

D.J.H. (GROUP) LIMITED

UNAUDITED  
FINANCIAL STATEMENTS

31 OCTOBER 2018



**ArmstrongWatson®**

Accountants, Business & Financial Advisers



**D.J.H. (GROUP) LIMITED**  
**REGISTERED NUMBER: 01613687**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 OCTOBER 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	5	3,363	43,739
Tangible assets	6	93,443	112,827
Investments	7	2	2
		<u>96,808</u>	<u>156,568</u>
<b>Current assets</b>			
Stocks	8	498,919	588,147
Debtors: amounts falling due within one year	9	1,036,730	1,085,549
Cash at bank and in hand		32	5
		<u>1,535,681</u>	<u>1,673,701</u>
Creditors: amounts falling due within one year	10	(509,511)	(630,086)
<b>Net current assets</b>		<u>1,026,170</u>	<u>1,043,615</u>
<b>Total assets less current liabilities</b>		<u>1,122,978</u>	<u>1,200,183</u>
Creditors: amounts falling due after more than one year	11	(132,147)	(194,731)
<b>Provisions for liabilities</b>			
Other provisions			(2,598)
			<u>(2,598)</u>
<b>Net assets</b>		<u>990,831</u>	<u>1,002,854</u>
<b>Capital and reserves</b>			
Called up share capital		114,870	114,870
Share premium account	13	15,000	15,000
Profit and loss account	13	860,961	872,984
		<u>990,831</u>	<u>1,002,854</u>



**D.J.H. (GROUP) LIMITED**  
**REGISTERED NUMBER: 01613687**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 OCTOBER 2018**

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

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



**N F H Corner**  
Director

Date: 5 February 2019

The notes on pages 3 to 12 form part of these financial statements.



## **D.J.H. (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**

#### **1. General information**

The company is a limited liability company incorporated and domiciled in the United Kingdom. The company is tax resident in the United Kingdom. It trades from its registered office address at Project House, Consett Business Park, Villa Real, Consett, County Durham, DH8 6BP.

The principal activity of the company is the manufacture of interior cabinet and door furniture, high quality locomotive kits, figurines, corporate giftware and collector gifts.

These financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates.

#### **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 judgment 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.



## **D.J.H. (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**

#### **2. Accounting policies (continued)**

##### **2.3 Intangible assets**

###### **Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of income and retained earnings over its useful economic life.

###### **Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	% 20% straight line
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##### **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 and machinery	-	20% - 33.3% straight line
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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 income and retained earnings.

##### **2.5 Operating leases: the Company as lessee**

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



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

**2. Accounting policies (continued)**

**2.6 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of income and retained earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

**2.7 Finance costs**

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.8 Borrowing costs**

All borrowing costs are recognised in the Statement of income and retained earnings in the year in which they are incurred.

**2.9 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.10 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 weighted average 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.

**2.11 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.

**2.12 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.

**2.13 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 OCTOBER 2018**

**2. Accounting policies (continued)**

**2.14 Financial instruments**

The Company only enters into basic financial instrument 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.

**2.15 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**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 income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

**2.16 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 income and retained earnings 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.



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

**2. Accounting policies (continued)**

**2.17 Taxation**

Tax is recognised in the Statement of income and retained earnings, 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 these financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses.

Judgements and estimates are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

There are no key sources of estimation uncertainty in applying accounting policies in the financial statements.

**4. Employees**

The average monthly number of employees, including directors, during the year was 37 (2017 - 34).



