

Company Registration No. 07459589 (England and Wales)

DEERNS UK LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FILLETED ACCOUNTS

DEERNS UK LTD

COMPANY INFORMATION

Directors M J K Mak (Appointed 26 April 2021)
I Carlisle

Company number 07459589

Registered office 1st Floor
52-54 Southwark Street
Southwark
London
SE1 1UN

DEERNS UK LTD

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DEERNS UK LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	5		1,725		1,365
Current assets					
Stocks		391,927		399,512	
Debtors	6	1,014,130		752,124	
Cash at bank and in hand		76,614		8,106	
		<u>1,482,671</u>		<u>1,159,742</u>	
Creditors: amounts falling due within one year	7	<u>(1,292,168)</u>		<u>(954,930)</u>	
Net current assets			190,503		204,812
Total assets less current liabilities			<u>192,228</u>		<u>206,177</u>
Provisions for liabilities			<u>(20,000)</u>		<u>(50,000)</u>
Net assets			<u>172,228</u>		<u>156,177</u>
Capital and reserves					
Called up share capital	9		20,000		20,000
Share premium account	10		2,400,000		2,400,000
Profit and loss reserves			<u>(2,247,772)</u>		<u>(2,263,823)</u>
Total equity			<u>172,228</u>		<u>156,177</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies, by virtue of the exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

DEERNS UK LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 24 September 2021 and are signed on its behalf by:

I Carlisle
Director

Company Registration No. 07459589

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Deerns UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 1st Floor, 52-54 Southwark Street, Southwark, London, SE1 1UN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 on the historical cost convention, and in accordance with applicable accounting standards. The principal accounting policies adopted are set out below.

Deerns UK Ltd is a wholly owned subsidiary of Deerns Groep B.V. and the results of Deerns UK Ltd are included in the consolidated financial statements of Deerns Groep B.V. which are available from Deerns Groep BV, Fleminglaan 10, 2289CP, RIJSWIJK - The Netherlands.

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the company's parent undertaking. The financial statements do not include any adjustments that would result from a withdrawal of the continued support.

1.3 Turnover

Turnover is recognised as 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 discounts, VAT and other sales related taxes.

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 and fittings	5 years straight line
Computers	3 years straight line
Computer software	5 years straight line

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 credited or charged to profit or loss.

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

1.6 Work in progress

Projects commissioned by third parties comprises the balance of project costs realised, profit attributed, and if applicable, recognised losses and instalments already invoiced. Work in progress is separately presented in the balance sheet under current assets.

Deerns uses the percentage of completion (POC) method to determine the appropriate amount to recognise in a given period. The stage of completion is measured by reference to the contract costs incurred up to the end of the reporting period as a percentage of total estimated costs for each contract. Contract revenue and costs are recognised in the income statement by reference to the stage of completion.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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.

1.8 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 statement of financial position 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.

Fair value measurement of financial instruments

Cash and cash equivalents are basic financial assets and 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.

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.

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

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 trade and other payables, 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 receipts discounted at a market rate of interest.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 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 income statement 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

Deferred tax is provided in respect of taxation deferred by timing differences between the treatment of certain items for taxation purposes. The deferred tax balance has not been discounted.

1.11 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense in the period in which they are incurred, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leases asset are consumed.

1.15 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Judgements and key sources of estimation uncertainty

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Where the outcome of a project is uncertain, revenues are only recognized to the extent that costs incurred will be recoverable. In the event that losses are expected on projects, only the expected direct costs are recognised in the income statement regardless the stage of completion of the project. Valuation of work in progress requires estimates and assumptions from management. This relates primarily to discussions with clients about executed work, compensation for extra work and activities executed in regions with a higher risk profile. In making its assessment, management has made use of the up-to-date information available when preparing this report. Despite this, the actual outcomes may still deviate from the estimates.

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

3 Employees

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

	2020 Number	2019 Number
Total	12	11

4 Taxation

	2020 £	2019 £
Current tax		
Foreign current tax on profits for the current period	242,006	8,030
Deferred tax		
Origination and reversal of timing differences	-	(210,000)
Total tax charge/(credit)	242,006	(201,970)

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2020	245,979
Additions	1,443
At 31 December 2020	247,422
Depreciation and impairment	
At 1 January 2020	244,614
Depreciation charged in the year	1,083
At 31 December 2020	245,697
Carrying amount	
At 31 December 2020	1,725
At 31 December 2019	1,365

DEERNS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Debtors	2020	2019
Amounts falling due within one year:	£	£
Trade debtors	362,997	217,314
Amounts owed by group undertakings	274,351	107,387
Other debtors	166,782	217,423
	<u>804,130</u>	<u>542,124</u>
Deferred tax asset	210,000	210,000
	<u>1,014,130</u>	<u>752,124</u>

Included within other debtors is a rental deposit of £45,375 (2019: £78,000).

7 Creditors: amounts falling due within one year	2020	2019
	£	£
Trade creditors	21,276	44,929
Amounts due to group undertakings	1,127,352	555,801
Corporation tax	3,000	3,000
Other taxation and social security	59,326	16,234
Other creditors	81,214	334,966
	<u>1,292,168</u>	<u>954,930</u>

The bank facilities are secured by a fixed and floating charge over the company's assets.

8 Deferred taxation

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:

Balances:	Assets 2020	Assets 2019
	£	£
Tax losses	210,000	210,000
	<u>210,000</u>	<u>210,000</u>

There were no deferred tax movements in the year.

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

9 Called up share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary of £20 each	1,000	1,000	20,000	20,000
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

10 Capital reserve

Capital reserves of £2.4m relates to a loan from the parent company that was capitalised and converted into a Capital Reserve. This reserve may become distributable in the future.

11 Operating lease commitments

Lessee

Operating lease payments represents rentals payable by the company for certain of its properties.

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

	2020	2019
	£	£
	75,625	75,625
	<u> </u>	<u> </u>

12 Parent company

The parent undertaking and ultimate controlling party is Deerns Groep B.V., a company registered in The Netherlands.

13 Related party transactions

The parent company, Deerns Groep B.V., has provided a guarantee under section 479C of the Companies Act 2006, this means that Deerns UK Limited is exempt from the requirement of an audit.

The company has taken advantage of the exemption available in FRS102, not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

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.