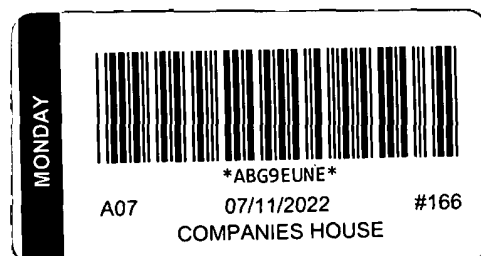


Registered number: 04140677

THE DERITEND GROUP LIMITED

ANNUAL REPORT

FOR THE 13 MONTH PERIOD ENDED 31 DECEMBER 2021



## THE DERITEND GROUP LIMITED

### COMPANY INFORMATION

<b>Directors</b>	R K Hale (resigned 16 September 2021) M R G Dixon (appointed 16 September 2021, resigned 21 January 2022) C Parker (appointed 16 September 2021, resigned 4 February 2022) V M B McGurk (appointed 25 January 2022) H S Shaw (appointed 25 January 2022)
<b>Registered number</b>	04140677
<b>Registered office</b>	Dakota House Concord Business Park Manchester M22 0RR
<b>Independent auditor</b>	Cooper Parry Group Limited Chartered Accountants & Statutory Auditor Office 301 4th Floor Two Chamberlain Square Birmingham West Midlands B3 3AX

# **THE DERITEND GROUP LIMITED**

## **CONTENTS**

	<b>Page</b>
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditor's report</b>	<b>3 - 6</b>
<b>Profit and loss account</b>	<b>7</b>
<b>Balance sheet</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 26</b>

## **THE DERITEND GROUP LIMITED**

### **DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2021**

The directors present their report and the financial statements for the 13 month period ended 31 December 2021.

#### **Directors' responsibilities statement**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law 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;
- 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.

#### **Results and dividends**

The profit for the period, after taxation, amounted to £273,000 (2020 - £470,000).

During the year, the company paid dividends of £Nil (2020: £Nil). The directors do not recommend the payment of a final dividend.

During the year, the company changed its accounting period end date from 30 November to 31 December.

#### **Directors**

The directors who served during the period are stated on the company information page.

#### **Disclosure of information to auditor**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

THE DERITEND GROUP LIMITED

DIRECTORS' REPORT (CONTINUED)  
FOR THE PERIOD ENDED 31 DECEMBER 2021

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

A handwritten signature in black ink, appearing to read 'V. M. B. McGurk', followed by a long horizontal line extending to the right.

V M B McGurk  
Director

Date: 2nd November 2022

## THE DERITEND GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DERITEND GROUP LIMITED

#### Opinion

We have audited the financial statements of The Deritend Group Limited (the 'company') for the 13 month period ended 31 December 2021, which comprise the profit and loss account, the balance sheet, the statement of changes in equity and the related notes, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the 13 month period 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **THE DERITEND GROUP LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DERITEND GROUP LIMITED (CONTINUED)**

#### **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 directors' report for the financial 13 month period for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

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

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

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 1, 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.

## THE DERITEND GROUP LIMITED

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DERITEND GROUP 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.

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 assessment focussed on key laws and regulations the entity has to comply with and areas of the financial statements we assessed as being more susceptible to misstatement. These key laws are regulations included, but were not limited to, compliance with Companies Act 2006, United Kingdom Generally Accepted Accounting Practice and relevant tax legislation.

We are not responsible for preventing irregularities. Our approach to detect irregularities included, but was not limited to, the following:

- obtaining an understanding of the legal and regulatory framework applicable to the company and how the company is complying with that framework;
- obtaining an understanding of the company's policies and procedures and how the company has complied with these, through discussions and walkthrough testing;
- obtaining an understanding of the company's risk assessment process, including the risk of fraud;
- enquiring of management as to actual and potential fraud, litigation and claims;
- designing our audit procedures to respond to our risk assessment;
- performing audit testing over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions outside the normal course of business;
- assessing whether judgements and assumptions made in determining the accounting estimates (note 2), were indicative of potential bias; and
- performing analytical procedures to identify any large, unusual or unexpected movements.

Whilst considering how our audit work addressed the detection of irregularities, we also consider the likelihood of detection based on our approach. Irregularities arising from fraud are inherently more difficult to detect than those arising from error.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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



THE DERITEND GROUP LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE DERITEND GROUP LIMITED  
(CONTINUED)

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.



