

**ELTHERM UK LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

**ELTHERM UK LIMITED**

**COMPANY INFORMATION**

**Directors**

F Von Der Heyden  
D J Snoxhill  
A Neff  
P Stone (appointed 1 January 2018)

**Registered number**

01361204

**Registered office**

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

**Trading Address**

1 Woolton Hill Business Centre  
Trade Street  
Woolton Hill  
Newbury  
Berkshire  
RG20 9UJ

**Independent auditors**

James Cowper Kreston  
Chartered Accountants and Statutory Auditor  
Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

# ELTHERM UK LIMITED

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## **ELTHERM UK LIMITED**

### **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.

#### **Directors**

The directors who served during the year were:

F Von Der Heyden  
D J Snoxhill  
A Neff  
P Stone (appointed 1 January 2018)

#### **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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

#### **Future developments**

Eltherm UK Limited is continuing to grow the business organically and is strengthening its small team. During the year the company continued to invest in its salesforce and as a result the order book in 2017 was strong so improved profitability is forecast in 2018.

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**ELTHERM UK LIMITED**

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

The auditors, James Cowper Kreston, will be proposed for reappointment in accordance with section 489 of the Companies Act 2006.

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

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**P Stone**

Director

Date: 19 January 2018

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ELTHERM UK LIMITED**

**Opinion**

We have audited the financial statements of Eltherm UK 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 Cash Flows, 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).

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 Auditors' 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.

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 United Kingdom, including the Financial Reporting Council'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 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 directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' 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,

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ELTHERM UK LIMITED (CONTINUED)**

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.

**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 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, 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.

**Responsibilities of directors**

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF ELTHERM UK LIMITED (CONTINUED)

**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 Auditors' 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). This description forms part of our Auditors' Report.

Michael Farwell MA FCA DChA (Senior Statutory Auditor)

for and on behalf of

**James Cowper Kreston**

Chartered Accountants and Statutory Auditor

Mill House  
Overbridge Square  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5UX

19 January 2018



ELTHERM UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	925,152	787,427
Cost of sales		(640,748)	(504,398)
<b>Gross profit</b>		<b>284,404</b>	<b>283,029</b>
Administrative expenses		(296,461)	(299,358)
<b>Operating loss</b>		<b>(12,057)</b>	<b>(16,329)</b>
Interest receivable and similar income	8	1,407	4,163
<b>Loss before tax</b>		<b>(10,650)</b>	<b>(12,166)</b>
Corporation tax		2,265	1,584
<b>Loss for the financial year</b>		<b>(8,385)</b>	<b>(10,582)</b>

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

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

The notes on pages 10 to 22 form part of these financial statements.

**ELTHERM UK LIMITED**  
**REGISTERED NUMBER: 01361204**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2017**

	<b>Note</b>	<b>2017</b> <b>£</b>	<b>2016</b> <b>£</b>
<b>Fixed assets</b>			
Tangible assets	11	<b>4,134</b>	5,242
		<b>4,134</b>	5,242
<b>Current assets</b>			
Stocks	12	<b>36,160</b>	55,291
Debtors: amounts falling due within one year	13	<b>230,812</b>	353,767
Cash at bank and in hand	14	<b>136,317</b>	100,803
		<b>403,289</b>	509,861
Creditors: amounts falling due within one year	15	<b>(252,925)</b>	(152,220)
<b>Net current assets</b>		<b>150,364</b>	357,641
<b>Total assets less current liabilities</b>		<b>154,498</b>	362,883
<b>Net assets</b>		<b>154,498</b>	362,883
<b>Capital and reserves</b>			
Called up share capital	18	<b>100,000</b>	100,000
Profit and loss account	19	<b>54,498</b>	262,883
		<b>154,498</b>	362,883

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 January 2018.

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**P Stone**

Director

The notes on pages 10 to 22 form part of these financial statements.

ELTHERM UK LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	100,000	262,883	362,883
<b>Comprehensive income for the year</b>			
Loss for the year	-	(8,385)	(8,385)
Dividends: Equity capital	-	(200,000)	(200,000)
<b>At 31 December 2017</b>	<b>100,000</b>	<b>54,498</b>	<b>154,498</b>

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	100,000	273,465	373,465
<b>Comprehensive income for the year</b>			
Loss for the year	-	(10,582)	(10,582)
<b>At 31 December 2016</b>	<b>100,000</b>	<b>262,883</b>	<b>362,883</b>

The notes on pages 10 to 22 form part of these financial statements.

