The directors present their report and the financial statements for the year ended 31 March 2020.

**Directors**

The directors who served during the year were:

S A Davey  
A P Tatham  
N A Deman (appointed 5 April 2019)  
J E D Hill (resigned 5 April 2019)

**Small companies' note**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



**N A Deman**  
Director

Date: 08/02/2021

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## **DMC TECHNOLOGIES LIMITED**

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### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2020**

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The directors are responsible for preparing the Directors' Report and the financial statements in accordance with Irish law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- 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 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.

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**DMC TECHNOLOGIES LIMITED**

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**ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE PREPARATION OF THE  
UNAUDITED STATUTORY FINANCIAL STATEMENTS OF DMC TECHNOLOGIES LIMITED  
FOR THE YEAR ENDED 31 MARCH 2020**

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In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of DMC Technologies Limited for the year ended 31 March 2020 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the related notes from the Company's accounting records and from information and explanations you have given us.

We are subject to the ethical and other professional requirements of the Institute of Chartered Accountants in England and Wales (ICAEW), which are detailed at <https://www.icaew.com/regulations>.

It is your duty to ensure that DMC Technologies Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of DMC Technologies Limited. You consider that DMC Technologies Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of DMC Technologies Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

**Use of this report**

This report is made solely to the board of directors of DMC Technologies Limited, as a body, in accordance with the terms of our engagement letter dated 24 March 2020. Our work has been undertaken solely to prepare for your approval the financial statements of DMC Technologies Limited and state those matters that we have agreed to state to the board of directors of DMC Technologies Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than DMC Technologies Limited and its board of directors, as a body, for our work or for this report.

*Smith & Williamson*

**Smith & Williamson LLP**

Accountants

25 Moorgate  
London  
EC2R 6AY

Date: 08/02/2021

**DMC TECHNOLOGIES LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £	2019 £
Turnover		1,400,825	1,017,271
Cost of sales		(672,415)	(525,379)
<b>Gross profit</b>		<b>728,410</b>	<b>491,892</b>
Administrative expenses		(415,191)	(421,889)
<b>Operating profit</b>		<b>313,219</b>	<b>70,003</b>
Interest receivable and similar income		-	841
<b>Profit before tax</b>		<b>313,219</b>	<b>70,844</b>
Tax on profit	4	(59,298)	(14,150)
<b>Profit after tax</b>		<b>253,921</b>	<b>56,694</b>
Retained earnings at the beginning of the year		158,026	101,332
Profit for the year		253,921	56,694
<b>Retained earnings at the end of the year</b>		<b>411,947</b>	<b>158,026</b>

**DMC TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER:02511016**

**BALANCE SHEET**  
**AS AT 31 MARCH 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	5	74,970	2,514
		<u>74,970</u>	<u>2,514</u>
<b>Current assets</b>			
Stocks		82,913	30,859
Debtors: amounts falling due within one year	6	293,400	119,882
Cash at bank and in hand		578,915	315,366
		<u>955,228</u>	<u>466,107</u>
Creditors: amounts falling due within one year	7	(517,947)	(210,496)
<b>Net current assets</b>		<u>437,281</u>	<u>255,611</u>
Deferred tax		(205)	-
<b>Net assets</b>		<u>512,046</u>	<u>258,125</u>
<b>Capital and reserves</b>			
Called up share capital		100,099	100,099
Retained earnings		411,947	158,026
<b>Shareholders' funds</b>		<u>512,046</u>	<u>258,125</u>



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**DMC TECHNOLOGIES LIMITED**  
**REGISTERED NUMBER:02511016**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 MARCH 2020**

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The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



**N A Deman**  
Director

Date: 08/02/2021

The notes on pages 7 to 15 form part of these financial statements.

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## DMC TECHNOLOGIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 1. General information

DMC Technologies Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 02511016). The registered office address is Kings Parade, Lower Coombe Street, Croydon, CR0 1AA

The Company's functional and presentational currency is GBP.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The Company is a subsidiary of and part of a group of companies headed by Tokyo Topco Limited. Tokyo Topco Limited and its subsidiaries are hereafter referred to the "Tokyo Group" or the "Group".

The Company meets its day to day working capital requirements through its own cash balances and from funding from the Group. The Company has received written confirmation from Tokyo Topco Limited that it will continue to provide financial support, for a period of at least twelve months from the date of signing these financial statements.

The Group's directors have assessed the impact of the principal risks and uncertainties brought about by the current economic environment, and have reviewed the Group's forecast cash flows, liquidity and borrowing facilities which were stress-tested for plausible downside scenarios as a result of the COVID-19 pandemic. These demonstrate that the Group has sufficient cash reserves and available headroom under its borrowing facilities to pay all debts as they fall due for a period of at least twelve months from the date of signing these financial statements.

