

Company Registration No. 04183805 (England and Wales)

DSI DRILL TEK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017



DSI DRILL TEK LIMITED

COMPANY INFORMATION

Director	Mr A Fuellberg	(Appointed 26 April 2017)
Secretary	Mr T G F Coton	
Company number	04183805	
Registered office	Dywidag-Systems International Ltd Northfield Road Southam Warwickshire CV47 0FG	
Auditor	Stopford Associates Limited Synergy House 7 Acorn Business Park Commercial Gate Mansfield Nottinghamshire NG18 1EX	
Business address	Systems House Ireland Close Off Fan Road Staveley Derbyshire S43 3PT	

DSI DRILL TEK LIMITED

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DSI DRILL TEK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The director presents his report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company is that of a resin injection specialist.

Results and dividends

The results for the year are set out on page 5.

The company paid no dividends during the year.

Director

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

Mr N H Moses

(Resigned 26 April 2017)

Mr A Fuellberg

(Appointed 26 April 2017)

Auditor

Stopford Associates Limited were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS101 Reduced Disclosure Framework. Under company law the director must not approve the financial statements unless he is 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 director is 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.
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

DSI DRILL TEK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Statement of disclosure to auditor

The director who held office at the date of approval of this director's report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the Board



Mr A. Fuellberg
Director

6 August 2018

DSI DRILL TEK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF DSI DRILL TEK LIMITED

Opinion

We have audited the financial statements of DSI Drill Tek Limited (the 'company') for the year ended 31 December 2017 which comprise the profit and loss account, the balance sheet, the statement of changes in equity 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 Financial Reporting Standard 101 'Reduced Disclosure Framework' (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 profit 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 Auditor's *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.

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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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.

Other information

The director is responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

DSI DRILL TEK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF DSI DRILL TEK LIMITED

Matters on which we are required to report by exception

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 strategic report and the director's report.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director is 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 director either intend to liquidate the 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.

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.

Mr Phillip Nicholson (Senior Statutory Auditor)
for and on behalf of Stopford Associates Limited

6 August 2018

Chartered Accountants
Statutory Auditor

Synergy House
7 Acorn Business Park
Commercial Gate
Mansfield
Nottinghamshire
NG18 1EX

DSI DRILL TEK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	1,379,288	825,545
Cost of sales		(673,381)	(523,958)
Gross profit		705,907	301,587
Administrative expenses		(494,202)	(426,080)
Operating profit/(loss)	4	211,705	(124,493)
Interest receivable and similar income	6	-	32
Interest payable and similar expenses	7	(66)	-
Profit/(loss) before taxation		211,639	(124,461)
Tax on profit/(loss)	8	(40,007)	24,540
Profit/(loss) and total comprehensive income for the financial year	17	171,632	(99,921)

The profit and loss account has been prepared on the basis that all operations are continuing operations.

DSI DRILL TEK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017


	Notes	2017 £	2016 £
Fixed assets			
Tangible fixed assets	9	103,760	107,600
Current assets			
Stocks	10	180,563	118,346
Debtors	11	381,863	285,360
Current tax recoverable		21,433	21,433
Cash at bank and in hand		55,631	1,345
		639,490	426,484
Creditors: amounts falling due within one year			
Loans and overdrafts	12	3	47,131
Creditors	13	100,736	118,481
Taxation and social security		108,889	20,013
Obligations under finance leases	14	2,542	-
		212,170	185,625
Net current assets		427,320	240,859
Total assets less current liabilities		531,080	348,459
Creditors: amounts falling due after more than one year			
Obligations under finance leases	14	11,428	-
Provisions for liabilities			
Deferred tax liabilities	15	14,968	15,407
Net assets		504,684	333,052
Capital and reserves			
Called up share capital	16	4	4
Profit and loss reserves	17	504,680	333,048
Total equity		504,684	333,052

DSI DRILL TEK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 6 August 2018 and are signed on its behalf by:



Mr A Fuellberg
Director

Company Registration No. 04183805

DSI DRILL TEK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital £	Retained earnings £	Total £
Balance at 1 January 2016	4	432,967	432,971
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2016:			
Loss and total comprehensive income for the year	-	(99,921)	(99,921)
Other comprehensive income:		2	2
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	4	333,048	333,052
	<hr/>	<hr/>	<hr/>
Year ended 31 December 2017:			
Profit and total comprehensive income for the year	-	171,632	171,632
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2017	4	504,680	504,684
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

DSI Drill Tek Limited is a private company limited by shares incorporated in England and Wales. The registered office is Dywidag-Systems International Ltd, Northfield Road, Southam, Warwickshire, CV47 0FG.

