

**Sondex (UK) Limited**  
**Filleted Financial Statements**  
**For the year**  
**31 December 2016**

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# **Sondex (UK) Limited**

## **Financial Statements**

**Year ended 31 December 2016**

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# **Sondex (UK) Limited**

## **Officers and Professional Advisers**

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**The board of directors**

T.J. Christensen  
A. Stahlschmidt  
J. Madsen

**Registered office**

Dixcart House  
Addlestone Road  
Bourne Business Park  
Addlestone  
Surrey  
KT15 2LE

**Auditor**

Dixcart Audit LLP  
Chartered Accountants & Statutory Auditor  
Dixcart House  
Addlestone Road  
Bourne Business Park  
Addlestone  
Surrey  
KT15 2LE

**Company registration number**

05588696



# **Sondex (UK) Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 December 2016**

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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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 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.



# Sondex (UK) Limited

## Statement of Financial Position

31 December 2016

	Note	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	5		44,148		71,584
<b>Current assets</b>					
Stocks		425,596		388,744	
Debtors	6	1,251,898		460,229	
Cash at bank and in hand		70,708		91,195	
		<u>1,748,202</u>		<u>940,168</u>	
<b>Creditors: amounts falling due within one year</b>	7	<u>1,610,867</u>		<u>879,531</u>	
<b>Net current assets</b>			137,335		60,637
<b>Total assets less current liabilities</b>			<u>181,483</u>		<u>132,221</u>
<b>Net assets</b>			<u>181,483</u>		<u>132,221</u>
<b>Capital and reserves</b>					
Called up share capital			590,000		590,000
Profit and loss account			(408,517)		(457,779)
<b>Shareholder funds</b>			<u>181,483</u>		<u>132,221</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 21 December 2017, and are signed on behalf of the board by:



J. Madsen  
Director

Company registration number: 05588696

The notes on pages 4 to 7 form part of these financial statements.



# Sondex (UK) Limited

## Notes to the Financial Statements

Year ended 31 December 2016

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### 1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Dixcart House, Addlestone Road, Bourne Business Park, Addlestone, Surrey, KT15 2LE.

The principal activity of the company during the year under review continued to be the sales and servicing of heat exchange equipment in the UK and Europe.

### 2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity.

#### Going concern

After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future based on the funding and support of the group for the coming twelve months and the director has considered the ability of the group to provide this support. Accordingly, the company has adopted the going concern basis in preparing the financial statements.

#### Disclosure exemptions

The entity satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of Sondex Holding A/S, which can be obtained from Marsvej 5, 6000 Kolding, Denmark. As such, advantage has been taken of the following disclosure exemptions available under paragraph 1.12 of FRS 102:

- (a) No cash flow statement has been presented for the company.
- (b) Disclosures in respect of financial instruments have not been presented.

#### Revenue recognition

The turnover shown in the profit and loss account represents amounts receivable in respect of sales of heat exchangers including spare parts and servicing work carried out on heat exchangers for customers. Turnover is shown exclusive of value added tax and trade discounts.

#### Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.



# Sondex (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

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#### 3. Accounting policies *(continued)*

##### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

##### **Operating leases**

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

##### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. At each balance sheet date, the company reviews the carrying amounts of its assets to determine whether there is any indication that any items have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated, in order to determine the extent of the impairment loss, if any.

##### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 10%-25% straight line
Fixtures and fittings	- 25% straight line
Motor vehicles	- 20% straight line
Equipment	- 25% straight line

##### **Stocks**

Stock is valued at the lower of cost or net realisable value. Cost is determined on a first in, first out basis. Net realisable value represents estimated selling price less costs to complete and sell. Provisions are made for slow moving, obsolete or damaged stock where net realisable value is less than cost.

##### **Financial instruments**

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

#### 4. Particulars of employees

The average number of persons employed by the company during the year amounted to 7 (2015: 9).



# Sondex (UK) Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2016

### 5. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 January 2016	101,787	6,220	60,700	20,206	188,913
Additions	711	—	—	—	711
<b>At 31 December 2016</b>	<u>102,498</u>	<u>6,220</u>	<u>60,700</u>	<u>20,206</u>	<u>189,624</u>
<b>Depreciation</b>					
At 1 January 2016	51,609	6,220	42,993	16,507	117,329
Charge for the year	14,778	—	11,497	1,872	28,147
<b>At 31 December 2016</b>	<u>66,387</u>	<u>6,220</u>	<u>54,490</u>	<u>18,379</u>	<u>145,476</u>
<b>Carrying amount</b>					
<b>At 31 December 2016</b>	<u>36,111</u>	<u>—</u>	<u>6,210</u>	<u>1,827</u>	<u>44,148</u>
At 31 December 2015	<u>50,178</u>	<u>—</u>	<u>17,707</u>	<u>3,699</u>	<u>71,584</u>

### 6. Debtors

	2016 £	2015 £
Trade debtors	1,176,581	384,801
Other debtors	75,317	75,428
	<u>1,251,898</u>	<u>460,229</u>

There is a charge over the rent deposit included within other debtors.

### 7. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	62,928	58,214
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,381,266	780,170
Social security and other taxes	153,178	34,397
Other creditors	13,495	6,750
	<u>1,610,867</u>	<u>879,531</u>

### 8. Commitments under operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2016 £	2015 £
Not later than 1 year	94,834	94,833
Later than 1 year and not later than 5 years	119,697	119,697
	<u>214,531</u>	<u>214,530</u>





# Sondex (UK) Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2016

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#### 9. Summary audit opinion

The auditor's report for the year dated **21** December 2017 was qualified on the following basis:

The company's inventories are carried in the statement of financial position at £425,596. A duplicated entry was created in error in respect of a cancelled customer order which was not corrected until after the year end. This constitutes a departure from International Financial Reporting Standards. This has resulted in inventories, income and shareholder's equity being overstated by £83,630.

The senior statutory auditor was Julia Wigram FCA, for and on behalf of Dixcart Audit LLP.

#### 10. Related party transactions

As the company is a wholly owned subsidiary, the company has taken advantage of the exemption contained in FRS 102 section 33.1A and has therefore not disclosed transactions or balances with the parent or wholly owned subsidiaries which form part of the group.

#### 11. Controlling party

As at 31 December 2016 the company was controlled by its ultimate parent, Danfoss A/S, a company incorporated in Denmark. The address of its registered office is Nordborgvej 81, 6430 Nordborg, Denmark.

The parent of the smallest group for which group accounts including Sondex (UK) Limited are drawn up is Sondex Holding A/S. Copies of these group accounts can be obtained from Sondex Holding A/S, at Marsvej 5, 6000 Kolding, Denmark.

The parent of the largest group for which group accounts including Sondex (UK) Limited are drawn up is Danfoss A/S. Copies of these group accounts can be obtained from Danfoss A/S, Nordborgvej 81, 6430 Nordborg, Denmark.

