

# Financial Statements

## Enertech Limited

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For the Year Ended 31 December 2017



Registered number: 00299044

**Enertech Limited**

## Company Information

**Directors**

R F Hancox (resigned 16 February 2017)  
N J Anton (resigned 16 February 2017)  
G Williamson  
K O Ekermo (appointed 16 February 2017, resigned 31 December 2017)  
R Hakansson (appointed 16 February 2017)  
N W Larsson (appointed 16 February 2017)  
K T Dahlberg (appointed 1 January 2018)

**Registered number**

00299044

**Registered office**

Unit 40 Ten Acres  
Berry Hill Industrial Estate  
Droitwich  
Worcestershire  
WR9 9AQ

**Independent auditor**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
The Colmore Building  
20 Colmore Circus  
Birmingham  
B4 6AT

**Bankers**

Lloyds Bank  
4th Floor  
125 Colmore Row  
Birmingham  
B3 3SF

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## **Directors' Report**

**For the Year Ended 31 December 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

### **Results and dividends**

The loss for the year, after taxation, amounted to £9,000 (2016: profit £323,000).

### **Directors**

The directors who served during the year were:

R F Hancox (resigned 16 February 2017)

N J Anton (resigned 16 February 2017)

G Williamson

K O Ekermo (appointed 16 February 2017, resigned 31 December 2017)

R Hakansson (appointed 16 February 2017)

N W Larsson (appointed 16 February 2017)

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Directors' Report (continued)

For the Year Ended 31 December 2017

### Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

### Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

### Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



G Williamson  
Director

Date: 12 April 2018



# Independent Auditor's Report to the Members of Enertech Limited

## **Opinion**

We have audited the financial statements of Enertech Limited (the 'company') for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 company's affairs as at 31 December 2017 and of its loss for the year 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 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.

## **Who we are reporting to**

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.

## **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 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.

## Independent Auditor's Report to the Members of Enertech Limited (continued)

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the Directors' Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the 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.

### **Opinion 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report by the Companies Act 2006**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

### **Matters on which we are required to report by exception**

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' in preparing the Directors' report.

## Independent Auditor's Report to the Members of Enertech Limited (continued)

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 1, 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 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 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 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our auditor's report.

*Grant Thornton UK LLP*

Kathryn Godfree (Senior statutory auditor)  
for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

Birmingham

Date: *20 April 2018*



# Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 £000	2016 £000
Turnover	4	8,940	9,297
Cost of sales		(5,542)	(5,699)
<b>Gross profit</b>		<b>3,398</b>	<b>3,598</b>
Administrative expenses		(3,398)	(3,179)
<b>Operating profit</b>	5	-	419
Interest payable and expenses	9	(10)	(15)
<b>(Loss)/profit before tax</b>		<b>(10)</b>	<b>404</b>
Tax on (loss)/profit	10	1	(81)
<b>(Loss)/profit for the financial year</b>		<b>(9)</b>	<b>323</b>

There was no other comprehensive income for 2017 (2016: £Nil).

The notes on pages 9 to 23 form part of these financial statements.

# Statement of Financial Position

As at 31 December 2017

	Note	2017 £000	2016 £000
<b>Fixed assets</b>			
Tangible assets	11	253	307
<b>Current assets</b>			
Stocks	12	1,232	1,351
Debtors	13	1,634	1,894
Cash at bank and in hand	14	884	113
		<u>3,750</u>	<u>3,358</u>
Creditors: amounts falling due within one year	15	(1,529)	(2,182)
<b>Net current assets</b>		<u>2,221</u>	<u>1,176</u>
Creditors: amounts falling due after more than one year	16	(1,000)	-
<b>Net assets</b>		<u><u>1,474</u></u>	<u><u>1,483</u></u>
<b>Capital and reserves</b>			
Called up share capital	21	249	249
Share premium account	20	1	1
Profit and loss account	20	1,224	1,233
		<u><u>1,474</u></u>	<u><u>1,483</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 April 2018



**G Williamson**  
Director

The notes on pages 9 to 23 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	249	1	1,233	1,483
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(9)	(9)
<b>At 31 December 2017</b>	<b>249</b>	<b>1</b>	<b>1,224</b>	<b>1,474</b>

## Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	249	1	910	1,160
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	323	323
<b>At 31 December 2016</b>	<b>249</b>	<b>1</b>	<b>1,233</b>	<b>1,483</b>

The notes on pages 9 to 23 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 1. General information

Enertech Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 40, Ten Acres, Berry Hill Industrial Estate, Droitwich, Worcestershire, England, WR9 9AQ.

The principal activity of Enertech Ltd is the design, manufacture, distribution, and servicing, of burners, heat pumps, and components.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the Directors' report.

The current economic conditions create uncertainty particularly over (a) the level of demand for the company's products; and (b) the exchange rate between sterling and the euro and thus the consequence for the cost of the company's raw materials.

The directors have considered the company's ability to continue as a going concern and given its financial resources, the profit generated in the current year and the forecast trading and cash flow performance, the directors consider that the going concern basis of accounting continues to be appropriate for the preparation of the financial statements.

