

**Unaudited Financial Statements for the Year Ended 28 February 2022**

**for**

**Denchi Group Limited**

Reid & Fraser  
Chartered Accountants  
15 Princes Street  
Thurso  
Caithness  
KW14 7BQ

**Denchi Group Limited (Registered number: 08676692)**

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for the Year Ended 28 February 2022**

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**Denchi Group Limited**

**Company Information  
for the Year Ended 28 February 2022**

**DIRECTORS:**

D Campbell  
N Russel

**REGISTERED OFFICE:**

Taylor Vinters LLP  
Merlin Place  
Milton Road  
Cambridge  
CB4 0DP

**REGISTERED NUMBER:**

08676692 (England and Wales)

**ACCOUNTANTS:**

Reid & Fraser  
Chartered Accountants  
15 Princes Street  
Thurso  
Caithness  
KW14 7BQ

**Denchi Group Limited (Registered number: 08676692)**

**Balance Sheet**  
**28 February 2022**

	Notes	2022 £	2021 £
<b>FIXED ASSETS</b>			
Intangible assets	4	92,675	27,380
Tangible assets	5	<u>169,341</u>	<u>212,377</u>
		<u>262,016</u>	<u>239,757</u>
<b>CURRENT ASSETS</b>			
Stocks	6	1,557,942	1,626,870
Debtors	7	2,139,037	1,502,404
Cash at bank and in hand		<u>173,209</u>	<u>767,698</u>
		<u>3,870,188</u>	<u>3,896,972</u>
<b>CREDITORS</b>			
Amounts falling due within one year	8	<u>(2,692,782)</u>	<u>(2,092,703)</u>
<b>NET CURRENT ASSETS</b>		<u>1,177,406</u>	<u>1,804,269</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>1,439,422</b>	<b>2,044,026</b>
<b>CREDITORS</b>			
Amounts falling due after more than one year	9	(449,106)	(48,984)
<b>PROVISIONS FOR LIABILITIES</b>	11	-	(10,018)
<b>NET ASSETS</b>		<u>990,316</u>	<u>1,985,024</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital		200	200
Retained earnings		<u>990,116</u>	<u>1,984,824</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>990,316</u>	<u>1,985,024</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 28 February 2022.

The members have not required the company to obtain an audit of its financial statements for the year ended 28 February 2022 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

**Denchi Group Limited (Registered number: 08676692)**

**Balance Sheet - continued**  
**28 February 2022**

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

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

The financial statements were approved by the Board of Directors and authorised for issue on 28 November 2022 and were signed on its behalf by:

D Campbell - Director

The notes form part of these financial statements

**Notes to the Financial Statements  
for the Year Ended 28 February 2022**

**1. STATUTORY INFORMATION**

Denchi Group Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the [Company Information page](#).

**2. ACCOUNTING POLICIES**

**BASIS OF PREPARING THE FINANCIAL STATEMENTS**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are presented in sterling (£).

**TURNOVER**

Turnover represents net invoiced sales of goods and services, excluding value added tax. Turnover from contracts is recognised in accordance with the company's accounting policy on contracts.

**LICENCES**

Licences are originally recorded at cost and are amortised on a straight line basis over their estimated useful lives of three years.

**TANGIBLE FIXED ASSETS**

Tangible fixed assets are originally recorded at cost. Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Plant and machinery	20% straight line
Computer equipment	33% straight line

**STOCKS**

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 items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022**

**2. ACCOUNTING POLICIES - continued**

**FINANCIAL INSTRUMENTS**

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

**Classification of financial liabilities**

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

**Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from its suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective rate method.

**TAXATION**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**DEFERRED TAX**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022**

**2. ACCOUNTING POLICIES - continued**

**RESEARCH AND DEVELOPMENT**

Expenditure on research and development is written off in the year in which it is incurred.

**HIRE PURCHASE AND LEASING COMMITMENTS**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**LONG TERM CONTRACTS**

Profit on long term contracts is taken as the work is carried out if the final outcome can be assessed with reasonable certainty. The profit included is calculated on a prudent basis to reflect the proportion of the work carried out at the year end, by recording turnover and related costs as contract activity progresses. Full provision is made for losses on all contracts in the year in which they are first foreseen.

**FOREIGN CURRENCY TRANSACTIONS**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**GOVERNMENT GRANTS**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to profit over the expected useful lives of the relevant assets by annual instalments.

Government grants of a revenue nature are credited to income so as to match them with the expenditure to which they relate.

