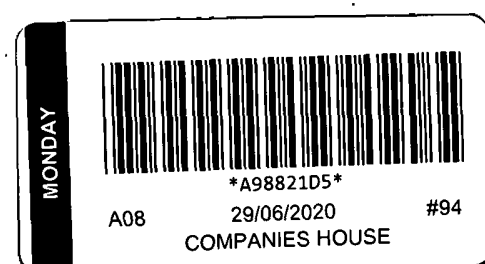


Registered number: 01050870

Unistrut Limited

Annual report and financial statements

For the year ended 30 September 2019



Unistrut Limited

Company Information

Directors	C E Jones P G Merrick D P Johnson W E Waltz
Company secretary	D Kelly
Registered number	01050870
Registered office	Delta Point Greets Green Road West Bromwich England B70 9PL
Independent auditor	Deloitte LLP Statutory Auditor Four Brindley Place Birmingham United Kingdom B1 2HZ
Bankers	Barclays Bank LLP PO Box 5960 1 Snowhill Snowhill Queensway Birmingham B3 2EP
Solicitors	Eversheds LLP 70 Great Bridgewater Street Manchester M1 5ES

Unistrut Limited

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Unistrut Limited

Strategic report For the year ended 30 September 2019

Principal Activity

The principal activity of the Company is the manufacture and distribution of metal framing and cable management systems.

Business model

The business seeks to provide a complete manufacturing solution to the non-residential building market.

Business review

With a market-leading brand and continued customer focus we are in a strong position to continue our strategy of being the preferred supplier of metal framing products and cable management systems in the UK. Cost-out initiatives, investments and a wider customer base has seen year-on-year growth in both revenue and operating profit. Turnover grew in line with expectations from £39,256,000 in 2018 to £42,965,000 in 2019 (9.4%). The Company increased its operating profit from £2,847,000 in 2018 to £3,853,000 in 2019. The net assets increased from £35,294,000 in 2018 to £36,810,000 in 2019. The increase was due to the generated profit and investment activities.

In March 2020, the UK like the rest of the world found itself the victim of the COVID-19 pandemic. Unistrut's primary responsibility is to the safety and wellbeing of its employees, both in terms of their health and future job security.

Unistrut adhered to Government advice and encouraged employees to work from home where possible.

In direct response to the pandemic Unistrut took the necessary countermeasures, where possible taking advantage of Government schemes e.g. Furlough to ensure the long-term sustainability of the business.

During the pandemic management continue to review the market and will take all necessary actions to ensure the business' long-term success.

The directors have assess the impact of the current uncertainty around COVID-19 on all aspects of the business focusing specifically on operations performance and cashflows of the Company. See Directors Report and Note 1 for further considerations.

Key performance indicators

The directors assess the performance of the business according to the following key performance indicators:

	2019	2018	Measure
Debtor days	84.8	85.0	DSO: Average debtor payment days
Stock Turns	33.8	33.8	DOH: Average days in stock
EBITDA Margin	9.5%	7.7%	Earnings before interest, Tax, Depreciation and Amortisation as a % of Turnover

A strong lean management philosophy has allowed Unistrut to grow revenue whilst being able to hold lean levels of stock. Stock turns have remained flat, debtors slightly improved to prior year due to customer mix.

Unistrut Limited

Strategic report (continued)
For the year ended 30 September 2019

Principal risks and uncertainties

The Company operates in an increasingly competitive market and therefore it is essential that the Company continues to compete successfully. Any reduction in economic growth affecting the construction industry may adversely affect the Company's revenue and margins.

The United Kingdom stopped being a member of the European Union (EU) on 31 January 2020 with a transition period due for completion on 31 December 2020. During this transition period the Directors continue to monitor the progress of the planned exit from the EU. Potential impact and associated risks and opportunities are continuously reviewed. At present we see no overall risk to the business. Any risk associated with accessing the European market after leaving the EU has been mitigated by the US parent company acquiring a European based business.

