

**Company Registration No. 07176295 (England and Wales)**

**UK THERMOS HOLDINGS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2018**



# UK THERMOS HOLDINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N J Kime R J Dias S Itoh Y A Huang Y Katoaka
<b>Secretary</b>	M Snape
<b>Company number</b>	07176295
<b>Registered office</b>	1-2 Lockwood Park Leeds West Yorkshire LS11 5UX
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Central Square 5th Floor 29 Wellington Street Leeds LS1 4DL
<b>Bankers</b>	Barclays Bank plc 1 Park Row Leeds LS1 5WU
<b>Solicitors</b>	Gordons LLP Riverside West Whitehall Road Leeds West Yorkshire LS1 4AW

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# UK THERMOS HOLDINGS LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present the strategic report for the year ended 31 December 2018.

#### **Business Review**

UK Thermos Holdings Limited is a subsidiary of King Warm Investments Limited (Hong Kong) and an affiliate of Thermos KK (Japan). UK Thermos Limited, the group's subsidiary, is the UK distributor for Thermos branded vacuum, hydration and cooler products.

The channels of distribution include all major supermarkets, high street retailers, online, mail order, DIY, leisure, cash and carry, food service and independent traders. These channels continue to be developed and expanded.

The group continues to build on the sales growth of its branded products by extending its product range into existing retail channels, growing existing product lines and exploring relationships with new customers and new sectors. As part of the global Thermos group, the group develops current ranges along with bringing new and innovative products to market.

The income statement on page 7 shows turnover for the year of £17.189m, an increase on 2017. Overall Thermos sales were up 8% but overall turnover was affected by ending distribution of non-group owned products. Profit before tax and fair value currency gains was £1.759m.

The statement of financial position on page 8 of the financial statements shows the group's financial position at the year end. Debtors of £5.1m reflects the strong sales performance of the last quarter. Stock is £6.2m, up £0.8m on the previous year enabling greater customer order fulfilment.

#### **Risks and uncertainties**

Brexit uncertainties have continued throughout the year with resulting impact on economic growth, consumer confidence and sterling depreciation. Inflation continues to be above Bank of England monetary target. The group continued to build on the strength of our market leading brands together with our outstanding service levels to deliver growth but is mindful of the risks, particularly increasing cost price. Maintaining strong and effective relationships with all stakeholders including our investors, suppliers, customers and our bank ensures the group is well placed to manage risks.

#### *Currency Risk*

The majority of goods purchased are in US\$ with sales largely in sterling. Foreign exchange risk is managed through forward purchase of currency contracts during the year however as at 31 December 2018 there are no forward purchases on currency contracts in place. As shown in the operating profit note on page 20 there has been a currency value gain of £482,403 compared with a gain of £389,278 in 2017.

#### *Credit Risk*

The group mainly trades with customers with whom it has a long standing relationship. Risk is further mitigated through credit risk insurance.

#### *Liquidity risks*

The group finances its operations through cash reserves and bank financing facilities. Cash flow is effectively managed through accurate purchasing forecasts and credit control.

#### **Key Performance Indicators**

The strategies implemented by the board for sales growth have resulted in Thermos product growth of 8% in 2018. As a result of ending distribution of non-group owned products, overall sales have slightly increased on 2017 levels.

Maintaining strong liquidity performance is a key aim of the board. Overall the key indicators show a continuing strong position and improving performance.

The current ratio remain in strong positive territory at 1.85 (1.5 2017) and the inventory holding period has increased from 135 days to 158 days to ensure greater availability of product lines.

# UK THERMOS HOLDINGS LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

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### Future Developments

As part of the Thermos group we will continue to develop and enhance our relationship with our customers through excellent support and service as well as delivering market leading product innovation. In 2019 we look to add to our product portfolio complementing our existing distribution in the UK.

On behalf of the board



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N J Kime  
Director

Date: 27.6.19

# UK THERMOS HOLDINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2018

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The directors present their annual report and financial statements for the year ended 31 December 2018.