**3. EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 63 (2021 - 56) .

Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022

4. INTANGIBLE FIXED ASSETS

	Licences £
<b>COST</b>	
At 1 March 2021	39,274
Additions	<u>77,636</u>
At 28 February 2022	<u>116,910</u>
<b>AMORTISATION</b>	
At 1 March 2021	11,894
Amortisation for year	<u>12,341</u>
At 28 February 2022	<u>24,235</u>
<b>NET BOOK VALUE</b>	
At 28 February 2022	<u>92,675</u>
At 28 February 2021	<u>27,380</u>

5. TANGIBLE FIXED ASSETS

	Short leasehold £	Plant and machinery £	Totals £
<b>COST</b>			
At 1 March 2021	39,593	881,945	921,538
Additions	<u>1,480</u>	<u>38,926</u>	<u>40,406</u>
At 28 February 2022	<u>41,073</u>	<u>920,871</u>	<u>961,944</u>
<b>DEPRECIATION</b>			
At 1 March 2021	3,797	705,364	709,161
Charge for year	<u>8,215</u>	<u>75,227</u>	<u>83,442</u>
At 28 February 2022	<u>12,012</u>	<u>780,591</u>	<u>792,603</u>
<b>NET BOOK VALUE</b>			
At 28 February 2022	<u>29,061</u>	<u>140,280</u>	<u>169,341</u>
At 28 February 2021	<u>35,796</u>	<u>176,581</u>	<u>212,377</u>

Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022

5. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

		<b>Plant and machinery £</b>
<b>COST</b>		
At 1 March 2021 and 28 February 2022		<u>86,562</u>
<b>DEPRECIATION</b>		
At 1 March 2021		19,670
Charge for year		<u>20,971</u>
At 28 February 2022		<u>40,641</u>
<b>NET BOOK VALUE</b>		
At 28 February 2022		<u>45,921</u>
At 28 February 2021		<u>66,892</u>
6. <b>STOCKS</b>		
	<b>2022</b>	<b>2021</b>
	£	£
Stocks	1,351,195	1,273,079
Work-in-progress	<u>206,747</u>	<u>353,791</u>
	<u>1,557,942</u>	<u>1,626,870</u>
7. <b>DEBTORS</b>		
	<b>2022</b>	<b>2021</b>
	£	£
Amounts falling due within one year:		
Trade debtors	1,561,422	1,034,939
Other debtors	-	2,341
Corporation tax	122,917	123,940
Deferred tax asset	330,032	-
Prepayments and accrued income	<u>41,035</u>	<u>257,553</u>
	<u>2,055,406</u>	<u>1,418,773</u>
Amounts falling due after more than one year:		
Corporation tax	<u>83,631</u>	<u>83,631</u>
Aggregate amounts	<u>2,139,037</u>	<u>1,502,404</u>

Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022	2021
	£	£
Bank loans and overdrafts	156,158	13,027
Other loans	15,002	14,714
Hire purchase contracts	9,538	8,469
Trade creditors	762,487	482,942
Social security and other taxes	199,557	282,183
Other creditors	58,844	104,689
Accruals and deferred income	1,466,517	1,183,914
Deferred government grants	24,679	2,765
	<u>2,692,782</u>	<u>2,092,703</u>

Other creditors include £8,703 (2021 - £8,705) in respect of outstanding pension contributions.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022	2021
	£	£
Bank loans - 1-2 years	100,000	-
Bank loans - 2-5 years	300,000	-
Bank loans over 5 years	25,000	-
Other loans - 1-2 years	16,411	15,002
Other loans - 2-5 years	3,564	18,787
Other loans over 5 years	297	1,485
Hire purchase contracts	3,439	12,977
Deferred government grants	395	733
	<u>449,106</u>	<u>48,984</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans over 5 years	25,000	-
Other loans over 5 years	297	1,485
	<u>25,297</u>	<u>1,485</u>

10. SECURED DEBTS

The following secured debts are included within creditors:

	2022	2021
	£	£
Bank overdrafts	81,158	13,027
Other loans	35,274	49,988
	<u>116,432</u>	<u>63,015</u>

Notes to the Financial Statements - continued  
for the Year Ended 28 February 2022

11. PROVISIONS FOR LIABILITIES

	2021
	£
Deferred tax	
Accelerated capital allowances	33,923
Tax losses carried forward	(4,287)
Other timing differences	<u>(19,618)</u>
	<u>10,018</u>
	<b>Deferred</b>
	<b>tax</b>
	£
Balance at 1 March 2021	10,018
Accelerated capital allowances	(6,707)
Short term differences	8,904
Loss relief carried forward	<u>(342,247)</u>
Balance at 28 February 2022	<u><u>(330,032)</u></u>

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.