Future prospects

The combined activities of the Company should allow us to see continued growth in the future. The Company continues to invest in opportunities to expand its product range to offer a broader portfolio supported by its strong branding.

This report was approved by the board on 25th June 2020 and signed on its behalf

P G Merrick
Director



Unistrut Limited

Directors' report For the year ended 30 September 2019

The Directors present their report and the audited financial statements for the year ended 30 September 2019.

Directors

The Directors who served during the year were:

C E Jones
P G Merrick
D P Johnson
W E Waltz

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Going Concern

The Directors have reviewed the financial position of the Company, the Company's forecasts and considered the uncertainties arising from the economic environment and have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements.

Accordingly, they continue to adopt the going concern basis in preparing the financial statements. Further considerations are discussed in note 1.

Environmental matters

Atkore International Group Inc. (the Company's ultimate parent) recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the Group's activities. The Company operates in accordance with group policies, which are described in the Group's Annual Report which does not form part of these Financial Statements. A copy can be obtained from the address in note 21. Initiatives designed to minimize the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Employee involvement

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should as far as possible, be identical to that of a person who does not suffer from a disability.

Company's policy for payment of creditors

The Company's current policy concerning the payment of the majority of its creditors is to pay in accordance with its contractual and other legal obligations. The payment policy applies to all payments to creditors for revenue and capital supplies of goods and services without exception.

Financial instruments

The Company's financial risk management objectives and policies are operated by the Board. Treasury policies include defined controls on the use of financial instruments in measuring risk. The principal financial risks faced by the Company relate to interest rates and foreign exchange. The Company does not use derivative financial instruments.

Unistrut Limited

**Directors' report (continued)
For the year ended 30 September 2019**

Results and dividends

The profit for the year, after taxation, amounted to £1,516,000 (2018: £6,923,000).

Net assets increased to £36,810,000 (2018: £35,294,000) as a result of the retained profit for the year and investments.

A discussion of future prospects is given in the Strategic Report.

Post balance sheet events

On 7th October 2019 Atkore notified employees of its plan to close and relocate the Marco Cable Management, manufacturing facility. The facility is located in Llangefnï, Wales. This decision follows a detailed analysis of facilities within the United Kingdom to determine opportunities to improve our operating performance by aligning costs and manufacturing capacity with current demand and future growth. As part of the plan the intention is to hive up the trade and assets of Marco Gearing Limited into Unistrut Limited. As at the date the financial statements were signed a deadline for the hive up is yet to be confirmed.

The UK stopped being a member of the European Union (EU) on 31 January 2020. The Directors' recognise that the final outcome of the negotiations between the UK and the EU remain uncertain. Unistrut have taken reasonable steps to mitigate where possible the impacts of leaving the EU without a transitional agreement and will continue to monitor the situation closely.

In England, its people and companies', along with other countries around the world, has been impacted by Covid-19. The directors of the company have considered the impact of Covid 19 on the company. Covid 19 is a non adjusting post balance sheet event for the Company and therefore no adjustments have been made to the 30 September 2019 financial results.

Auditor

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 auditor is 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 auditor is aware of that information.

This report was approved by the board on 25th June 2020, and signed on its behalf.



P G Merrick
Director

Unistrut Limited

**Directors' responsibilities statement
For the year ended 30 September 2019**

The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies 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; and
- 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 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Unistrut Limited

Independent auditor's report to the members of Unistrut Limited

Opinion

In our opinion the financial statements of Unistrut Limited (the 'Company'):

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies ; and
- the related notes 1 to 22.
- 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).

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 are required by ISAs (UK) to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

Unistrut Limited

Independent auditor's report to the members of Unistrut Limited (continued)

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 Auditor's 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, 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 respect of these matters.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, 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.

Matters on which we are required to report by exception

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 auditor's 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Unistrut Limited

Independent auditor's report to the members of Unistrut Limited (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters

Use of our report

This report is made solely to the Company's members 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 Auditor's 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 for our audit work, for this report, or for the opinions we have formed.



