

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD 1ST FEBRUARY 2022 TO 31ST DECEMBER 2022
FOR
DEMMA GROUP LTD**

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for the Period 1st February 2022 to 31st December 2022

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COMPANY INFORMATION

for the Period 1st February 2022 to 31st December 2022

DIRECTORS:

Mr D P Connell
Mr G A Poulton
Mr T Juul
Mr O Schagerlund

REGISTERED OFFICE:

The Pavilion
South Drive
Coleshill
Birmingham
B46 1DL

REGISTERED NUMBER:

10543203 (England and Wales)

AUDITORS:

M.T.Manley & Co Limited (Statutory Auditor)
696 Yardley Wood Road
Billesley
Birmingham
West Midlands
B13 0HY

**GROUP STRATEGIC REPORT
for the Period 1st February 2022 to 31st December 2022**

The directors present their strategic report of the company and the group for the period 1st February 2022 to 31st December 2022.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is subject to market and competitive risks. The markets the group operates within are quite resilient even in a general economic downturn. However the company is always aware that it needs to provide excellent service and competitive pricing to maintain and increase its market share.

The business is dependent upon the skills and performance of its employees and the effectiveness of all employees is subject to careful management.

DEVELOPMENT AND PERFORMANCE

The company's strategic plan is under constant review with the aim of increasing market share at increasing operating margins.

Analysis using Key Performance Indicators

Gross Profit £ 3,807,836 (Year to 31/1/22 £4,763,792)

EBITDA £ 1,120,837 (Year to 31/1/22 £2,469,786)

(Earning before interest,taxation,depreciation and exceptional items)

ON BEHALF OF THE BOARD:

Mr G A Poulton - Director

10th March 2023

REPORT OF THE DIRECTORS

for the Period 1st February 2022 to 31st December 2022

The directors present their report with the financial statements of the company and the group for the period 1st February 2022 to 31st December 2022.

ACCOUNTING REFERENCE DATE

On 4th January 2023 the company reduced its accounting reference date from 31st January 2023 to 31st December 2022 to coincide with its parent undertaking.

TRANSFER OF OWNERSHIP

On 8th June 2022 the ownership of the company was transferred to Nordomatic Holding UK Limited, which now owns 100% of the share capital.

PRINCIPAL ACTIVITY

The principal activity of the group in the period under review was that of temperature control systems.

DIVIDENDS

The total distribution of dividends for the period ended 31st December 2022 will be £ 81,504 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1st February 2022 to the date of this report.

Mr D P Connell
Mr G A Poulton

Other changes in directors holding office are as follows:

Mrs K Y Poulton - resigned 8th June 2022
Mr G Powers - resigned 8th June 2022
Mr R Moss - resigned 8th June 2022
Mr A J Bown - resigned 8th June 2022
Mr M Hodge - resigned 8th June 2022
Mr R Hodge - resigned 8th June 2022
Mr T Juul - appointed 8th June 2022
Mr O Schagerlund - appointed 8th June 2022
Mr L Egelstig - appointed 8th June 2022 - resigned 8th June 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare 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 group and of the profit or loss of the group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

REPORT OF THE DIRECTORS

for the Period 1st February 2022 to 31st December 2022

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, M.T.Manley & Co Limited (Statutory Auditor), will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr G A Poulton - Director

10th March 2023

Opinion

We have audited the financial statements of Demma Group Ltd (the 'parent company') and its subsidiaries (the 'group') for the period ended 31st December 2022 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 group's and of the parent company affairs as at 31st December 2022 and of the group's profit for the 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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.

Opinions 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 Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on pages three and four, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 a Report of the Auditors 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 inline 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 are detailed below:

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations - this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the company and industry and discussions with management we identified financial reporting standards and Companies Act 2006 as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the group's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- enquiry of management and review and inspection of relevant correspondence with any legal firms;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements and
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
DEMMA GROUP LTD**

Use of our report

This report is made solely to the group'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 group's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and the group's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham Collins (Senior Statutory Auditor)
for and on behalf of M.T.Manley & Co Limited (Statutory Auditor)
696 Yardley Wood Road
Billesley
Birmingham
West Midlands
B13 0HY

10th March 2023

CONSOLIDATED INCOME STATEMENT
for the Period 1st February 2022 to 31st December 2022