#### Principal activities

The principal activity of the group continued to be that of a distributor supplying leading branded home and leisure products through multi channels to UK wide retail and wholesale customers.

The principal activity of the company is that of a holding company.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N J Kime  
R J Dias  
S Itoh  
Y A Huang  
Y Katoaka

#### Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid in the year (2017 - £nil). The directors do not recommend payment of a further dividend.

#### Qualifying third party indemnity provisions

The group has made qualifying third party indemnity provisions available for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

#### Strategic report

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 which previously would have been contained in the directors' report including financial risk management and future developments.

#### Statement of disclosure to auditor

So far as the directors are aware, there is no relevant audit information of which the group's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the group's auditor is aware of that information.

On behalf of the board



N J Kime

Director

27.6.19

# **UK THERMOS HOLDINGS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2018**

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The directors are responsible for preparing the Strategic Report and 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 group and company, 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 group and company will continue in business.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK THERMOS HOLDINGS LIMITED**

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## **Opinion**

We have audited the financial statements of UK Thermos Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, the Consolidated and Company Statements Of Financial Position, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and 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 FRS 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's affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

## **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UK THERMOS HOLDINGS LIMITED (CONTINUED)

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### 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

- adequate accounting records have not been kept 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 directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

### Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*RSM UK Audit LLP*

Daniel Varley (Senior Statutory Auditor)

For and on behalf of RSM UK Audit LLP, Statutory Auditor

Chartered Accountants

Central Square

5th Floor

29 Wellington Street

Leeds

LS1 4DL

*28 June 2019*



# UK THERMOS HOLDINGS LIMITED

## CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

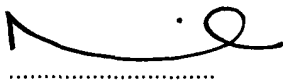
	Notes	2018 £	2017 £
<b>Turnover</b>	<b>3</b>	17,189,487	17,169,513
Cost of sales		(14,167,827)	(14,503,385)
<b>Gross profit</b>		<u>3,021,660</u>	<u>2,666,128</u>
Distribution costs		(301,895)	(306,627)
Administrative expenses		(926,681)	(898,913)
<b>Operating profit</b>	<b>6</b>	<u>1,793,084</u>	<u>1,460,588</u>
Interest receivable and similar income		86	32
Interest payable and similar expenses	<b>8</b>	(34,705)	(48,860)
Fair value gains and losses on foreign exchange contracts		-	(386,831)
<b>Profit before taxation</b>		<u>1,758,465</u>	<u>1,024,929</u>
Taxation	<b>9</b>	(320,325)	(230,775)
<b>Profit for the financial year</b>	<b>22</b>	<u><u>1,438,140</u></u>	<u><u>794,154</u></u>

Profit for the financial year is all attributable to the owners of the parent company.

**UK THERMOS HOLDINGS LIMITED****CONSOLIDATED STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Intangible assets	10		25,240		42,637
Tangible assets	11		44,992		39,359
			<u>70,232</u>		<u>81,996</u>
<b>Current assets</b>					
Stocks	14	6,153,180		5,384,969	
Debtors	15	5,119,789		5,891,438	
Cash at bank and in hand		220,807		135,268	
		<u>11,493,776</u>		<u>11,411,675</u>	
<b>Creditors: amounts falling due within one year</b>	16	(6,489,857)		(7,857,660)	
<b>Net current assets</b>			<u>5,003,919</u>		<u>3,554,015</u>
<b>Total assets less current liabilities</b>			<u>5,074,151</u>		<u>3,636,011</u>
<b>Capital and reserves</b>					
Called up share capital	21		30,000		30,000
Profit and loss reserves	22		5,044,151		3,606,011
<b>Total equity</b>			<u>5,074,151</u>		<u>3,636,011</u>

The financial statements were approved by the board of directors and authorised for issue on 27.6.19.  
and are signed on its behalf by:



.....  
N J Kime  
Director

**UK THERMOS HOLDINGS LIMITED****COMPANY STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2018**

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Investments	12		1,683,915		1,683,915
<b>Current assets</b>					
Cash at bank and in hand		1,203		1,263	
<b>Creditors: amounts falling due within one year</b>	16	(513,754)		(513,754)	
<b>Net current liabilities</b>			(512,551)		(512,491)
<b>Total assets less current liabilities</b>			1,171,364		1,171,424
<b>Capital and reserves</b>					
Called up share capital	21		30,000		30,000
Profit and loss reserves	22		1,141,364		1,141,424
<b>Total equity</b>			1,171,364		1,171,424

As permitted by s408 Companies Act 2006, the company has not presented its own income statement and related notes as it prepares group accounts. The company's loss for the year was £60 (2017 - £61 loss).