### 2.3 Revenue

Turnover is stated net of VAT and trade discounts. Turnover from the sale of goods is recognised when the goods are dispatched to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the value of the consideration due.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 2. Accounting policies (continued)

### 2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant & machinery	-	10% straight line
Motor vehicles & Computer Equipment	-	25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

### 2.5 Research and development

Research and development expenditure is written off as incurred, except development expenditure incurred on an individual project which is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related project.

### 2.6 Operating leases

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

### 2.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is determined on a first-in first-out basis. The cost of work in progress and finished goods comprises materials, direct labour and attributable overheads. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 2. Accounting policies (continued)

### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured at amortised cost using the effective interest method, less any impairment.

### 2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 2.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 Profit and loss account.

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 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 balance sheet 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.

### 2.11 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

For the Year Ended 31 December 2017

## 2. Accounting policies (continued)

### 2.12 Foreign currency translation

#### Functional and presentation currency

The company's functional and presentational currency is GBP.

#### Transactions and balances

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

### 2.13 Pensions

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The assets of the scheme are held separately from those of the company in independently administered funds. The annual contributions payable are charged to the profit and loss account in the period in which they fall due.

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.15 Product warranties

Provision is made for estimated liability costs on products still under warranty, including claims already received, and is included in creditors and accrued charges.



# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 3. Judgements in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant 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. However, the nature of estimation means that actual outcomes could differ from those estimates.

The following estimates had the most significant effect on amounts recognised in the financial statements.

### Taxation

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 19.

### Product warranties

Management estimation is required to determine the expected liability costs on products still under warranty.

### Stock provision

The company provides fully against the costs of stocks which have shown no movement for over 12 months, as in management's judgement these stocks are likely to be of no material value within the foreseeable future.

### Bad debt provision

The recoverability of debt is assessed on a debt by debt basis based on the strength of trading relationships and historical experience with individual debtors.

## 4. Turnover

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	6,963	7,408
Group companies overseas	33	138
Rest of the world	1,944	1,751
	<u>8,940</u>	<u>9,297</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 5. Operating profit

The operating profit is stated after charging:

	2017 £000	2016 £000
Depreciation of tangible fixed assets	92	97
Operating lease rentals - building	150	150
Operating lease rentals - other	28	26
Gain on sale of tangible assets	(1)	(1)
	<u>          </u>	<u>          </u>

## 6. Auditor's remuneration

Fees payable to the company's auditor for the audit of the company's annual financial statements totalled £17k (2016 - 14k).

## 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017 £000	2016 £000
Wages and salaries	1,792	1,714
Social security costs	187	180
Cost of defined contribution scheme	84	88
	<u>2,063</u>	<u>1,982</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2017 No.	2016 No.
Staff	30	29
Operatives	28	34
	<u>58</u>	<u>63</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2017

**8. Directors' remuneration**

	2017 £000	2016 £000
Directors' emoluments	99	97
Company contributions to defined contribution pension schemes	6	5
	<u>105</u>	<u>102</u>

During the year retirement benefits were accruing to 1 director (2016: 1) in respect of defined contribution pension schemes.

**9. Interest payable and similar charges**

	2017 £000	2016 £000
On bank overdraft	<u>10</u>	<u>15</u>

**10. Taxation**

	2017 £000	2016 £000
<b>Corporation tax</b>		
Current tax on profits for the year	4	-
Adjustments in respect of previous periods	2	(2)
	<u>6</u>	<u>(2)</u>
Group taxation relief	-	85
	<u>6</u>	<u>83</u>
<b>Total current tax</b>	<u>6</u>	<u>83</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(7)	(2)
<b>Total deferred tax</b>	<u>(7)</u>	<u>(2)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(1)</u>	<u>81</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 10. Taxation (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is the same as (2016: the same as) the standard rate of corporation tax in the UK of 19.25% (2016: 20%) as set out below:

	2017 £000	2016 £000
(Loss)/profit on ordinary activities before tax	(10)	404
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 -20%)	(2)	81
<b>Effects of:</b>		
Expenses not deductible for tax purposes	1	1
Adjustments to tax charge in respect of prior periods	2	(2)
Tax rate changes	(2)	1
<b>Total tax charge for the year</b>	<b>(1)</b>	<b>81</b>

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 11. Tangible fixed assets

	Plant & machinery £000	Motor vehicles £000	Total £000
<b>Cost or valuation</b>			
At 1 January 2017	1,143	116	1,259
Additions	38	-	38
Disposals	(10)	(16)	(26)
At 31 December 2017	<u>1,171</u>	<u>100</u>	<u>1,271</u>
<b>Depreciation</b>			
At 1 January 2017	862	90	952
Charge for the year	74	18	92
Disposals	(10)	(16)	(26)
At 31 December 2017	<u>926</u>	<u>92</u>	<u>1,018</u>
<b>Net book value</b>			
At 31 December 2017	<u>245</u>	<u>8</u>	<u>253</u>
At 31 December 2016	<u>281</u>	<u>26</u>	<u>307</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 12. Stocks

	2017 £000	2016 £000
Raw materials	614	685
Work in progress	73	83
Finished goods	545	583
	<u>1,232</u>	<u>1,351</u>

Stock recognised in cost of sales during the year as an expense was £5,339,000 (2016: £5,842,000).