		Period 1/2/22 to 31/12/22		Year Ended 31/1/22	
	Notes	£	£	£	£
TURNOVER			14,970,456		15,422,096
Cost of sales			11,162,620		10,658,304
GROSS PROFIT			3,807,836		4,763,792
Distribution costs		289		95	
Administrative expenses		2,673,535		2,441,553	
			2,673,824		2,441,648
OPERATING PROFIT	4		1,134,012		2,322,144
Interest receivable and similar income			4,888		4,649
			1,138,900		2,326,793
Interest payable and similar expenses	5		16,779		4,864
PROFIT BEFORE TAXATION			1,122,121		2,321,929
Tax on profit	6		184,424		408,505
PROFIT FOR THE FINANCIAL PERIOD			937,697		1,913,424
Profit attributable to:					
Owners of the parent			937,697		1,913,424

The notes form part of these financial statements

CONSOLIDATED OTHER COMPREHENSIVE INCOME
for the Period 1st February 2022 to 31st December 2022

	Notes	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
PROFIT FOR THE PERIOD		937,697	1,913,424
OTHER COMPREHENSIVE INCOME			
Amortisation of negative goodwill		81,644	93,250
Income tax relating to other comprehensive income		-	-
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF INCOME TAX		81,644	93,250
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,019,341</u>	<u>2,006,674</u>
Total comprehensive income attributable to: Owners of the parent		<u>1,019,341</u>	<u>2,006,674</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31st December 2022

	Notes	31/12/22 £	£	31/1/22 £	£
FIXED ASSETS					
Intangible assets	9		(545,785)		(716,563)
Tangible assets	10		85,213		145,612
Investments	11		-		-
			<u>(460,572)</u>		<u>(570,951)</u>
CURRENT ASSETS					
Stocks	12	238,966		238,127	
Debtors	13	7,108,668		4,875,808	
Cash at bank		<u>1,846,796</u>		<u>2,868,966</u>	
		9,194,430		7,982,901	
CREDITORS					
Amounts falling due within one year	14	<u>2,448,491</u>		<u>2,025,112</u>	
NET CURRENT ASSETS			<u>6,745,939</u>		<u>5,957,789</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,285,367</u>		<u>5,386,838</u>
CREDITORS					
Amounts falling due after more than one year	15		-		42,703
NET ASSETS			<u>6,285,367</u>		<u>5,344,135</u>
CAPITAL AND RESERVES					
Called up share capital	18		170,000		170,000
Share premium			2,122,578		2,121,114
Treasury shares reserves			-		(3,371)
Retained earnings			<u>3,992,789</u>		<u>3,056,392</u>
SHAREHOLDERS' FUNDS			<u>6,285,367</u>		<u>5,344,135</u>

The financial statements were approved by the Board of Directors and authorised for issue on 10th March 2023 and were signed on its behalf by:

Mr G A Poulton - Director

Mr D P Connell - Director

COMPANY BALANCE SHEET
31st December 2022

	Notes	31/12/22 £	£	31/1/22 £	£
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		9,158		10,935
Investments	11		2,409,504		2,320,370
			<u>2,418,662</u>		<u>2,331,305</u>
CURRENT ASSETS					
Debtors	13	3,372,984		1,505,543	
Cash at bank		<u>463,382</u>		<u>1,858,285</u>	
		3,836,366		3,363,828	
CREDITORS					
Amounts falling due within one year	14	<u>1,517,807</u>		<u>942,339</u>	
NET CURRENT ASSETS			<u>2,318,559</u>		<u>2,421,489</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,737,221</u>		<u>4,752,794</u>
PROVISIONS FOR LIABILITIES					
	17		<u>1,740</u>		<u>2,078</u>
NET ASSETS			<u><u>4,735,481</u></u>		<u><u>4,750,716</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		170,000		170,000
Share premium			2,122,578		2,121,114
Treasury shares reserves			-		(3,371)
Retained earnings			<u>2,442,903</u>		<u>2,462,973</u>
SHAREHOLDERS' FUNDS			<u><u>4,735,481</u></u>		<u><u>4,750,716</u></u>
Company's profit for the financial year			<u><u>62,875</u></u>		<u><u>1,665,091</u></u>

The notes form part of these financial statements

COMPANY BALANCE SHEET - continued
31st December 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Board of Directors and authorised for issue on 10th March 2023 and were signed on its behalf by:

Mr G A Poulton - Director

Mr D P Connell - Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the Period 1st February 2022 to 31st December 2022