The financial statements were approved by the board of directors and authorised for issue on 27.6.19... and are signed on its behalf by:



N J Kime  
Director

# UK THERMOS HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2017</b>	30,000	2,811,857	2,841,857
<b>Year ended 31 December 2017:</b>			
Profit and total comprehensive income for the year	-	794,154	794,154
<b>Balance at 31 December 2017</b>	30,000	3,606,011	3,636,011
<b>Year ended 31 December 2018:</b>			
Profit and total comprehensive income for the year	-	1,438,140	1,438,140
<b>Balance at 31 December 2018</b>	30,000	5,044,151	5,074,151

# UK THERMOS HOLDINGS LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

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	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2017</b>	30,000	1,141,485	1,171,485
<b>Year ended 31 December 2017:</b>			
Loss and total comprehensive income for the year	-	(61)	(61)
<b>Balance at 31 December 2017</b>	30,000	1,141,424	1,171,424
<b>Year ended 31 December 2018:</b>			
Loss and total comprehensive income for the year	-	(60)	(60)
<b>Balance at 31 December 2018</b>	30,000	1,141,364	1,171,364

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# UK THERMOS HOLDINGS LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	2,156,199		79,660	
Interest paid		(34,705)		(48,860)	
Income taxes paid		(283,914)		(455,686)	
<b>Net cash inflow/(outflow) from operating activities</b>		<b>1,837,580</b>		<b>(424,886)</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(3,855)		-	
Purchase of tangible fixed assets		(29,214)		(2,583)	
Proceeds on disposal of tangible fixed assets		290		-	
Interest received		86		32	
<b>Net cash used in investing activities</b>		<b>(32,693)</b>		<b>(2,551)</b>	
<b>Financing activities</b>					
Proceeds/(repayment) of invoice discounting facilities		(1,719,348)		530,218	
<b>Net cash (used in)/generated from financing activities</b>		<b>(1,719,348)</b>		<b>530,218</b>	
<b>Net increase in cash and cash equivalents</b>		<b>85,539</b>		<b>102,781</b>	
Cash and cash equivalents at beginning of year		135,268		32,487	
<b>Cash and cash equivalents at end of year</b>		<b>220,807</b>		<b>135,268</b>	

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies

##### Company information

UK Thermos Holdings Limited ("the company") is a private company limited by shares, and is registered and incorporated in England and Wales. The registered office and principal place of business is 1-2 Lockwood Park, Leeds, West Yorkshire, LS11 5UX.

The group consists of UK Thermos Holdings Limited and its subsidiary, UK Thermos Limited.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

##### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008.

The financial statements are prepared in sterling, which is the functional currency of the group and company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

##### Reduced disclosures

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

##### Basis of consolidation

The consolidated financial statements incorporate those of UK Thermos Holdings Limited and its subsidiary (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits).

All financial statements are made up to 31 December 2018.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### Turnover

Turnover is recognised at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business combination are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	20% straight line
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##### **Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Plant and machinery	20% straight line
Fixtures, fittings and equipment	20% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

##### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **Stocks**

Stocks are stated at the lower of cost and estimated selling price.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### **Cash and cash equivalents**

Cash and cash equivalents include cash in hand and deposits held at call with banks.

##### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.



# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade and other creditors (including accruals), invoice discounting and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### **Equity instruments**

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

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#### 1 Accounting policies (Continued)

##### **Taxation**

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

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 that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured at the average tax rates that are expected to apply in the period in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the reporting date.

##### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the group is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either creditors or debtors.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

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### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

#### Stock provisioning

The group distributes branded home and leisure products to its customers. As a result it is necessary to consider the recoverability of the cost of stock and the associated provisioning required. When calculating the stock provision, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability of finished goods. See note 14 for the net carrying amount of the stock and note 6 for the impairment of stocks recognised.

### 3 Turnover

An analysis of the group's turnover is as follows:

	2018 £	2017 £
<b>Turnover analysed by class of business</b>		
Distribution of branded home and leisure products	17,189,487	17,169,513

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 3 Turnover (Continued)

##### Turnover analysed by geographical market

	2018 £	2017 £
United Kingdom	16,610,115	16,274,542
Rest of Europe	317,590	266,303
Rest of the World	261,782	628,668
	<u>17,189,487</u>	<u>17,169,513</u>

#### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Production	4	5	-	-
Sales & distribution	12	10	-	-
Administrative	10	10	-	-
	<u>26</u>	<u>25</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	1,100,586	1,041,437	-	-
Social security costs	131,593	123,989	-	-
Pension costs	42,510	42,561	-	-
	<u>1,274,689</u>	<u>1,207,987</u>	<u>-</u>	<u>-</u>

#### 5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	235,253	220,266
Company pension contributions to defined contribution schemes	-	6,344
Compensation for loss of office	-	6,325
	<u>235,253</u>	<u>232,935</u>

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 5 Directors' remuneration (Continued)

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	235,253	177,330

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2017 - 1).

#### 6 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(482,402)	(389,278)
Depreciation of owned tangible fixed assets	23,288	22,912
Loss on disposal of tangible fixed assets	3	-
Amortisation of intangible assets	21,252	21,984
Cost of stocks recognised as an expense	13,331,970	13,758,840
Stocks impairment losses recognised or reversed	84,081	45,420
Operating lease charges	183,912	150,768

#### 7 Auditor's remuneration

	2018 £	2017 £
Fees payable to the group's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and parent company	1,915	1,825
Audit of the financial statements of the company's subsidiary	15,935	15,175
	17,850	17,000

#### 8 Interest payable and similar expenses

	2018 £	2017 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on invoice finance arrangements	34,705	48,285
<b>Other finance costs:</b>		
Other interest	-	575
Total finance costs	34,705	48,860

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 9 Taxation

	2018 £	2017 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	323,400	278,941
Adjustments in respect of prior periods	-	(286)
<b>Total current tax</b>	<u>323,400</u>	<u>278,655</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(3,075)	(71,513)
Adjustment in respect of prior periods	-	23,633
<b>Total deferred tax</b>	<u>(3,075)</u>	<u>(47,880)</u>
<b>Total tax charge for the year</b>	<u>320,325</u>	<u>230,775</u>

The total tax charge for the year included in the consolidated income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	<u>1,758,465</u>	<u>1,024,929</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	334,108	197,263
Tax effect of expenses that are not deductible in determining taxable profit	-	552
Tax effect of income not taxable in determining taxable profit	(14,803)	-
Adjustments in respect of prior years	-	(286)
Effect of change in corporation tax rate	363	9,451
Depreciation on assets not qualifying for tax allowances	657	162
Deferred tax adjustments in respect of prior years	-	23,633
<b>Taxation charge for the year</b>	<u>320,325</u>	<u>230,775</u>

The tax rate for the current year is lower than the prior year due to changes in the UK corporation tax rate which decreased from 20% to 19% from 1 April 2017.

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 10 Intangible fixed assets

Group	Software £
<b>Cost</b>	
At 1 January 2018	118,595
Additions - separately acquired	3,855
At 31 December 2018	122,450
<b>Amortisation and impairment</b>	
At 1 January 2018	75,958
Amortisation charged for the year	21,252
At 31 December 2018	97,210
<b>Carrying amount</b>	
At 31 December 2018	25,240
At 31 December 2017	42,637

The company had no intangible fixed assets at 31 December 2018 or 31 December 2017.