Daniel Parker (Senior Statutory Auditor)

for and on behalf of  
**Cooper Parry Group Limited**

Chartered Accountants  
Statutory Auditor

Office 301  
4th Floor  
Two Chamberlain Square  
Birmingham  
West Midlands  
B3 3AX  
Date: 3 November 2022

THE DERITEND GROUP LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2021

	Note	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Turnover	3	12,408	9,455
Cost of sales		(7,348)	(5,641)
<b>Gross profit</b>		<b>5,060</b>	<b>3,814</b>
Administrative expenses		(4,722)	(4,040)
Exceptional administrative expenses		(355)	(1)
Other operating income	4	232	468
<b>Operating profit</b>	5	<b>215</b>	<b>241</b>
Interest payable and similar expenses	8	(23)	(25)
<b>Profit before tax</b>		<b>192</b>	<b>216</b>
Tax on profit	9	81	254
<b>Profit for the financial period</b>		<b>273</b>	<b>470</b>

There were no recognised gains and losses for 2021 or 2020 other than those included in the profit and loss account.

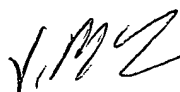
The notes on pages 10 to 26 form part of these financial statements.

**THE DERITEND GROUP LIMITED**  
**REGISTERED NUMBER: 04140677**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

		31 December 2021 £000	30 November 2020 £000
	Note		
<b>Fixed assets</b>			
Intangible assets	10	543	656
Tangible assets	11	956	651
Investments	12	1	1
		<u>1,500</u>	<u>1,308</u>
<b>Current assets</b>			
Stocks	13	882	1,156
Debtors: amounts falling due within one year	14	2,497	2,844
Cash at bank and in hand		1,418	931
		<u>4,797</u>	<u>4,931</u>
Creditors: amounts falling due within one year	15	(2,084)	(2,238)
		<u>2,713</u>	<u>2,693</u>
<b>Net current assets</b>		<u>2,713</u>	<u>2,693</u>
<b>Total assets less current liabilities</b>		<u>4,213</u>	<u>4,001</u>
<b>Provisions for liabilities</b>			
Deferred tax	16	-	(61)
		<u>-</u>	<u>(61)</u>
<b>Net assets</b>		<u><u>4,213</u></u>	<u><u>3,940</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	250	250
Profit and loss account	18	3,963	3,690
<b>Shareholders' funds</b>		<u><u>4,213</u></u>	<u><u>3,940</u></u>

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



V M B McGurk  
Director

2nd Nov 2022

The notes on pages 10 to 26 form part of these financial statements.

**THE DERITEND GROUP LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

	Called up share capital	Profit and loss account	Shareholders' funds
	£000	£000	£000
<b>At 1 December 2019</b>	250	3,220	3,470
Profit for the year	-	470	470
<b>At 1 December 2020</b>	250	3,690	3,940
Profit for the period	-	273	273
<b>At 31 December 2021</b>	250	3,963	4,213

The notes on pages 10 to 26 form part of these financial statements.

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 1. Accounting policies

##### 1.1 Basis of preparation of financial statements

The Deritend Group Limited is a limited liability company incorporated and domiciled in the United Kingdom. The address of its registered office is disclosed on the company information page.

The financial statements are presented in Sterling (£) which is the functional currency of the company. The financial statements are for the 13 month period ended 31 December 2021 (2020: year ended 30 November 2020).

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard FRS 102 (FRS102), 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. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

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

##### 1.2 Disclosure exemptions

As permitted by FRS 102 section 1.12, the group has taken advantage of the disclosure exemptions available under that standard in relation to the presentation of a statement of cash flows and the aggregate remuneration of key management personnel.

##### 1.3 Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements of a larger group by a parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

##### 1.4 Going concern

###### COVID-19

The global COVID-19 pandemic has been considered by the directors to have no material impact on the long term viability of the company. The company has carried out extensive risk and scenario planning, and has performed well during the period due to the proactivity of the company in enabling appropriate employee mobilisation, safe working practices, working with key suppliers and customers and effective cash management.

###### Conflict in the Ukraine

The company is mindful of the evolving situation in Ukraine. The conflict in the Ukraine has added additional economic pressures to a world that has only begun to recover from the impact of the COVID-19 pandemic. Rising energy prices and general inflation during 2022 will challenge the company but it will continue to work with its suppliers to ensure that any price increases to customers are minimised.