	Called up share capital £	Retained earnings £	Share premium £	Treasury shares reserves £	Total equity £
Balance at 1st February 2021	200,000	1,234,614	2,158,449	(10,690)	3,582,373
Changes in equity					
Reduction in share capital	(30,000)	-	-	30,000	-
Purchase of own shares	-	59,616	-	-	59,616
Issue of share capital	-	-	(37,335)	-	(37,335)
Dividends	-	(244,512)	-	-	(244,512)
Total comprehensive income	-	2,006,674	-	(22,681)	1,983,993
Balance at 31st January 2022	170,000	3,056,392	2,121,114	(3,371)	5,344,135
Changes in equity					
Reduction in share capital	-	-	-	3,393	3,393
Purchase of own shares	-	(1,441)	1,464	-	23
Dividends	-	(81,504)	-	-	(81,504)
Total comprehensive income	-	1,019,341	-	(22)	1,019,319
Balance at 31st December 2022	170,000	3,992,788	2,122,578	-	6,285,366

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
for the Period 1st February 2022 to 31st December 2022

	Called up share capital £	Retained earnings £	Share premium £	Treasury shares reserves £	Total equity £
Balance at 1st February 2021	200,000	982,778	2,158,449	(10,690)	3,330,537
Changes in equity					
Reduction in share capital	(30,000)	-	-	30,000	-
Purchase of own shares	-	59,616	-	-	59,616
Issue of share capital	-	-	(37,335)	-	(37,335)
Dividends	-	(244,512)	-	-	(244,512)
Total comprehensive income	-	1,665,091	-	(22,681)	1,642,410
Balance at 31st January 2022	170,000	2,462,973	2,121,114	(3,371)	4,750,716
Changes in equity					
Reduction in share capital	-	-	-	3,393	3,393
Purchase of own shares	-	(1,441)	1,464	-	23
Dividends	-	(81,504)	-	-	(81,504)
Total comprehensive income	-	62,875	-	(22)	62,853
Balance at 31st December 2022	170,000	2,442,903	2,122,578	-	4,735,481

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT

for the Period 1st February 2022 to 31st December 2022

		Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	1,452,552	1,880,703
Interest element of hire purchase payments paid		(16,779)	(4,864)
Tax paid		(575,584)	(184,754)
Net cash from operating activities		<u>860,189</u>	<u>1,691,085</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(89,134)	-
Purchase of tangible fixed assets		(39,313)	(67,788)
Sale of tangible fixed assets		112,883	58,649
Interest received		4,888	4,649
Net cash from investing activities		<u>(10,676)</u>	<u>(4,490)</u>
Cash flows from financing activities			
Capital repayments in year		(132,059)	(23,309)
Amount introduced by directors		4,500	-
Amount withdrawn by directors		(7,495)	(4,500)
Share issue		3,363	30
Related party debtor decrease		1,304,438	(6,258)
Share premium receipts		-	(399)
Group undertaking debtor increase		(3,078,295)	-
Group undertaking creditor increase		115,369	-
Equity dividends paid		(81,504)	(244,512)
Net cash from financing activities		<u>(1,871,683)</u>	<u>(278,948)</u>
(Decrease)/increase in cash and cash equivalents		<u>(1,022,170)</u>	<u>1,407,647</u>
Cash and cash equivalents at beginning of period	2	2,868,966	1,461,319
Cash and cash equivalents at end of period	2	<u>1,846,796</u>	<u>2,868,966</u>

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Period 1st February 2022 to 31st December 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Profit before taxation	1,122,121	2,321,929
Depreciation charges	72,615	190,673
Profit on disposal of fixed assets	(85,788)	(43,031)
Finance costs	16,779	4,864
Finance income	(4,888)	(4,649)
	<u>1,120,839</u>	<u>2,469,786</u>
Increase in stocks	(839)	(3,445)
(Increase)/decrease in trade and other debtors	(411,995)	19,002
Increase/(decrease) in trade and other creditors	<u>744,547</u>	<u>(604,640)</u>
Cash generated from operations	<u><u>1,452,552</u></u>	<u><u>1,880,703</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31st December 2022

	31/12/22 £	1/2/22 £
Cash and cash equivalents	<u>1,846,796</u>	<u>2,868,966</u>
Year ended 31st January 2022		

	31/1/22 £	1/2/21 £
Cash and cash equivalents	<u>2,868,966</u>	<u>1,461,319</u>

NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
for the Period 1st February 2022 to 31st December 2022