1.1 Accounting convention

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The amendments to FRS 101 (2015/16 Cycle) issued in July 2016 and effectively immediately have been applied.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRS's"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company's parent undertaking, Tension II AcquiCo S.a.r.l, includes the Company in its consolidated financial statements. The consolidated financial statements of Tension II AcquiCo S.a.r.l are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from 26b Boulevard Royal, L-2449 Luxembourg.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for tangible fixed assets;
- Disclosure in respect of capital management;
- The effects of new but not yet effective IFRS's;
- An additional balance sheet for the beginning of the earliest comparative period following the retrospective change in accounting policy; and
- Disclosure in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of Tension II AcquiCo S.a.r.l include the relevant disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- The disclosures required by IFRS 7 and IFRS 13 regarding financial instrument disclosures have not been provided apart from those which are relevant for the financial instruments which are held at fair value and are not either held as part of a trading portfolio or derivatives.

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

The financial statements are prepared in sterling, which is the functional currency of the 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.

1.2 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer. Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

1.4 Tangible fixed assets

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

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

Fixtures, fittings & equipment	33% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance

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 recognised in the profit and loss account.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

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.

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The company is exempt under FRS 101 from the disclosure requirements of IFRS 13. There was no impact on the company from the adoption of IFRS 13.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial assets

Financial assets are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

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

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.11 Equity instruments

Equity instruments issued by the company are recorded at 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 company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Tax on profit for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rate enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

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 company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less 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 lease asset are consumed.

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.16 Dividends on shares presented within shareholders funds

Dividends are only recognised as a liability at that date to the extent that they are declared prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Depreciation: The director reviews depreciation rates and useful economic lives of the tangible fixed assets on an annual basis to ensure the effects of usage, wear and tear or technical obsolescence are reflected in the carrying value of the asset.

Impairment: The director reviews fixed assets for indications of impairment in conjunction with review of depreciation above. The company has policies in place to review assets on an ongoing basis.

Stock obsolescence: The director reviews stock held on an ongoing basis to assess both its condition and suitability for operation. The company has a policy of providing for stock which is slow moving.

3 Turnover

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

	2017 £	2016 £
Turnover analysed by class of business		
Resin injection works	1,379,288	825,545

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

3 Turnover

(Continued)

	2017 £	2016 £
Other significant revenue		
Interest income	-	32

	2017 £	2016 £
Turnover analysed by geographical market		
UK	839,767	500,389
Other	539,521	325,156
	<u>1,379,288</u>	<u>825,545</u>

4 Operating profit/(loss)

	2017 £	2016 £
Operating profit/(loss) for the year is stated after charging/(crediting):		
Exchange losses	15,080	14,445
Fees payable to the company's auditor for the audit of the company's financial statements	5,000	7,780
Depreciation of property, plant and equipment	23,366	27,718
Cost of inventories recognised as an expense	609,264	413,599

5 Employees

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

	2017 Number	2016 Number
Direct and administration	5	6

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	<u>345,114</u>	<u>347,106</u>

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Other interest income	-	32
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on finance leases and hire purchase contracts	66	-
	<u> </u>	<u> </u>

8 Income tax expense

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	40,446	(21,433)
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of temporary differences	(439)	(3,107)
	<u> </u>	<u> </u>
Total tax charge/(credit)	<u>40,007</u>	<u>(24,540)</u>

The charge for the year can be reconciled to the profit/(loss) per the profit and loss account as follows:

	2017 £	2016 £
Profit/(loss) before taxation	211,639	(124,461)
	<u> </u>	<u> </u>
Expected tax charge/(credit) based on a corporation tax rate of 19.36%	40,969	(24,892)
Effect of expenses not deductible in determining taxable profit	-	352
Income not taxable	(962)	-
	<u> </u>	<u> </u>
Taxation charge/(credit) for the year	<u>40,007</u>	<u>(24,540)</u>

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Tangible fixed assets

	Fixtures, fittings & equipment £	Plant and machinery £	Motor vehicles £	Total £
Cost				
At 31 December 2016	28,914	277,709	31,765	338,388
Additions	1,210	3,100	15,215	19,525
Disposals	(600)	-	-	(600)
At 31 December 2017	29,524	280,809	46,980	357,313
Accumulated depreciation and impairment				
At 31 December 2016	28,437	178,147	24,203	230,788
Charge for the year	514	20,328	2,524	23,366
Eliminated on disposal	(600)	-	-	(600)
At 31 December 2017	28,351	198,475	26,727	253,553
Carrying amount				
At 31 December 2017	1,173	82,334	20,253	103,760
At 31 December 2016	476	99,562	7,562	107,600