The amortisation charge for the year is recognised within administrative expenses.

#### 11 Tangible fixed assets

Group	Plant and machinery £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 January 2018	12,477	212,063	224,540
Additions	-	29,214	29,214
Disposals	-	(320)	(320)
At 31 December 2018	12,477	240,957	253,434
<b>Depreciation and impairment</b>			
At 1 January 2018	12,189	172,992	185,181
Depreciation charged in the year	194	23,094	23,288
Eliminated in respect of disposals	-	(27)	(27)
At 31 December 2018	12,383	196,059	208,442
<b>Carrying amount</b>			
At 31 December 2018	94	44,898	44,992
At 31 December 2017	288	39,071	39,359

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 11 Tangible fixed assets (Continued)

The company had no tangible fixed assets at 31 December 2018 or 31 December 2017.

### 12 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	13	-	-	1,683,915	1,683,915
<b>Movements in fixed asset investments</b>					
<b>Company</b>					<b>Shares in group undertakings £</b>
<b>Cost</b>					
At 1 January 2018 and 31 December 2018					1,683,915
<b>Carrying amount</b>					
At 31 December 2018					1,683,915
At 31 December 2017					1,683,915

### 13 Subsidiaries

Details of the company's subsidiary at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
UK Thermos Limited	1-2 Lockwood Park, Leeds, West Yorkshire, LS11 5UX	Distribution of branded home and leisure products	Ordinary	100	

### 14 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	6,153,180	5,384,969	-	-

During the year, an impairment loss on finished goods of £84,081 (2017 - £45,420) was recognised within cost of sales. No earlier stock write downs have been reversed during the current, or proceeding, period.



# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 15 Debtors

	Group 2018	2017	Company 2018	2017
	£	£	£	£
<b>Amounts falling due within one year:</b>				
Trade debtors	5,003,602	5,736,053	-	-
Other debtors	-	1,327	-	-
Prepayments and accrued income	77,916	118,862	-	-
	<u>5,081,518</u>	<u>5,856,242</u>	<u>-</u>	<u>-</u>
Deferred tax asset (note 19)	38,271	35,196	-	-
	<u>5,119,789</u>	<u>5,891,438</u>	<u>-</u>	<u>-</u>

### 16 Creditors: amounts falling due within one year

	Group 2018	2017	Company 2018	2017
	£	£	£	£
Invoice discounting	696,654	2,416,002	-	-
Trade creditors	4,101,733	3,842,709	-	-
Amounts due to group undertakings	-	-	513,754	513,754
Corporation tax payable	194,426	154,940	-	-
Other taxation and social security	65,712	158,660	-	-
Other creditors	4,671	5,733	-	-
Accruals and deferred income	1,426,661	1,279,616	-	-
	<u>6,489,857</u>	<u>7,857,660</u>	<u>513,754</u>	<u>513,754</u>

The invoice discounting facility is secured against the assets of the group and the cross guarantee and debenture outlined in note 23.

### 17 Financial instruments

#### *Foreign Exchange Forward Contracts*

The group makes significant purchases which are conducted in US Dollars. As a consequence the group uses foreign currency forward contracts to manage the foreign exchange risk of future transactions and cash flows. The contracts can be exercised within a pre-determined date range, typically one month.

The contracts are valued based on available market data. The group does not adopt hedge accounting for forward exchange contracts and, consequently, fair value gains and losses are recognised in profit or loss. During the period no fair value gain or loss (2017 - £386,831 loss) was recognised in profit or loss in respect of the forward exchange contracts.

At the year end, the total carrying amount of outstanding foreign exchange forward contracts that the group has committed was £nil (2017 - £nil).

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 18 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	5,003,602	5,737,380	-	-
<b>Carrying amount of financial liabilities</b>				
Measured at amortised cost	6,229,719	7,544,060	513,754	513,754

### 19 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

Group	Assets 2018 £	Assets 2017 £
Accelerated capital allowances	(8,153)	(8,916)
Other timing differences	46,424	44,112
	<u>38,271</u>	<u>35,196</u>

The company has no deferred tax assets or liabilities.