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/2/22 £	Cash flow £	At 31/12/22 £
Net cash			
Cash at bank	<u>2,868,966</u>	<u>(1,022,170)</u>	<u>1,846,796</u>
	<u>2,868,966</u>	<u>(1,022,170)</u>	<u>1,846,796</u>
Debt			
Finance leases	<u>(132,059)</u>	<u>132,059</u>	<u>-</u>
	<u>(132,059)</u>	<u>132,059</u>	<u>-</u>
Total	<u><u>2,736,907</u></u>	<u><u>(890,111)</u></u>	<u><u>1,846,796</u></u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
for the Period 1st February 2022 to 31st December 2022

1. STATUTORY INFORMATION

Demma Group Ltd 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 General 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business is being amortised evenly over its estimated life of 13 and a half years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- 10% on cost
Plant and machinery	- 25% on cost and 20% on reducing balance
Fixtures and fittings	- 33% on cost, 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on cost and 25% on reducing balance
Computer equipment	- 33% on cost

Stocks

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

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

2. ACCOUNTING POLICIES - continued

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 period 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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

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

3. EMPLOYEES AND DIRECTORS

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Wages and salaries	5,267,154	4,800,968
Social security costs	631,876	531,101
Other pension costs	267,023	249,399
	<u>6,166,053</u>	<u>5,581,468</u>

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

	Period 1/2/22 to 31/12/22	Year Ended 31/1/22
Employees	<u>113</u>	<u>118</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

3. EMPLOYEES AND DIRECTORS - continued

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Directors' remuneration	<u>221,534</u>	<u>349,977</u>

Information regarding the highest paid director is as follows:

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Emoluments etc	<u>84,475</u>	<u>63,418</u>

4. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Depreciation - owned assets	72,615	133,435
Depreciation - assets on hire purchase contracts	-	57,238
Profit on disposal of fixed assets	(85,788)	(43,031)
Goodwill amortisation	(81,644)	(93,250)
Auditors remuneration	<u>15,500</u>	<u>6,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Hire purchase	3,178	4,864
Leasing	<u>13,601</u>	<u>-</u>
	<u>16,779</u>	<u>4,864</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

6. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the period was as follows:

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Current tax:		
UK corporation tax	238,999	418,812
Under provision of tax	(13,894)	-
Total current tax	225,105	418,812
Deferred tax	(40,681)	(10,307)
Tax on profit	<u>184,424</u>	<u>408,505</u>

UK corporation tax has been charged at 19 % .

Tax effects relating to effects of other comprehensive income

	1/2/22 to 31/12/22		
	Gross £	Tax £	Net £
Amortisation of negative goodwill	<u>81,644</u>	<u>-</u>	<u>81,644</u>
	31/1/22		
	Gross £	Tax £	Net £
Amortisation of negative goodwill	<u>93,250</u>	<u>-</u>	<u>93,250</u>

The charge for corporation tax relates to group relief.

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

8. DIVIDENDS

	Period 1/2/22 to 31/12/22 £	Year Ended 31/1/22 £
Ordinary A shares of 1p each Interim	29,336	88,008
Ordinary B shares of 1p each Interim	22,832	68,496
Ordinary C shares of 1p each Interim	29,336	88,008
	<u>81,504</u>	<u>244,512</u>

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1st February 2022	(1,199,255)
Additions	89,134
At 31st December 2022	<u>(1,110,121)</u>
AMORTISATION	
At 1st February 2022	(482,692)
Amortisation for period	(81,644)
At 31st December 2022	<u>(564,336)</u>
NET BOOK VALUE	
At 31st December 2022	<u>(545,785)</u>
At 31st January 2022	<u>(716,563)</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

10. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1st February 2022	7,313	43,637	49,595
Additions	-	6,015	555
Disposals	-	(5,365)	-
At 31st December 2022	<u>7,313</u>	<u>44,287</u>	<u>50,150</u>
DEPRECIATION			
At 1st February 2022	731	38,131	43,175
Charge for period	671	2,881	1,853
Eliminated on disposal	-	(3,912)	-
At 31st December 2022	<u>1,402</u>	<u>37,100</u>	<u>45,028</u>
NET BOOK VALUE			
At 31st December 2022	<u>5,911</u>	<u>7,187</u>	<u>5,122</u>
At 31st January 2022	<u>6,582</u>	<u>5,506</u>	<u>6,420</u>
	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1st February 2022	811,457	530,841	1,442,843
Additions	16,335	16,408	39,313
Disposals	(189,215)	-	(194,580)
At 31st December 2022	<u>638,577</u>	<u>547,249</u>	<u>1,287,576</u>
DEPRECIATION			
At 1st February 2022	702,330	512,866	1,297,233
Charge for period	52,274	14,936	72,615
Eliminated on disposal	(163,573)	-	(167,485)
At 31st December 2022	<u>591,031</u>	<u>527,802</u>	<u>1,202,363</u>
NET BOOK VALUE			
At 31st December 2022	<u>47,546</u>	<u>19,447</u>	<u>85,213</u>
At 31st January 2022	<u>109,127</u>	<u>17,975</u>	<u>145,610</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

10. TANGIBLE FIXED ASSETS - continued

Group

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1st February 2022	228,950
Disposals	(155,850)
At 31st December 2022	<u>73,100</u>
DEPRECIATION	
At 1st February 2022	207,900
Eliminated on disposal	(134,800)
At 31st December 2022	<u>73,100</u>
NET BOOK VALUE	
At 31st December 2022	-
At 31st January 2022	<u>21,050</u>

Company

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1st February 2022	7,313	3,046	4,329	14,688
Additions	-	135	1,517	1,652
At 31st December 2022	<u>7,313</u>	<u>3,181</u>	<u>5,846</u>	<u>16,340</u>
DEPRECIATION				
At 1st February 2022	731	1,282	1,740	3,753
Charge for period	671	972	1,786	3,429
At 31st December 2022	<u>1,402</u>	<u>2,254</u>	<u>3,526</u>	<u>7,182</u>
NET BOOK VALUE				
At 31st December 2022	<u>5,911</u>	<u>927</u>	<u>2,320</u>	<u>9,158</u>
At 31st January 2022	<u>6,582</u>	<u>1,764</u>	<u>2,589</u>	<u>10,935</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£

COST

At 1st February 2022	2,320,370
Additions	89,134
At 31st December 2022	<u>2,409,504</u>

NET BOOK VALUE

At 31st December 2022	<u>2,409,504</u>
At 31st January 2022	<u>2,320,370</u>

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

Subsidiaries**Demma Energy Ltd**

Registered office: United Kingdom

Nature of business: building energy management systems.

	% holding	31/12/22 £	31/1/22 £
Class of shares:			
Ordinary Shares	100.00		
Aggregate capital and reserves		(98,716)	(148,656)
Profit/(loss) for the period/year		<u>49,940</u>	<u>(4,820)</u>

Demma Technical Installations Ltd

Registered office: United Kingdom

Nature of business: installation of electrical systems.

	% holding	31/12/22 £	31/1/22 £
Class of shares:			
Ordinary Shares	100.00		
Aggregate capital and reserves		40,335	(853)
Profit for the period/year		<u>41,188</u>	<u>152,507</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

11. FIXED ASSET INVESTMENTS - continued

Demma Services Limited

Registered office: United kingdom

Nature of business: maintenance control temperature systems

	% holding	31/12/22	31/1/22
Class of shares:		£	£
Ordinary Shares	100.00		
Aggregate capital and reserves		1,322,521	1,043,531
Profit for the period/year		<u>278,990</u>	<u>340,213</u>

Demma Controls Limited

Registered office: United Kingdom

Nature of business: maintenance control temperature systems

	% holding	31/12/22	31/1/22
Class of shares:		£	£
Ordinary Shares	100.00		
Aggregate capital and reserves		2,614,855	2,123,626
Profit for the period/year		<u>491,229</u>	<u>1,002,984</u>

Demma (London) Limited

Registered office: United Kingdom

Nature of business: maintenance control temperature systems

	% holding	31/12/22	31/1/22
Class of shares:		£	£
Ordinary Shares	100.00		
Aggregate capital and reserves		567,455	662,306
(Loss)/profit for the period/year		<u>(94,851)</u>	<u>198,692</u>

Demma (Scotland) Ltd

Registered office: United Kingdom

Nature of business: installation of electrical systems.