10 Stocks

	2017 £	2016 £
Finished goods	180,563	118,346
	180,563	118,346

11 Debtors

	2017 £	2016 £
Trade debtors	127,869	4,758
Other receivables	9,080	9,080
Amount due from parent undertaking	50,000	110,000
Amounts due from subsidiary undertakings	192,014	158,850
Prepayments	2,900	2,672
	381,863	285,360

12 Loans and overdrafts

	2017 £	2016 £
Unsecured borrowings at amortised cost		
Bank overdrafts	3	47,131

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

12 Loans and overdrafts

(Continued)

Analysis of loans and overdrafts

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2017 £	2016 £
Due within one year liabilities	3	47,131

13 Creditors

Due within one year

	2017 £	2016 £
Trade creditors	27,104	43,471
Amount due to parent undertaking	65,064	62,455
Accruals	8,568	13,035
Other creditors	-	(480)
	100,736	118,481

14 Finance lease obligations

Present value

	2017 £	2016 £
Amounts payable under finance leases:		
Within one year	2,542	-

Analysis of finance leases

Finance lease obligations are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2017 £	2016 £
Current liabilities	2,542	-
Non-current liabilities	11,428	-
	13,970	-

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Deferred tax liability at 1 January 2016	18,514
Deferred tax movements in prior year	
Credit to profit or loss	(3,107)
Deferred tax liability at 1 January 2017	15,407
Deferred tax movements in current year	
Credit to profit or loss	(439)
Deferred tax liability at 31 December 2017	14,968

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	2017 £	2016 £
Deferred tax liabilities	14,968	15,407
16 Share capital	2017	2016
	£	£
Ordinary share capital		
<i>Authorised</i>		
100,000 Ordinary of 1p each	1,000	1,000
<i>Issued and fully paid</i>		
400 Ordinary of 1p each	4	4
	4	4

DSI DRILL TEK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

17 Profit and loss reserves

	2017 £	2016 £
At the beginning of the year	333,048	432,969
Profit/(loss) for the year	171,632	(99,921)
At the end of the year	<u>504,680</u>	<u>333,048</u>

18 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2017 £	2016 £
Minimum lease payments under operating leases	<u>17,000</u>	<u>15,000</u>

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

	2017 £	2016 £
Within one year	<u>4,250</u>	<u>4,250</u>
	<u>4,250</u>	<u>4,250</u>

19 Controlling party

The immediate holding company is Dywidag Systems Holdings UK Limited, a company incorporated and registered in England.

The ultimate parent company and also the ultimate controlling party is Triton Fund III L.P., which holds an investment in the DSI Group as part of its portfolio of investments through its ownership of Tension II AcquiCo S.a.r.l., a company registered at 26 Boulevard Royal, L-2449, Luxembourg. Tension II AcquiCo S.a.r.l. is the parent company of the smallest and largest group to consolidate these financial statements.

DSI DRILL TEK LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017		2016
	£	£	£	£
Turnover				
Sales		1,379,288		825,545
Cost of sales				
Opening stock of finished goods	118,347		155,839	
Purchases	650,753		375,036	
Tool hire	20,727		1,071	
Closing stock of finished goods	(180,563)		(118,347)	
Wages and salaries	53,650		99,119	
Commissions payable	10,467		11,240	
		<u>(673,381)</u>		<u>(523,958)</u>
Gross profit	51.18%	705,907	36.53%	301,587
Administrative expenses		<u>(494,202)</u>		<u>(426,080)</u>
Operating profit/(loss)		211,705		(124,493)
Investment revenues				
Interest payable and similar expenses				
Hire purchase interest payable		(66)		-
Profit/(loss) before taxation	15.34%	<u><u>211,639</u></u>	15.08%	<u><u>(124,461)</u></u>

DSI DRILL TEK LIMITED

SCHEDULE OF ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Administrative expenses		
Wages and salaries	291,464	247,987
Staff training	-	1,997
Management charge	32,215	17,563
Rent	17,000	15,000
Rates	8,394	7,894
Light and heat	2,996	3,831
Repairs and maintenance	4,111	10,735
Insurance	6,469	7,183
Protective clothing	2,870	1,553
Computer running costs	5,426	4,585
Hire of equipment	4,257	4,106
Motor running expenses	16,108	15,890
Travelling expenses	47,619	37,780
Legal and professional fees	4,025	1,066
Accountancy	1,395	4,200
Audit fees	5,000	7,780
Bank charges	1,625	1,701
Bad and doubtful debts	-	(16,687)
Printing and stationery	920	1,499
Advertising	441	1,945
Telecommunications	3,175	5,827
Entertaining	246	482
Depreciation	23,366	27,718
Profit or loss on foreign exchange	15,080	14,445
	<hr/>	<hr/>
	494,202	426,080
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