ELTHERM UK LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	(8,385)	(10,582)
<b>Adjustments for:</b>		
Depreciation of tangible assets	2,102	2,639
Loss on disposal of tangible assets	-	931
Interest received	(1,407)	(4,163)
Taxation charge	(2,265)	(1,584)
Decrease in stocks	19,132	25,618
(Increase)/decrease in debtors	(76,731)	2,166
Decrease/(increase) in amounts owed by group undertakings	201,951	(204,163)
Increase/(decrease) in creditors	33,173	(13,031)
Increase in amounts owed to group undertakings	67,532	16,152
Increase/(decrease) in provisions	-	(636)
Corporation tax received/(paid)	-	(740)
<b>Net cash generated from operating activities</b>	<b>235,102</b>	<b>(187,393)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(995)	(2,644)
Interest received	1,407	4,163
<b>Net cash from investing activities</b>	<b>412</b>	<b>1,519</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(200,000)	-
<b>Net cash used in financing activities</b>	<b>(200,000)</b>	<b>-</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>35,514</b>	<b>(185,874)</b>
Cash and cash equivalents at beginning of year	100,803	286,677
<b>Cash and cash equivalents at the end of year</b>	<b>136,317</b>	<b>100,803</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	136,317	100,803
	<b>136,317</b>	<b>100,803</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. General information**

Eltherm UK Limited is a private company limited by shares, incorporated in England and Wales. The registered office of the company is Mill House, Overbridge Square, Hambridge Lane, Newbury, Berkshire RG14 5UX.

The principal activity of the Company is the distribution of electrical heat tracing systems.

**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 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 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.3 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.3 Tangible fixed assets (continued)**

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 and machinery	-	15%	Straight line
Fixtures and fittings	-	15%	Straight line
Office equipment	-	15%	Straight line
Computer equipment	-	33%	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.

**2.4 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.5 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.6 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

**2.7 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 debtors and creditors, 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 Statement of Comprehensive Income.

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.7 Financial instruments (continued)**

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 of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position 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.

**2.8 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.

**2.9 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP. All amounts are shown to the nearest pound.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

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'.

**2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

**2. Accounting policies (continued)**

**2.11 Operating leases: the Company as lessee**

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

**2.12 Pensions**

**Defined contribution pension plan**

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 payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

**2.13 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**2.14 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**2. Accounting policies (continued)**

**2.15 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.

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

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

Tangible fixed assets (see note 11)

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Taxation (see note 9)

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. 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 8.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sales	925,152	787,427
	<u>925,152</u>	<u>787,427</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	903,141	774,688
Rest of Europe	22,011	12,739
	<u>925,152</u>	<u>787,427</u>

**5. Operating loss**

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	2,103	2,638
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	4,750	4,610
Exchange differences	5,852	14,008
Defined contribution pension cost	<u>5,660</u>	<u>5,637</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

6. Employees

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

	2017 £	2016 £
Wages and salaries	167,033	170,716
Social security costs	17,871	14,508
Cost of defined contribution scheme	5,660	5,637
	<u>190,564</u>	<u>190,861</u>

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

	2017 No.	2016 No.
Management	1	1
Operations	5	5
	<u>6</u>	<u>6</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	31,681	31,131
	<u>31,681</u>	<u>31,131</u>

8. Interest receivable

	2017 £	2016 £
Other interest receivable	1,407	4,163
	<u>1,407</u>	<u>4,163</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**9. Taxation**

	2017 £	2016 £
<b>Corporation tax</b>		
Tax due in respect of prior periods	(700)	-
	<u>(700)</u>	<u>-</u>
	<u>(700)</u>	<u>-</u>
<b>Total current tax</b>	<u>(700)</u>	<u>-</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(1,565)	(1,584)
	<u>(1,565)</u>	<u>(1,584)</u>
<b>Total deferred tax</b>	<u>(1,565)</u>	<u>(1,584)</u>
	<u>(2,265)</u>	<u>(1,584)</u>
<b>Taxation on loss on ordinary activities</b>	<u>(2,265)</u>	<u>(1,584)</u>

**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 £	2016 £
Loss on ordinary activities before tax	<u>(10,650)</u>	<u>(12,166)</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(1,938)	-
<b>Effects of:</b>		
Expenses not deductible for tax purposes	157	-
Capital allowances for year in excess of depreciation	-	(342)
Adjustments to tax charge in respect of prior periods	(700)	-
Unrelieved tax losses carried forward	-	(1,242)
Other differences leading to an increase (decrease) in the tax charge	208	-
Adjustments to tax charge in respect of previous periods - deferred tax	8	-
	<u>(2,265)</u>	<u>(1,584)</u>
<b>Total tax charge for the year</b>	<u>(2,265)</u>	<u>(1,584)</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**10. Dividends**