**D.J.H. (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

**5. Intangible assets**

	<b>Goodwill £</b>
<b>Cost</b>	
At 1 November 2017	691,697
At 31 October 2018	<u>691,697</u>
<b>Amortisation</b>	
At 1 November 2017	647,958
Charge for the year	40,376
At 31 October 2018	<u>688,334</u>
<b>Net book value</b>	
At 31 October 2018	<u>3,363</u>
At 31 October 2017	<u>43,739</u>

**6. Tangible fixed assets**

	<b>Plant and machinery £</b>
<b>Cost or valuation</b>	
At 1 November 2017	1,468,029
Additions	33,345
At 31 October 2018	<u>1,501,374</u>
<b>Depreciation</b>	
At 1 November 2017	1,355,202
Charge for the year on owned assets	52,729
At 31 October 2018	<u>1,407,931</u>
<b>Net book value</b>	
At 31 October 2018	<u>93,443</u>
At 31 October 2017	<u>112,827</u>



# D.J.H. (GROUP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

### 7. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 November 2017	2
At 31 October 2018	<u>2</u>
<b>Net book value</b>	
At 31 October 2018	<u>2</u>
At 31 October 2017	<u>2</u>

### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
D.J.H Engineering Limited	United Kingdom	Ordinary	100 %	Dormant company

The aggregate of the share capital and reserves as at 31 October 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £
D.J.H Engineering Limited	2
	<u>2</u>

### 8. Stocks

	2018 £	2017 £
Raw materials	302,528	423,726
Work in progress	15,127	20,722
Finished goods and goods for resale	181,264	143,699
	<u>498,919</u>	<u>588,147</u>



**D.J.H. (GROUP) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 OCTOBER 2018**

**9. Debtors**

	2018 £	2017 £
Trade debtors	336,709	401,270
Amounts owed by group undertakings	637,195	625,195
Other debtors	26,863	36,496
Prepayments and accrued income	35,963	22,588
	<u>1,036,730</u>	<u>1,085,549</u>

**10. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Bank overdrafts	210,587	135,426
Bank loans	52,000	197,630
Trade creditors	64,233	120,048
Amounts owed to group undertakings	70,000	50,000
Corporation tax	-	22,000
Other taxation and social security	77,527	66,089
Accruals and deferred income	35,164	38,893
	<u>509,511</u>	<u>630,086</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2018 £	2017 £
Bank loans and overdrafts	262,587	333,056
	<u>262,587</u>	<u>333,056</u>



# D.J.H. (GROUP) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018

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

	2018 £	2017 £
Bank loans	132,147	194,731
	<u>132,147</u>	<u>194,731</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2018 £	2017 £
Bank loans	132,147	194,731
	<u>132,147</u>	<u>194,731</u>

### 12. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
<b>Amounts falling due within one year</b>		
Bank loans	52,000	197,630
	<u>52,000</u>	<u>197,630</u>
<b>Amounts falling due 1-2 years</b>		
Bank loans	52,000	42,000
	<u>52,000</u>	<u>42,000</u>
<b>Amounts falling due 2-5 years</b>		
Bank loans	80,147	152,731
	<u>80,147</u>	<u>152,731</u>
	<u>184,147</u>	<u>392,361</u>

### 13. Reserves

#### Share premium account

The share premium account represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares.



## **D.J.H. (GROUP) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2018**

#### **14. Pension commitments**

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £26,775 (2017 - £27,366).

#### **15. Commitments under operating leases**

At 31 October 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	5,426	5,242
Later than 1 year and not later than 5 years	2,653	6,397
	<u>8,079</u>	<u>11,639</u>

#### **16. Related party transactions**

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" from disclosing transactions with entities which are part of the group, since 100% of the voting rights in the company are controlled within the group and the company is included within the group accounts which are publicly available.

#### **17. Controlling party**

The ultimate parent undertaking is New Equipment Holdings Limited, a company registered in England and Wales. E N Corner and N F H Corner are directors of New Equipment Holdings Limited. The company was, during the year and the previous year, under the control of E N Corner and his close family members who were interested in 100% of the issued share capital of New Equipment Holdings Limited.

The financial statements of New Equipment Holdings Limited are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

#### **18. Auditors' information**

The auditors' report on the financial statements for the year ended 31 October 2018 was unqualified and there were no matters to which the auditor drew attention.

The audit report was signed by David Richmond (Senior statutory auditor) on behalf of Armstrong Watson Audit Limited.