An impairment gain of £20,500 (2016: gain of £76,243) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The replacement value of stocks is not materially different to the value of stock reported above.

## 13. Debtors

	2017 £000	2016 £000
Trade debtors	1,563	1,805
Amounts owed by group undertakings	5	37
Prepayments and accrued income	52	45
Deferred taxation	14	7
	<u>1,634</u>	<u>1,894</u>

An impairment loss of £18,135 (2016: loss of £9,121) was recognised against trade debtors.

Amounts owed from group undertakings falling due within one year are trading balances that do not bear interest and are settled on normal commercial terms.

## 14. Cash and cash equivalents

	2017 £000	2016 £000
Cash at bank and in hand	884	113
Less: bank overdrafts	-	(544)
	<u>884</u>	<u>(431)</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 15. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Bank overdrafts	-	544
Trade creditors	813	899
Amounts owed to group undertakings	200	320
Corporation tax	4	-
Taxation and social security	187	197
Other creditors	65	-
Accruals and deferred income	260	222
	<u>1,529</u>	<u>2,182</u>

During 2016, the bank overdraft was secured by a fixed and floating charge over the assets of the company and its fellow United Kingdom group undertakings.

Amounts owed to group undertakings falling due within one year are trading balances that do not bear interest and are settled on normal commercial terms.

## 16. Creditors: Amounts falling due after more than one year

	2017 £000	2016 £000
Amounts owed to ultimate parent undertaking	<u>1,000</u>	<u>-</u>

The amount owed to ultimate parent undertaking is repayable in February 2027. Interest is charged on a quarterly basis based on the prevailing LIBOR rate plus a margin of 0.625%.

## 17. Loans

Analysis of the maturity of loans is given below:

	2017 £000	2016 £000
<b>Amounts falling due over 5 years</b>		
Amounts owed to ultimate parent undertaking (see note 16)	<u>1,000</u>	<u>-</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2017

**18. Financial instruments**

	2017 £000	2016 £000
<b>Financial assets</b>		
Cash and cash equivalents	884	113
Financial assets at amortised cost	1,568	1,842
	<u>2,452</u>	<u>1,955</u>
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	(2,163)	(1,900)

Financial assets measured at amortised cost comprise cash, trade debtors and intercompany debtors.

Financial liabilities measured at amortised cost comprise trade creditors, intercompany creditors, amounts owed to ultimate parent undertaking and trade accruals.

**19. Deferred taxation**

	2017 £000	2016 £000
At beginning of year	7	5
Charged to profit or loss	7	2
<b>At end of year</b>	<u>14</u>	<u>7</u>

The deferred tax asset is made up as follows:

	2017 £000	2016 £000
Fixed asset timing differences	7	5
Tax losses carried forward	7	2
	<u>14</u>	<u>7</u>



# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 20. Reserves

### Share premium account

As at 31 December 2017, the company had a share premium reserve of £1,000 (2016: £1,000).

### Profit & loss account

As at 31 December 2017, the company had net profit and loss reserves of £1,224,000 (2016: £1,233,000).

## 21. Share capital

	2017 £000	2016 £000
Shares classified as equity		
Allotted, called up and fully paid		
249,000 Ordinary shares of £1 each	249	249

## 22. Capital commitments

At 31 December 2017 the company had no capital commitments (2016: £Nil).

## 23. Pension commitments

The company contributes to a group personal pension scheme. The total pension cost for the company was £84,000 (2016: £88,000).

## 24. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
<b>Land and building</b>		
Not later than 1 year	150	150
Later than 1 year and not later than 5 years	359	450
	<u>42</u>	<u>42</u>
<b>Other</b>		
Not later than 1 year	24	28
Later than 1 year and not later than 5 years	18	42
	<u>42</u>	<u>70</u>

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 25. Related party transactions

Total key management personnel compensation is disclosed below:

	2017 £000	2016 £000
Key management personnel compensation	332	341

There are no outstanding amounts due to or from key management personnel at year end (2016: £Nil).

Under the terms of Financial Reporting Standard 102 Section 33 'Related Party Disclosures', the company is exempt from the requirement to disclose transactions with entities that are wholly owned subsidiaries of NIBE Industrier AB.

### 26. Ultimate parent undertaking and controlling party

Throughout the year ended 31 December 2016 and up until 16 February 2017, the immediate holding company was Enertech Group Limited, a company incorporated in England and Wales. On 16 February 2017, NIBE Industrier AB, a group based in Sweden acquired the main parts of the Enertech Group Limited, including Enertech Limited. NIBE Industrier AB is now the ultimate parent undertaking.

The largest and smallest group for which consolidated accounts for the year ended 31 December 2017 are prepared was NIBE Industrier AB.

The ultimate controlling party is NIBE Industrier AB, by virtue of owning 100% shareholding in Enertech Limited.