	% holding	31/12/22	31/1/22
Class of shares:		£	£
Ordinary shares	100.00		
Aggregate capital and reserves		58,725	(49,601)
Profit for the period/year		<u>108,326</u>	<u>28,757</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

12. STOCKS

	Group	
	31/12/22	31/1/22
	£	£
Stocks	<u>238,966</u>	<u>238,127</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/22	31/1/22	31/12/22	31/1/22
	£	£	£	£
Trade debtors	3,953,006	3,570,271	-	-
Amounts owed by group undertakings	3,078,295	-	3,349,137	216,365
Amounts owed by participating interests	-	1,280,348	-	1,280,348
Other debtors	20,291	5,130	5,904	2,509
Deferred tax asset	35,006	12,046	-	-
Called up share capital not paid	-	45	-	-
Prepayments	22,070	7,968	17,943	6,321
	<u>7,108,668</u>	<u>4,875,808</u>	<u>3,372,984</u>	<u>1,505,543</u>

Deferred tax asset

	Group		Company	
	31/12/22	31/1/22	31/12/22	31/1/22
	£	£	£	£
Accelerated capital allowances	35,006	(2,078)	-	-
Deferred tax	-	14,124	-	-
	<u>35,006</u>	<u>12,046</u>	<u>-</u>	<u>-</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/22	31/1/22	31/12/22	31/1/22
	£	£	£	£
Hire purchase contracts (see note 16)	-	89,356	-	-
Trade creditors	1,349,505	1,045,666	25,477	1,559
Amounts owed to group undertakings	115,369	-	1,360,772	831,342
Amounts owed to participating interests	24,090	-	24,090	-
Tax	50,437	418,713	45,341	45,383
Social security and other taxes	154,253	137,728	24,552	5,143
VAT	275,262	302,274	24,911	54,828
Other creditors	7,521	4,500	664	664
Directors' current accounts	1,620	4,615	-	-
Accrued expenses	470,434	22,260	12,000	3,420
	<u>2,448,491</u>	<u>2,025,112</u>	<u>1,517,807</u>	<u>942,339</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group	
	31/12/22	31/1/22
	£	£
Hire purchase contracts (see note 16)	-	42,703

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	31/12/22	31/1/22
	£	£
Gross obligations repayable:		
Within one year	-	93,171
Between one and five years	-	42,989
	-	136,160
Finance charges repayable:		
Within one year	-	3,815
Between one and five years	-	286
	-	4,101
Net obligations repayable:		
Within one year	-	89,356
Between one and five years	-	42,703
	-	132,059

17. DEFERRED TAX

	Company	
	31/12/22	31/1/22
	£	£
Deferred tax		
Accelerated capital allowances	1,740	2,078

Group

	£
Balance at 1st February 2022	(12,046)
Provided during period	(22,960)
Balance at 31st December 2022	(35,006)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
for the Period 1st February 2022 to 31st December 2022

17. DEFERRED TAX - continued**Company**

	£
Balance at 1st February 2022	2,078
Provided during period	(338)
Balance at 31st December 2022	<u>1,740</u>

18. CALLED UP SHARE CAPITAL**Allotted, issued and fully paid:**

Number:	Class:	Nominal value:	31/12/22 £	31/01/22 £
NIL(Jan-22 - 6,780,000)	Ordinary A	£0.01	-	67,800
NIL(Jan-22 - 6,780,000)	Ordinary B	£0.01	-	67,800
NIL(Jan-22 - 1,575,000)	Ordinary C	£0.01	-	15,750
NIL(Jan-22 - 720,000)	Ordinary D	£0.01	-	7,200
NIL(Jan-22 - 720,000)	Ordinary E	£0.01	-	7,200
NIL(Jan-22 - 425,000)	Ordinary F	£0.01	-	4,250
17,000,000(Jan-22 - NIL)	Ordinary	£0.01	<u>170,000</u>	<u>-</u>
			<u>170,000</u>	<u>170,000</u>

All types of shares have been transferred to Ordinary shares on 8th June 2022. They have voting rights, right to receive dividends and participate in capital distributions on a winding up.

19. ULTIMATE CONTROLLING PARTY

The immediate parent of the company is Demma Group Limited (registered in England and Wales 10543203) and the ultimate controlling party is Building Automation Nordic Holding AB (registered in Sweden 559261-9729). Consolidated accounts are prepared and publicly available at Building Automation Nordic Holding AB level.

As part of the acquisition of Demma Group Limited by Nordomatic Holding UK Limited on 1st June 2022, ultimate control passed to Building Automation Nordic Holding AB.

20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme of which the assets are held separately from those of the company. During the period the group contributed £209,972 (year to Jan-22 £306,637) to the scheme.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.