

REGISTERED NUMBER: 05764775 (England and Wales)

**DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
NIBE ENERGY SYSTEMS LIMITED**



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FOR THE YEAR ENDED 31 DECEMBER 2017**

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NIBE ENERGY SYSTEMS LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:

P Hurley
R Hakansson
R Adderley
K T Dahlberg

SECRETARY:

P Hurley

REGISTERED OFFICE:

Unit 3c
Broom Business Park
Bridge Way
Chesterfield
Derbyshire
S41 9QG

REGISTERED NUMBER:

05764775 (England and Wales)

AUDITOR:

KPMG LLP, Statutory Auditor
Chartered Accountants
One St Peter's Square
Manchester
M2 3AE

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the import and sale of geothermal heating systems.

REVIEW OF BUSINESS

In 2017 we have seen an increase in sales as we changed our route to market and introduced products where we previously had no market share. This, together with tight cost controls, has seen a return to profit and growth in 2017.

DIVIDENDS

No interim dividends were paid during the year ended 31 December 2017 (£1,500.00 paid per ordinary share for the year ended 31 December 2016).

No final dividend has been proposed for the year ended 31 December 2017 (none paid for the year ended 31 December 2016).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

P Hurley
R Hakansson
R Adderley
K T Dahlberg

POLITICAL DONATIONS AND EXPENDITURE

The Company made no political donations nor incurred any political expenditure during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), 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 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 and then apply them consistently;
- 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

NIBE ENERGY SYSTEMS LIMITED (REGISTERED NUMBER: 05764775)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

AUDITOR

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

ON BEHALF OF THE BOARD:


.....
P Hurley Secretary

Date: 27/9/18



KPMG LLP
1 St Peter's Square
Manchester
M2 3AE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIBE ENERGY SYSTEMS LIMITED

Opinion

We have audited the financial statements of NIBE Energy Systems Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Profit and Loss and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon. Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NIBE ENERGY SYSTEMS LIMITED (continued)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 2, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Roger Nixon (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 St Peter's Square
Manchester
M2 3AE
Date: 27/09/18

NIBE ENERGY SYSTEMS LIMITED (REGISTERED NUMBER: 05764775)

**STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
TURNOVER	3	8,243,906	5,718,231
Cost of sales		<u>5,572,918</u>	<u>4,539,355</u>
GROSS PROFIT		2,670,988	1,178,876
Administrative expenses		<u>1,763,865</u>	<u>1,829,533</u>
		907,123	(650,657)
Other operating income		<u>3,000</u>	<u>3,000</u>
OPERATING PROFIT/(LOSS)		910,123	(647,657)
Interest receivable and similar income		<u>151</u>	<u>387</u>
PROFIT/(LOSS) BEFORE TAXATION	5	910,274	(647,270)
Tax on profit/(loss)	6	<u>181,160</u>	<u>(62,591)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		729,114	(584,679)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		<u>729,114</u>	<u>(584,679)</u>

The notes form part of these financial statements

NIBE ENERGY SYSTEMS LIMITED (REGISTERED NUMBER: 05764775)

**BALANCE SHEET
31 DECEMBER 2017**

	Notes	2017 £	2016 £
FIXED ASSETS			
Tangible assets	8	61,426	73,705
Investments	9	<u>100</u>	<u>100</u>
		61,526	73,805
CURRENT ASSETS			
Stocks	10	2,064,518	1,576,114
Debtors	11	2,015,767	1,405,297
Cash at bank and in hand		<u>686,590</u>	<u>247,068</u>
		4,766,875	3,228,479
CREDITORS			
Amounts falling due within one year	12	<u>1,930,167</u>	<u>1,135,175</u>
NET CURRENT ASSETS		<u>2,836,708</u>	<u>2,093,304</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,898,234	2,167,109
PROVISIONS FOR LIABILITIES	14	<u>14,817</u>	<u>12,806</u>
NET ASSETS		<u>2,883,417</u>	<u>2,154,303</u>
CAPITAL AND RESERVES			
Called up share capital	15	100	100
Retained earnings	16	<u>2,883,317</u>	<u>2,154,203</u>
SHAREHOLDERS' FUNDS		<u>2,883,417</u>	<u>2,154,303</u>