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 1. Accounting policies (continued)

##### 1.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

##### **Sale of goods**

Turnover 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 turnover 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.

##### 1.6 Intangible assets

##### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the profit and loss account over its useful economic life.

##### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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

The estimated useful lives range as follows:

Goodwill	-	10	years
----------	---	----	-------

##### 1.7 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.

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 1. Accounting policies (continued)

##### 1.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery, fixtures & fittings and motor vehicles - between 2 and 10 years  
Long-term leasehold property - over the period of the lease

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 profit or loss.

##### 1.8 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in listed company shares are remeasured to market value at each balance sheet. Gains and losses on remeasurement are recognised in the profit and loss account for the period.

##### 1.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 profit and loss account.

##### 1.10 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.

##### 1.11 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.

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 1. Accounting policies (continued)

##### 1.12 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as trade and other accounts receivable and payable, loans from banks and other third parties and loans to related parties.

All financial assets and liabilities are initially measured at transaction price and subsequently measured at amortised cost.

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 company would receive for the asset if it were to be sold at the balance sheet date

##### 1.13 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.

##### 1.14 Leasing and hire purchase

Assets that are held by the company under leases which transfer substantially all the risk and rewards of ownership are classified as being held under hire purchase or finance lease. Leases which do not transfer substantially all the risk and rewards of ownership are classified as operating leases.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term.

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such arrangements are included in creditors net of the finance charge allocated to future periods.

The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 1.15 Pensions

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 profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### 1.16 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.



**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**1. Accounting policies (continued)**

**1.17 Taxation**

The tax charge for the year comprises of current and deferred tax.

Current tax is recognised for the amount of corporation tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated. Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is calculated using the tax rates and laws that have been enacted to substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 2. Judgements in applying accounting policies and key sources of estimation uncertainty

Management make estimates and assumptions concerning the future, they are also required to exercise judgement in the process of applying the company's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

In preparing these financial statements, management have made the following judgements:

##### Leases

Determine whether leases entered into by the company are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis based on an evaluation of the terms and conditions of the arrangements.

##### Carrying value of stocks

Management review the raw material costs on a periodic basis. The stock is then revalued to ensure it is recorded in the financial statements at the lower of cost and net realisable value. Any provision for impairment is recorded against the carrying value of stocks. Management use their knowledge of market conditions, historical experiences and estimates of future events to assess future demand for the company's products and achievable selling prices.

##### Recoverability of trade debtors

Trade and other receivables are recognised to the extent that they are judged recoverable. Management review is performed to estimate the level of provisions required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain. Management make allowances for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. The director specifically analyses historical bad debts, customer creditworthiness, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the provision for the doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the change in the profit and loss account.

##### Goodwill and intangible assets

The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. The estimate is based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

#### 3. Turnover

The whole of the turnover is attributable to the principal activity of the company and arises solely within the United Kingdom.

THE DERITEND GROUP LIMITED

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

4. Other operating income

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Furlough income	232	468
	<u>232</u>	<u>468</u>

The above income relates to government grants receivable in respect of employees placed on "furlough" during the year, as part of the UK Government's Coronavirus Job Retention Scheme.

5. Operating profit

The operating profit is stated after charging:

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Depreciation of tangible fixed assets	192	153
Amortisation of intangible fixed assets	114	105
Other operating lease rentals	653	525
Defined contribution pension cost	123	108
	<u>1082</u>	<u>891</u>

THE DERITEND GROUP LIMITED

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

6. Employees

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

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Wages and salaries	3,886	3,547
Social security costs	370	313
Cost of defined contribution scheme	123	108
	<u>4,379</u>	<u>3,968</u>

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

	13 months ended 31 December 2021 No.	Year ended 30 November 2020 No.
Weekly staff	74	75
Monthly staff	31	33
	<u>105</u>	<u>108</u>

7. Directors' remuneration

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Directors' emoluments	29	34
	<u>29</u>	<u>34</u>

THE DERITEND GROUP LIMITED

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

8. Interest payable and similar expenses

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
Other loan interest payable	-	23
Finance leases and hire purchase contracts	23	2
	<u>23</u>	<u>25</u>

