

Company Registration No. 01374438 (England and Wales)

DIAMOND ELECTRONICS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021
PAGES FOR FILING WITH REGISTRAR



DIAMOND ELECTRONICS LIMITED

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DIAMOND ELECTRONICS LIMITED

BALANCE SHEET

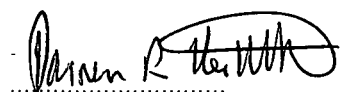
AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	3		2,922		1,497
Tangible assets	4		238,792		207,539
			<u>241,714</u>		<u>209,036</u>
Current assets					
Stocks		2,428,675		1,751,279	
Debtors	5	2,591,150		2,563,252	
Cash at bank and in hand		419,260		1,028,056	
		<u>5,439,085</u>		<u>5,342,587</u>	
Creditors: amounts falling due within one year	6	<u>(3,503,274)</u>		<u>(3,445,127)</u>	
Net current assets			<u>1,935,811</u>		<u>1,897,460</u>
Total assets less current liabilities			<u>2,177,525</u>		<u>2,106,496</u>
Creditors: amounts falling due after more than one year	7		(424,258)		(587,637)
Provisions for liabilities	8		(38,070)		(38,070)
Net assets			<u>1,715,197</u>		<u>1,480,789</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Share premium account			13,800		13,800
Profit and loss reserves			1,700,397		1,465,989
Total equity			<u>1,715,197</u>		<u>1,480,789</u>

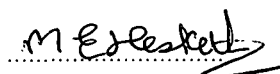
The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 21/7/22 and are signed on its behalf by:



D R Hesketh
Director



M E Hesketh
Director

Company Registration No. 01374438

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

Diamond Electronics Limited is a private company limited by shares incorporated in England and Wales. The registered office is Fourways Technology Park, London Road, Smallwood, Nr Sandbach, Cheshire, CW11 2US.

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 under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Trademark 10 years

1.5 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.

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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:

Improvements to property	10% on cost
Plant and machinery	20% on cost
Fixtures and fittings	10% on reducing balance
Computer equipment	33% on reducing balance
Motor vehicles	20% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

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

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 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.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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.

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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 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 interest method.

1.10 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.

1.11 Taxation

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

Current tax

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

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.16 Foreign exchange

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

2 Employees

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

	2021 Number	2020 Number
Total	43	45

3 Intangible fixed assets

	Trademark £
Cost	
At 1 January 2021	1,497
Additions	1,425
At 31 December 2021	2,922
Amortisation and impairment	
At 1 January 2021 and 31 December 2021	-
Carrying amount	
At 31 December 2021	2,922
At 31 December 2020	1,497

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 January 2021	267,205	839,293	1,106,498
Additions	-	93,719	93,719
Disposals	-	(9,393)	(9,393)
At 31 December 2021	267,205	923,619	1,190,824
Depreciation and impairment			
At 1 January 2021	197,792	701,167	898,959
Depreciation charged in the year	10,643	47,596	58,239
Eliminated in respect of disposals	-	(5,166)	(5,166)
At 31 December 2021	208,435	743,597	952,032
Carrying amount			
At 31 December 2021	58,770	180,022	238,792
At 31 December 2020	69,413	138,126	207,539

5 Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Trade debtors	1,612,972	2,028,892
Amounts owed by group undertakings	917,398	480,459
Other debtors	33,091	15,983
Prepayments and accrued income	27,689	37,918
	2,591,150	2,563,252

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Creditors: amounts falling due within one year

	2021	2020
	£	£
Bank loans and overdrafts	1,513,249	1,173,500
Obligations under finance leases	48,330	44,811
Other borrowings	-	60,000
Trade creditors	1,564,025	1,646,396
Corporation tax	139,487	124,000
Other taxation and social security	60,448	212,124
Other creditors	30,000	40,000
Accruals and deferred income	147,735	144,296
	<u>3,503,274</u>	<u>3,445,127</u>

The finance leases are secured on the assets concerned.

The bank loan and overdraft are secured by an unscheduled Mortgage Debenture dated 20th September 1993 incorporating a fixed and floating charge over all current and future assets of the company, which is held by the company's bankers. A right to set-off is also contained within the Bank's standard forms of charge.

Included within bank loans and overdrafts is £120,000 (2020: £80,000) relating to the coronavirus business interruption loan scheme (CBILs).

7 Creditors: amounts falling due after more than one year

	2021	2020
Notes	£	£
Bank loans and overdrafts	400,000	520,000
Obligations under finance leases	24,258	42,637
Other borrowings	-	25,000
	<u>424,258</u>	<u>587,637</u>

Included within bank loans and overdrafts is £400,000 (2020: £520,000) relating to the coronavirus business interruption loan scheme (CBILs).

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	40,000
	<u> </u>	<u> </u>

8 Provisions for liabilities

	2021	2020
	£	£
Deferred tax liabilities	9 38,070	38,070
	<u> </u>	<u> </u>

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

9 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	38,070	38,070

There were no deferred tax movements in the year.

10 Called up share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary A shares of £1 each	800	800	800	800
Ordinary B shares of £1 each	200	200	200	200
	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The B shares do not carry any voting rights.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Stephen Grayson FCCA and the auditor was UHY Hacker Young Manchester LLP.

12 Operating lease commitments

Lessee

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

2021 £	2020 £
165,924	133,966

DIAMOND ELECTRONICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

13 Related party transactions

During the year the company paid rent for the business premises amounting to £70,000 (2020 - £70,000) to the pension scheme for the company's directors.

At the year end the company was owed £917,398 (2020: £480,459) from related parties who are related through common ownership. The balance relates to cash advances made and costs incurred by this company on behalf of the connected companies.

14 Parent company

The ultimate parent company is Diamond Electronics Holdings Limited, which is registered in England and Wales.