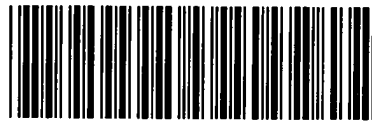


Financial Statements  
for the Year Ended  
30th September 2019  
for  
DK Thermal Limited

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for the Year Ended 30th September 2019

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DK Thermal Limited  
Company Information  
for the Year Ended 30th September 2019

**DIRECTORS:**

A J Grisbrooke  
B D Gilbert  
I R Emmerson  
J A Hutchings

**SECRETARY:**

R S Gambles

**REGISTERED OFFICE:**

49 Tamworth Road  
Hertford Town Mill  
Hertford  
Hertfordshire  
SG13 7DJ

**REGISTERED NUMBER:**

03856677 (England and Wales)

**AUDITORS:**

Meyer Williams  
Chartered Accountants  
& Statutory Auditors  
Stag House  
Old London Road  
Hertford  
Hertfordshire  
SG13 7LA

Balance Sheet  
30th September 2019

	Notes	30.09.19 £	30.09.18 £
<b>FIXED ASSETS</b>			
Tangible assets	4	118,827	140,835
<b>CURRENT ASSETS</b>			
Stocks		1,543,672	1,470,207
Debtors	5	2,069,320	2,013,271
Cash at bank		<u>9,962</u>	<u>6,704</u>
		3,622,954	3,490,182
<b>CREDITORS</b>			
Amounts falling due within one year	6	<u>2,866,925</u>	<u>2,779,538</u>
<b>NET CURRENT ASSETS</b>		<u>756,029</u>	<u>710,644</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>874,856</u>	<u>851,479</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		1,000	1,000
Retained earnings		<u>873,856</u>	<u>850,479</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>874,856</u>	<u>851,479</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Comprehensive Income has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26<sup>th</sup> June 2020 and were signed on its behalf by: .

  
.....  
A J Grisbrooke - Director

Notes to the Financial Statements  
for the Year Ended 30th September 2019

1. **STATUTORY INFORMATION**

DK Thermal 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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

**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.

**Going Concern**

The Directors have a reasonable expectation that the Company will have adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis for preparing its financial statements.

On the date of these financial statements' approval, there is great uncertainty about the impact that the Coronavirus pandemic will have on the global economy. The Directors consider the Company to be sufficiently robust that its operations will not be significantly affected by the containment lockdowns currently in place. The Directors are continuously monitoring the Company's cost base and will take action wherever necessary in order to protect all stakeholders should the period of uncertainty continue for longer than expected.

**Critical judgements and estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. The nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had a significant effect on amounts recognised in the financial statements:

The annual depreciation charge is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

The Directors make estimates of the recoverable value of trade and other debtors. When assessing the impairment of trade and other debtors, the factors considered include the current credit rating of the debtor, the ageing profile of debtors and historical experience.

The Company considers the recoverability of the cost of its stock holdings and the associated provisioning required. When calculating the stock impairment provision management considers the nature and condition of the stock as well as applying assumptions around future saleability.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable for goods supplied or services rendered, net of returns, discounts and valued added tax.

The Company recognises revenue when the significant risks and rewards of ownership have been transferred to the buyer; the Company retains no continuing involvement or control over the goods and the amount of revenue can be measured reliably.

Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

2. **ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Tangible fixed assets are measured at cost (or deemed cost), except for revalued plant and machinery, less accumulated depreciation and any accumulated impairment losses.

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

Plant and machinery	- 12.5% on cost and 6.25% on cost
Fixture and fittings	- 12.5% on cost
Computer equipment	- 25% on cost

**Stocks**

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

**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 effective interest method, less any impairment.

**Cash and cash equivalents**

Cash and cash equivalents are represented by cash in hand and other short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk to changes in value.

**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.

Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

2. **ACCOUNTING POLICIES - continued**

**Taxation**

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively. Current or deferred taxation assets and liabilities are not discounted.

**Current tax**

Current tax is the amount of corporation tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

The Directors periodically evaluate the position taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. They establish provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

**Deferred tax**

Deferred tax arises from timing differences that are differences between taxable profits and total comprehensive income as stated in the financial statements. These timing differences arise from the inclusion of income and expenses in tax assessments in the periods different from those in which they are recognised in the financial statements.

Deferred tax is recognised on all timing differences at the reporting date except for certain exceptions. Unrelieved tax losses and other deferred tax assets are only recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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 differences.

**Foreign currencies**

Monetary 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.

**Pension costs and other post-retirement benefits**

The Company operates a defined contribution pension scheme for auto enrolment purposes. The assets of the scheme are held separately from those of the Company. The annual contributions payable are charged to the profit and loss account in the period to which they relate.

Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

The Company only enters into basic financial instruments that result in the recognition of financial assets and liabilities like trade debtors, trade creditors and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments like loans and other accounts receivable and payable are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method; Debt instruments that are payable or receivable within one year, typically trade creditors or trade debtors are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the 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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Leasing commitments**

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Rentals applicable to operating leases where substantially all of the benefits of ownership remain with the lessor are charged to profit and loss account on a straight line basis over the term of the lease.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 9 (2018 - 10).



Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

4. **TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST OR VALUATION</b>				
At 1st October 2018	562,569	38,167	47,462	648,198
Disposals	<u>-</u>	<u>(37,655)</u>	<u>(47,462)</u>	<u>(85,117)</u>
At 30th September 2019	<u>562,569</u>	<u>512</u>	<u>-</u>	<u>563,081</u>
<b>DEPRECIATION</b>				
At 1st October 2018	422,245	37,656	47,462	507,363
Charge for year	21,818	190	-	22,008
Eliminated on disposal	<u>-</u>	<u>(37,655)</u>	<u>(47,462)</u>	<u>(85,117)</u>
At 30th September 2019	<u>444,063</u>	<u>191</u>	<u>-</u>	<u>444,254</u>
<b>NET BOOK VALUE</b>				
At 30th September 2019	<u>118,506</u>	<u>321</u>	<u>-</u>	<u>118,827</u>
At 30th September 2018	<u>140,324</u>	<u>511</u>	<u>-</u>	<u>140,835</u>

Cost or valuation at 30th September 2019 is represented by:

	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2010	(900,033)	-	(900,033)
Cost	<u>1,462,602</u>	<u>512</u>	<u>1,463,114</u>
	<u>562,569</u>	<u>512</u>	<u>563,081</u>

If plant and machinery had not been revalued it would have been included at the following historical cost:

	30.09.19 £	30.09.18 £
Cost	<u>1,462,602</u>	<u>1,462,602</u>
Aggregate depreciation	<u>1,344,096</u>	<u>1,322,278</u>

The Company's plant and machinery was valued by the Directors on the basis of market value in their present use as at 30th September 2010. The Directors have reviewed the valuation and concluded that there is no significant difference in this valuation as at 30th September 2019.

Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

**5. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.09.19	30.09.18
	£	£
Trade debtors	1,832,799	1,963,873
Other debtors	11,904	13,932
Amounts due from group undertakings	211,083	9,434
Prepayments	<u>13,534</u>	<u>26,032</u>
	<u><u>2,069,320</u></u>	<u><u>2,013,271</u></u>

**6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.09.19	30.09.18
	£	£
Bank loans and overdrafts	558,429	393,828
Trade creditors	2,127,575	2,124,856
Corporation tax	-	67,346
Social security and other taxes	7,768	16,870
Amounts due to group undertakings	98,800	66,233
Accruals and deferred income	<u>74,353</u>	<u>110,405</u>
	<u><u>2,866,925</u></u>	<u><u>2,779,538</u></u>

**7. SECURED DEBTS**

The following secured debts are included within creditors:

	30.09.19	30.09.18
	£	£
Bank overdrafts	<u><u>558,429</u></u>	<u><u>393,828</u></u>

**8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006**

The Report of the Auditors was unqualified.

Ralph Sears (Senior Statutory Auditor)  
for and on behalf of Meyer Williams

**9. CONTINGENT LIABILITIES**

The Company is party to a cross-guarantee and debenture dated 25th March 2009 between fellow group undertakings, Daleba Electronics Limited, Mode Lighting Limited and Tappenden & Co Limited.

The Company is party to a cross guarantee and debenture dated 28th May 2019 between fellow group undertakings, Daleba Electronics Limited, Mode Lighting Limited, Tappenden & Co Limited and Fringe Electronics Limited.

Notes to the Financial Statements - continued  
for the Year Ended 30th September 2019

**10. RELATED PARTY DISCLOSURES**

The following information relates to transactions and balances with related parties not covered by the reduced disclosure exemption

	<b>30.09.19</b>	<b>30.09.18</b>
	<b>£</b>	<b>£</b>
<b>Other related parties</b>		
Included in Debtors		
Trade debtors	<b>20,099</b>	15,343
Included in the Profit and Loss Account		
Sales	<b>2,544,472</b>	2,744,814
Other income	<b>166,298</b>	319,727
Cost of sales	<b>92,462</b>	136,214

**11. PARENT COMPANY AND ULTIMATE PARENT COMPANY**

The parent Company and ultimate parent Company during the current and previous year is Tappenden & Co Limited whose registered office is The Maltings, 63 High Street, Ware, Hertfordshire SG12 9AD.