The financial statements were approved and authorised for issue by the Board of Directors on 27/1/18 and were signed on its behalf by:

P Hurley - Director

The notes form part of these financial statements

NIBE ENERGY SYSTEMS LIMITED (REGISTERED NUMBER: 05764775)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	100	2,888,882	2,888,982
Changes in equity			
Dividends	-	(150,000)	(150,000)
Total comprehensive loss	-	(584,679)	(584,679)
Balance at 31 December 2016	<u>100</u>	<u>2,154,203</u>	<u>2,154,303</u>
Changes in equity			
Total comprehensive income	-	729,114	729,114
Balance at 31 December 2017	<u>100</u>	<u>2,883,317</u>	<u>2,883,417</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. STATUTORY INFORMATION

NIBE Energy Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") as issued in August 2014, and the Companies Act 2006. The financial statements have been prepared under the historic cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company's ultimate parent undertaking, NIBE Industrier AB, includes the company in its consolidated financial statements. The consolidated financial statements of NIBE Industrier AB are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from the address in note 17. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of NIBE Industrier AB include the equivalent disclosures, the company has also taken the exemptions under FRS 102 in respect of the following disclosures:

- The disclosures required by FRS 102.11, Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Preparation of consolidated financial statements

The financial statements contain information about NIBE Energy Systems Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, NIBE Industrier AB, Box 14, SE-285 21 Markaryd, Sweden.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods, net of rebates, excluding value added tax. It is recognised in the profit and loss account on despatch of goods.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- 33% on cost and 25% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost and 20% on cost

Depreciation is charged from the month of purchase.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is based on the weighted average principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other cost incurred in bringing them to their existing location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Profit and Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

2. ACCOUNTING POLICIES - continued

Operating lease commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Provisions

A provision is recognised in the balance sheet when the company has a present legal or constructive obligation as a result of a past event that can be reliability measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

3. TURNOVER

All turnover arose from activities in the UK.

All turnover arose from the principal activity of the sale of heat pumps.

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	915,416	891,873
Social security costs	94,294	98,969
Other pension costs	25,433	32,204
	<u>1,035,143</u>	<u>1,023,046</u>

The average number of employees during the year was as follows:

	2017	2016
Sales and marketing	<u>22</u>	<u>24</u>

Staff costs include Directors.

All staff are now classed as Sales and Marketing.

	2017	2016
	£	£
Directors' remuneration	201,967	253,764
Directors' pension contributions to money purchase schemes	<u>14,775</u>	<u>15,400</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2017	2016
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director is as follows:

	2017	2016
	£	£
Emoluments etc	130,526	167,533
Pension contributions to money purchase schemes	<u>12,200</u>	<u>12,200</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

5. PROFIT/(LOSS) BEFORE TAXATION

The profit (2016 - loss) is stated after charging/(crediting):

	2017	2016
	£	£
Other operating leases	99,481	117,766
Depreciation - owned assets	45,240	51,450
Auditors' remuneration	13,390	14,000
Foreign exchange differences	<u>(1,923)</u>	<u>2,033</u>

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2017	2016
	£	£
Current tax:		
UK corporation tax	<u>46,512</u>	<u>71,837</u>
Deferred tax:		
Deferred tax	(1,363)	(134,428)
Deferred tax asset realised	<u>136,011</u>	<u>-</u>
Total deferred tax	<u>134,648</u>	<u>(134,428)</u>
Tax on profit/(loss)	<u>181,160</u>	<u>(62,591)</u>

UK corporation tax has been charged at 19.25%.

Reconciliation of total tax charge/(credit) included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017	2016
	£	£
Profit/(loss) before tax	<u>910,274</u>	<u>(647,270)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19.250% (2016 - 20%)	175,228	(129,454)
Effects of:		
Expenses not deductible for tax purposes	1,116	1,581
Tax losses deferred	-	(136,011)
Accelerated capital allowances	4,816	5,899
Adjustment to prior year tax	<u>-</u>	<u>195,394</u>
Total tax charge/(credit)	<u>181,160</u>	<u>(62,591)</u>

A reduction in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) was substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

NIBE ENERGY SYSTEMS LIMITED (REGISTERED NUMBER: 05764775)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>150,000</u>	<u>150,000</u>

8. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2017	183,386	220,341	10,738	261,981	676,446
Additions	<u>10,693</u>	<u>—</u>	<u>—</u>	<u>22,268</u>	<u>32,961</u>
At 31 December 2017	<u>194,079</u>	<u>220,341</u>	<u>10,738</u>	<u>284,249</u>	<u>709,407</u>
DEPRECIATION					
At 1 January 2017	140,550	210,371	7,916	243,904	602,741
Charge for year	<u>25,073</u>	<u>5,730</u>	<u>2,259</u>	<u>12,178</u>	<u>45,240</u>
At 31 December 2017	<u>165,623</u>	<u>216,101</u>	<u>10,175</u>	<u>256,082</u>	<u>647,981</u>
NET BOOK VALUE					
At 31 December 2017	<u>28,456</u>	<u>4,240</u>	<u>563</u>	<u>28,167</u>	<u>61,426</u>
At 31 December 2016	<u>42,836</u>	<u>9,970</u>	<u>2,822</u>	<u>18,077</u>	<u>73,705</u>

9. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2017 and 31 December 2017	<u>100</u>
NET BOOK VALUE	
At 31 December 2017	<u>100</u>
At 31 December 2016	<u>100</u>

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Alpha-Inno Tec Limited
Registered office: Unit 3c Broom Business Park, Bridge Way, Chesterfield, Derbyshire.
Nature of business: Dormant company.

	% holding	2017 £	2016 £
Class of shares:	100.00		
Ordinary			
Aggregate capital and reserves		<u>100</u>	<u>100</u>

Company has been dormant since incorporation.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

10. STOCKS

	2017	2016
	£	£
Finished goods	<u>2,064,518</u>	<u>1,576,114</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade debtors	1,596,221	928,944
Amounts owed by group undertakings	66,699	74,147
Other debtors	82,217	27,202
Corporation tax		9,651
Deferred tax asset		128,637
Prepayments	<u>270,630</u>	<u>236,716</u>
	<u>2,015,767</u>	<u>1,405,297</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017	2016
	£	£
Trade creditors	201,012	273,278
Amounts owed to group undertakings	1,069,966	493,001
Corporation tax	46,512	
Social security and other taxes	29,215	27,829
VAT	436,663	218,926
Other creditors	7,341	89,967
Payroll creditors	1,879	2,082
Accruals and deferred income	<u>137,579</u>	<u>30,092</u>
	<u>1,930,167</u>	<u>1,135,175</u>

13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017	2016
	£	£
Within one year	112,976	137,866
Between one and five years	<u>62,424</u>	<u>109,191</u>
	<u>175,400</u>	<u>247,057</u>

14. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	6,011	
Other provisions	<u>8,806</u>	<u>12,806</u>
	<u>14,817</u>	<u>12,806</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

14. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Other provisions £
Balance at 1 January 2017	(128,637)	12,806
Credit to Statement of Profit and Loss and Other Comprehensive Income during year	-	(4,000)
Capital allowances in excess of depreciation	(1,363)	-
Release of deferred tax losses	<u>136,011</u>	<u>-</u>
Balance at 31 December 2017	<u>6,011</u>	<u>8,806</u>

Other provisions comprise warranty costs which are expected to be incurred during the next year for units sold. It has been calculated as a standard charge per unit on the basis of past activity. There is no expected reimbursement.

15. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value: £1	2017 £	2016 £
100	Ordinary		<u>100</u>	<u>100</u>

16. RESERVES

	Retained earnings £
At 1 January 2017	2,154,203
Profit for the year	<u>729,114</u>
At 31 December 2017	<u>2,883,317</u>

17. ULTIMATE PARENT COMPANY

The ultimate parent company is NIBE Industrier AB, a company incorporated in Sweden. Its registered address is Box 14, SE-285 21 Markaryd, Sweden.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is NIBE Industrier AB. Consolidated accounts are available from NIBE Industrier AB, Box 14, Järnvägsgatan 40, 285 21 Markaryd, Sweden or www.nibe.com.

18. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with its parent and fellow subsidiary undertakings.

19. ULTIMATE CONTROLLING PARTY

The controlling party is NIBE AB, a company incorporated in Sweden.

The ultimate controlling party is NIBE Industrier AB, a company incorporated in Sweden.