	Group 2018 £	Company 2018 £
<b>Movements in the year:</b>		
Liability/(asset) at 1 January 2018	(35,196)	-
Credit to profit or loss	(3,075)	-
Asset at 31 December 2018	<u>(38,271)</u>	<u>-</u>

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

### 20 Retirement benefit schemes

	2018	2017
	£	£
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	42,510	42,561

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

Contributions totalling £5,154 (2017 - £5,105) were payable to the fund at the year end and are included in creditors.

### 21 Share capital

	Group and company	
	2018	2017
	£	£
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
30,000 Ordinary shares of £1 each	30,000	30,000

#### *Ordinary shares*

The shares have attached to them full voting, dividend and capital distribution (including on winding up) rights. They do not confer any rights of redemption.

### 22 Reserves

#### **Profit and loss reserves**

Cumulative profit and loss net of distributions to owners.

### 23 Financial commitments, guarantees and contingent liabilities

The banking facilities are secured under a cross guarantee and debenture between UK Thermos Limited and UK Thermos Holdings Limited dated 18 June 2010. The maximum exposure at 31 December 2018 was £696,654 (2017 - £2,416,002).

On behalf of the group, an indemnity was given by Barclays Bank plc in favour of HM Revenue & Customs amounting to £75,000 (2017 - £75,000).

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 24 Operating lease commitments

##### Lessee

At the reporting date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Within one year	153,432	145,423	-	-
Between one and five years	349,425	393,944	-	-
In over five years	-	54,815	-	-
	<u>502,857</u>	<u>594,182</u>	<u>-</u>	<u>-</u>

#### 25 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2018 £	2017 £
Aggregate compensation	<u>462,914</u>	<u>424,543</u>

##### Transactions with related parties

During the prior year, sales amounting to £82,401 in the period to 31 May 2017 were made to Miage Limited, a company owned by C Armstead, a previous director of UK Thermos Limited until his resignation on 31 May 2017 when it ceased to be a related party.

During the year, purchases amounting to £95,745 (2017 - £344,176) were made from Alfi GmbH Isoliergefaesse, Metall - Und Haushaltswaren (Alfi GmbH), a company under common control. At the year end £17,153 (2017 - £107,266) was owed to Alfi GmbH and is included in creditors. The balances are unsecured, interest free and repayable on demand.

# UK THERMOS HOLDINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2018

#### 25 Related party transactions (Continued)

King Warm Investments Limited, a company incorporated in Hong Kong, has significant influence over UK Thermos Limited and over Thermos International Trading Limited. During the year, purchases amounting to £11,952,789 (2017 - £8,594,364) were made from Thermos International Trading Limited. At the year end £3,612,727 (2017 - £3,117,016) was owed to Thermos International Trading Limited and is included in creditors. The balances are on normal trading terms.

#### 26 Controlling party

UK Thermos Holdings Limited is the smallest group for which consolidated accounts are prepared.

King Warm Investments Limited, a company incorporated in Hong Kong, is the immediate parent, and is the largest company for which consolidated accounts including UK Thermos Holdings Limited are prepared. Its office address is 8 On Ping Street, Unit 5, 7/F, Grantech Centre, Shek Mun Shatin, Hong Kong.

#### 27 Cash generated from group operations

	2018 £	2017 £
Profit for the year after tax	1,438,140	794,154
Adjustments for:		
Taxation charged	320,325	230,775
Finance costs	34,705	48,860
Investment income	(86)	(32)
Loss on disposal of tangible fixed assets	3	-
Fair value gains and losses on foreign exchange contracts and investment properties	-	386,831
Amortisation and impairment of intangible assets	21,252	21,984
Depreciation and impairment of tangible fixed assets	23,288	22,912
Movements in working capital:		
(Increase) in stocks	(768,211)	(2,157,360)
Decrease/(increase) in debtors	774,724	(1,344,469)
Increase in creditors	312,059	2,076,005
<b>Cash generated from operations</b>	<b>2,156,199</b>	<b>79,660</b>