As such the directors believe that the Company will have adequate resources to continue to operate for the foreseeable future. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**2. Accounting policies (continued)**

**2.3 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.4 Operating leases: the Company as lessee**

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

**2.5 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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## DMC TECHNOLOGIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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#### 2. Accounting policies (continued)

##### 2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

Depreciation is provided on the following basis:

Motor vehicles	- 25% reducing balance
Equipment	- 33% straight-line
Assets leased out	- 20% - 50% straight-line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

##### 2.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

##### 2.8 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Income and Retained Earnings when they fall due. Amounts not paid are shown in other creditors as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## DMC TECHNOLOGIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

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## 2. Accounting policies (continued)

### 2.9 Financial instruments

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### 2.10 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge 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 balance sheet date in the countries where the Company operates and generates income.

Deferred tax 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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DMC TECHNOLOGIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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2. Accounting policies (continued)

2.11 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2019: 9).

4. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	59,907	14,433
Adjustments in respect of previous periods	(185)	(283)
<b>Total current tax</b>	<b>59,722</b>	<b>14,150</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	435	-
Adjustment in respect of previous periods	(813)	-
Effect of changes in tax rates	(46)	-
<b>Total deferred tax</b>	<b>(424)</b>	<b>-</b>
<b>Taxation on profit on ordinary activities</b>	<b>59,298</b>	<b>14,150</b>

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DMC TECHNOLOGIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020

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4. Taxation (continued)

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2019: *higher than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>313,219</u>	<u>70,844</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	59,512	13,460
<b>Effects of:</b>		
Expenses not deductible for tax purposes	830	973
Adjustment in respect of previous periods	(998)	(283)
Effect of changes in tax rates	(46)	-
<b>Total tax charge for the year</b>	<u>59,298</u>	<u>14,150</u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

**DMC TECHNOLOGIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

**5. Tangible fixed assets**

	Motor vehicles £	Fixtures, fittings & equipment £	Equipment £	Assets leased out £	Total £
<b>Cost</b>					
At 1 April 2019	-	3,351	-	-	3,351
Additions	-	-	5,479	2,345	7,824
Transfer in on hire up	3,901	-	15,477	52,021	71,399
At 31 March 2020	<u>3,901</u>	<u>3,351</u>	<u>20,956</u>	<u>54,366</u>	<u>82,574</u>
<b>Depreciation</b>					
At 1 April 2019	-	837	-	-	837
Charge for the year	205	838	656	5,068	6,767
At 31 March 2020	<u>205</u>	<u>1,675</u>	<u>656</u>	<u>5,068</u>	<u>7,604</u>
<b>Net book value</b>					
At 31 March 2020	<u>3,696</u>	<u>1,676</u>	<u>20,300</u>	<u>49,298</u>	<u>74,970</u>
At 31 March 2019	<u>-</u>	<u>2,514</u>	<u>-</u>	<u>-</u>	<u>2,514</u>

**6. Debtors**

	2020 £	2019 £
Trade debtors	270,832	41,477
Amounts owed by group undertakings	-	50,000
Prepayments and accrued income	22,568	28,405
	<u>293,400</u>	<u>119,882</u>



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**DMC TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**7. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	223,971	56,342
Amounts owed to group undertakings	143,108	44,435
Corporation tax	47,883	14,434
Other taxation and social security	26,057	18,187
Other creditors	3,134	-
Accruals and deferred income	73,794	77,098
	<u>517,947</u>	<u>210,496</u>

**8. Contingent liabilities**

During the year, the Group entered into a new senior loan facility agreement, which is secured by a debenture over the assets of the Group and a legal mortgage over the Group's properties. The Company has entered into a cross-guarantee of the loan facility. The loan balances outstanding under the Group's loan facility at 31 March 2020 were £82.1m.

**9. Pension commitments**

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £16,863 (2019: £15,870). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the reporting date.

**10. Commitments under operating leases**

At 31 March 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	28,192	24,349
Later than 1 year and not later than 5 years	-	60,231
	<u>28,192</u>	<u>84,580</u>

**11. Related party transactions**

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

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**DMC TECHNOLOGIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2020**

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**12. Hive up**

On 31 January 2020 a hive up of trade and assets was completed from another group company at net book value. The transfer of assets included tangible fixed assets, stock, trade debtors, prepayments, trade creditors, accruals and other creditors. The total book value and fair value of the transfer was £131,083 which was settled via the intercompany account.

**13. Controlling party**

The immediate parent undertaking is First Office Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and ultimate controlling party is Horizon Capital LLP, a Limited Liability Partnership registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ended 31 March 2020 have been drawn up, is that headed by Tokyo Topco Limited. Copies of the group accounts are available from Companies House.