	2017 £	2016 £
Dividends paid in the year	200,000	-
	<u>200,000</u>	<u>-</u>

**11. Tangible fixed assets**

	Plant and machinery £	Fixtures and fittings £	Office equipment £	Computer equipment £	Total £
<b>Cost or valuation</b>					
At 1 January 2017	4,540	1,328	5,559	13,606	25,033
Additions	-	-	-	995	995
	<u>4,540</u>	<u>1,328</u>	<u>5,559</u>	<u>14,601</u>	<u>26,028</u>
At 31 December 2017	4,540	1,328	5,559	14,601	26,028
<b>Depreciation</b>					
At 1 January 2017	4,383	930	2,058	12,420	19,791
Charge for the year on owned assets	157	398	834	714	2,103
	<u>4,540</u>	<u>1,328</u>	<u>2,892</u>	<u>13,134</u>	<u>21,894</u>
At 31 December 2017	4,540	1,328	2,892	13,134	21,894
<b>Net book value</b>					
At 31 December 2017	<u>-</u>	<u>-</u>	<u>2,667</u>	<u>1,467</u>	<u>4,134</u>
<b>At 31 December 2016</b>	<u>157</u>	<u>398</u>	<u>3,501</u>	<u>1,186</u>	<u>5,242</u>

**12. Stocks**

	2017 £	2016 £
Finished goods and goods for resale	36,160	55,291
	<u>36,160</u>	<u>55,291</u>

Inventory recognised in cost of sales during the year as an expense was £585,915 (2016: £437,718).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017

13. Debtors

	2017 £	2016 £
Trade debtors	220,299	142,873
Amounts owed by group undertakings	2,212	204,163
Other debtors	738	134
Prepayments and accrued income	5,647	6,246
Deferred taxation	1,916	351
	<u>230,812</u>	<u>353,767</u>

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>136,317</u>	<u>100,803</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	10,393	3,071
Amounts owed to group undertakings	163,215	95,683
Other taxation and social security	52,960	35,034
Other creditors	15,976	9,312
Accruals and deferred income	10,381	9,120
	<u>252,925</u>	<u>152,220</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**16. Financial instruments**

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	136,317	100,803
Financial assets that are debt instruments measured at amortised cost	<u>223,249</u>	<u>347,170</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(199,965)</u>	<u>(117,186)</u>

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade and other receivables, and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade and other payables, accruals and amounts due to group undertakings.

**17. Deferred taxation**

	2017 £	2016 £
At beginning of year	351	(1,233)
Charged to profit or loss	1,565	1,584
<b>At end of year</b>	<u>1,916</u>	<u>351</u>

The deferred tax asset is made up as follows:

	2017 £	2016 £
<b>Provision for deferred tax</b>		
Accelerated capital allowances	(703)	(891)
Tax losses carried forward and other deductions	2,619	1,242
	<u>1,916</u>	<u>351</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**18. Share capital**

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
75,000 A Ordinary shares of £1 each	75,000	75,000
25,000 B Ordinary shares of £1 each	25,000	25,000
	<hr/>	<hr/>
	<b>100,000</b>	<b>100,000</b>
	<hr/>	<hr/>

**19. Reserves****Profit and loss account**

The profit and loss account represents the cumulative profit available for distribution to shareholders.

**20. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £5,660 (2016: £5,637).

**21. Commitments under operating leases**

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

	2017 £	2016 £
Not later than 1 year	19,577	8,303
Later than 1 year and not later than 5 years	6,343	4,242
	<hr/>	<hr/>
	<b>25,920</b>	<b>12,545</b>
	<hr/>	<hr/>

**22. Related party transactions**

The company is exempt from disclosing related party transactions with other 100% owned members of the group headed by Indus Holdings AG by virtue of FRS102 section 33.11.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**23. Controlling party**

The ultimate parent company at the balance sheet date is Indus Holdings AG, a company incorporated in Germany.

The parent of both the smallest and largest groups for which group accounts, including Eltherm UK Limited are drawn up by Indus Holding AG.

Copies of the group accounts can be obtained from:

Indus Holding AG

Kolner Strasse 32

D-51403 Bergisch Gladbach

Germany

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