9. Taxation

	13 months ended 31 December 2021 £000	Year ended 30 November 2020 £000
<b>Corporation tax</b>		
Adjustments in respect of previous periods	-	(229)
	<u>-</u>	<u>(229)</u>
<b>Total current tax</b>	<u>-</u>	<u>(229)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(77)	66
Adjustments in respect of prior periods	-	(91)
Effect of tax rate change on opening balance	(4)	-
<b>Total deferred tax</b>	<u>(81)</u>	<u>(25)</u>
<b>Taxation on profit on ordinary activities</b>	<u>(81)</u>	<u>(254)</u>

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**9. Taxation (continued)**

**Factors affecting tax credit for the period/year**

The tax assessed for the period/year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	<b>13 months ended 31 December 2021 £000</b>	<b>Year ended 30 November 2020 £000</b>
Profit on ordinary activities before tax	192	217
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	36	41
<b>Effects of:</b>		
Expenses not deductible for tax purposes	12	5
Capital allowances for period/year in excess of depreciation	12	20
Adjustments to tax charge in respect of prior periods	-	(229)
Adjustments to tax charge in respect of previous periods - deferred tax	-	(91)
Effect of tax rate change on opening balance	(4)	-
Other differences - share scheme differences	(137)	-
<b>Total tax credit for the period/year</b>	<b>(81)</b>	<b>(254)</b>

**Factors that may affect future tax charges**

On 3 March 2021, the Chancellor of the Exchequer announced that the corporation tax rate would increase to a maximum of 25% from 1 April 2023. This was substantively enacted on 24 May 2021. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised, based on tax law and the corporation tax rates that have been enacted, or substantively enacted, at 31 December 2021. As such, the deferred tax rate applicable at 31 December 2021 is 25% and deferred tax has been remeasured at this rate.

Within the recent budget on 23 September 2022, the Chancellor of the Exchequer announced that the corporation tax rate would not increase to a maximum of 25%, however this not been enacted as at year end.

THE DERITEND GROUP LIMITED

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

10. Intangible assets

	Goodwill £000
<b>Cost</b>	
At 1 December 2020	2,182
At 31 December 2021	<u>2,182</u>
<b>Amortisation</b>	
At 1 December 2020	1,526
Charge for the period on owned assets	114
At 31 December 2021	<u>1,640</u>
<b>Net book value</b>	
At 31 December 2021	<u><u>542</u></u>
At 30 November 2020	<u><u>656</u></u>

THE DERITEND GROUP LIMITED

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

11. Tangible fixed assets

	Plant and machinery, fixtures & fittings and motor vehicles £000	Long-term leasehold property £000	Total £000
<b>Cost</b>			
At 1 December 2020	1,438	403	1,841
Additions	420	85	505
Disposals	(149)	-	(149)
At 31 December 2021	1,709	488	2,197
<b>Depreciation</b>			
At 1 December 2020	934	256	1,190
Charge for the period on owned assets	146	46	192
Disposals	(141)	-	(141)
At 31 December 2021	939	302	1,241
<b>Net book value</b>			
At 31 December 2021	770	186	956
At 30 November 2020	504	147	651

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	31 December 2021 £000	30 November 2020 £000
Plant and machinery	77	-
Motor vehicles	61	37
	138	37



THE DERITEND GROUP LIMITED

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

12. Fixed asset investments

	Investments £000
<b>Cost or valuation</b>	
At 1 December 2020	1
At 31 December 2021	1

The investment value of £700 is made up of listed investments of £600 (2020: £600) and investments in subsidiaries of £100 (2020: £100).

The fair value of the listed investments at 31 December 2021 was £287 (2020: £214).

**Subsidiary undertaking**

The following was a subsidiary undertaking of the company:

Name	Registered office	Class of shares	Holding
R.M.B. Engineering Services Limited	Hales Park, Brandon Way, West Bromwich, B70 9DB	Ordinary	100%

R.M.B. Engineering Services Limited made £Nil (2020: £Nil) profit in the year and has net assets of £2 (2020: £2) as at the year end.

13. Stocks

	31 December 2021 £000	30 November 2020 £000
Raw materials and consumables	72	105
Work in progress (goods to be sold)	810	680
Finished goods and goods for resale	-	371
	882	1,156

THE DERITEND GROUP LIMITED

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

14. Debtors

	31 December 2021 £000	30 November 2020 £000
Trade debtors excluding factored debts	2,172	2,354
Factored debts	-	52
Amounts owed by group undertakings	96	-
Other debtors	-	300
Prepayments and accrued income	188	117
Tax recoverable	21	21
Deferred taxation (note 16)	20	-
	<u>2,497</u>	<u>2,844</u>

An impairment loss of £13k (2020: £19k) was recognised in administrative expenses against aged trade debtors during the year.

Amounts included within trade debtors at the year end that are subject to invoice discounting arrangements total £2,172k (2020: £2,354k).

Factored debts are secured against the trade debtors to which they relate.

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

15. Creditors: Amounts falling due within one year

	31 December 2021 £000	30 November 2020 £000
Trade creditors	1,319	1,017
Amounts owed to group undertakings	120	-
Other taxation and social security	346	570
Obligations under finance lease and hire purchase contracts	121	37
Other creditors	85	480
Accruals and deferred income	93	134
	<u>2,084</u>	<u>2,238</u>

Obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

Amounts owed to group undertakings are interest free and repayable on demand.

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**16. Deferred taxation**

	<b>2021 £000</b>	<b>2020 £000</b>
At beginning of the year	(61)	(86)
Credited to the profit and loss account	81	25
<b>At end of the year</b>	<u>20</u>	<u>(61)</u>

The deferred taxation balance is made up as follows:

	<b>31 December 2021 £000</b>	<b>30 November 2020 £000</b>
Accelerated capital allowances	(185)	(86)
Tax losses carried forward	5	11
Short term timing differences	200	14
	<u>20</u>	<u>(61)</u>

**17. Share capital**

	<b>31 December 2021 £000</b>	<b>30 November 2020 £000</b>
<b>Allotted, called up and fully paid</b>		
250,000 (2019 - 250,000) ordinary shares of £1 each	<u>250</u>	<u>250</u>

**18. Reserves**

**Profit and loss account**

The profit and loss account represents accumulated profit and losses for the period ended and prior periods less dividends paid.

**THE DERITEND GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

**19. Capital commitments**

At 31 December 2021 the company had capital commitments as follows:

	31 December 2021 £000	30 November 2020 £000
Contracted for but not provided in these financial statements	-	15
	-	15

**20. Pension commitments**

The company contributes to a defined contribution pension scheme in respect of certain employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £123k (2020: £108k). At the year end an amount of £24k (2020: £20k) was unpaid and included in other creditors.

**21. Commitments under operating leases**

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31 December 2021 £000	30 November 2020 £000
Not later than 1 year	558	344
Later than 1 year and not later than 5 years	1,682	1,037
Later than 5 years	1,397	826
	3,637	2,207

## THE DERITEND GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2021

#### 22. Related party transactions

The company has taken advantage of the exemption provided by FRS102 (section 33.1A) not to disclose transactions with wholly owned group companies on the basis that consolidated financial statements including this company are publicly available.

Included within other debtors is an amount of £Nil (2020: £70k) owed to the company from a director of the company. The amount is repayable on demand and attracts interest at a market rate.

During the year, the company paid rent to a company under common ownership of £73k (2020: £56k) and received management charges of £6k (2020: £7k).

During the year the company recharged utility bills of £84k (2020: £78k) to a company under common ownership and was recharged £31k (2020: £72k) by a company under common ownership.

The amount due to companies under common control at the balance sheet date is £Nil (2020: £372k) and is included within other creditors.

The company is owed £97k (2020: £Nil) by group undertakings, and also owes £120k (2020: £Nil) to group undertakings.

#### 23. Controlling party

The immediate parent company is TDGL 2 Limited (company registration number 09667937), a company incorporated in the United Kingdom. The immediate parent company of TDGL 2 Limited is TDGL 1 Limited (company registration number 10556204), another company incorporated in the United Kingdom.

TDGL 1 Limited and its subsidiaries were purchased by Brammer UK Limited (now known as Rubix U.K. Limited, company registration number 00569290) during the year. The immediate parent company of Rubix U.K. Limited is Rubix International Limited, with the results being consolidated into Rubix Group Holdings Limited (now known as Rubix Limited), which is the smallest and largest company to prepare consolidated financial statements. The financial statements of Rubix Limited can be obtained at Accurist House, 44 Baker Street, London W1U 7AL.

The ultimate holding company is AI Robin (Cayman) Limited. Advent International Corporation, incorporated in the State of Delaware and SEC registered, is the investment manager of circa 20 Advent GPE VIII funds which are individual limited partnerships domiciled in either Luxembourg, the Cayman Island or the State of Delaware (together the "Funds"). The Funds have invested directly or indirectly in AI Robin (Cayman) Limited. No individual Fund holds more than 25% interest in AI Robin (Cayman) Limited.