Sukhpal Gill (Senior statutory auditor)
for and on behalf of
Deloitte LLP
Birmingham
Date: 25 JUNE 2020

Unistrut Limited

**Statement of comprehensive income
For the year ended 30 September 2019**

	Note	2019 £000	2018 £000
Turnover	3	42,965	39,256
Net operating expenses		(39,112)	(36,409)
Operating profit	5	3,853	2,847
Income from group undertakings		-	6,200
Interest payable and similar charges	7	(1,925)	(1,832)
Profit before tax		1,928	7,215
Tax on profit	9	(412)	(292)
Total comprehensive income for the year		1,516	6,923

All results are derived from continuing operations.

Unistrut Limited
Registered number: 01050870

Balance sheet
As at 30 September 2019

	Note	2019 £000	2018 £000
Fixed assets			
Tangible assets	10	1,583	1,122
Investments	11	68,778	67,492
		<u>70,361</u>	<u>68,614</u>
Current assets			
Stocks	12	3,622	3,376
Debtors: amounts falling due within one year	13	9,348	9,146
Cash at bank and in hand		5,667	5,180
		<u>18,637</u>	<u>17,702</u>
Creditors: amounts falling due within one year	14	(12,656)	(9,562)
Net current assets		<u>5,981</u>	<u>8,140</u>
Total assets less current liabilities		<u>76,342</u>	<u>76,754</u>
Creditors: amounts falling due after more than one year	15	(38,676)	(40,698)
Provisions for liabilities			
Deferred tax	16	(106)	(12)
Other provisions	17	(750)	(750)
		<u>(856)</u>	<u>(762)</u>
Net assets		<u><u>36,810</u></u>	<u><u>35,294</u></u>
Capital and reserves			
Called up share capital	18		
Capital redemption reserve		15,000	15,000
Profit and loss account		21,810	20,294
		<u>36,810</u>	<u>35,294</u>

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

P G Merrick
Director

P. Merrick

29th June 2020.

The notes on pages 12 to 27 form part of these financial statements.

Unistrut Limited

**Statement of changes in equity
For the year ended 30 September 2019**

	Called up share capital £000	Capital Contribution Reserve £000	Profit and loss account £000	Total equity £000
At 1 October 2017	-	15,000	13,371	28,371
Comprehensive income for the year	-	-	6,923	6,923
Transfer to reserves	-	-	-	-
Total comprehensive income for the year	-	-	6,923	6,923
Total transactions with owners	-	-	-	-
At 30 September 2018	-	15,000	20,294	35,294
Comprehensive income for the year	-	-	1,516	1,516
Total comprehensive income for the year	-	-	1,516	1,516
At 30 September 2018	-	-	-	-
At 30 September 2019	-	15,000	21,810	36,810

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

1. Accounting policies

Unistrut Limited is a private company limited by shares, incorporated in England under the Companies Act. The address of the registered office is Delta Point, Greets Green Road, West Bromwich, B70 9PL.

1.1 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 United Kingdom and the Republic of Ireland' (FRS 102) issued by the Financial Reporting Council, and the Companies Act 2006.

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the following disclosure exemptions available to it; the requirement to present a statement of cash flows and related notes, categories of financial instruments including items of income, expenses, gains or losses relating to financial instruments and exposure to and management of risks, and key management remuneration.

1.2 Going concern

The Company is cash-generative and has a healthy year-end cash position of £5.7m. The Company strong relationships with a number of customers and suppliers across different geographic areas and industries. As a consequence, the directors believe that the Company is well placed to manage its business risks successfully.

The directors have reviewed the financial position of the Company, the Company's forecasts and considered the uncertainties arising from the economic environment and the possibilities of a consequential unfavourable impact of this upon trading. The directors have stress-tested these forecasts assuming a significant reduction in turnover, offset by identified and actioned operational and capital expenditure savings.

Based on the Company's performance during the year and into the new financial year, the current order pipeline, solid customer base, cost structure and the projected growth in export markets, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for at least 12 months from the date of signing these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Directors have assessed the Company's cashflow forecasts for the next 12 months and believe that there are sufficient cash resources to meet its daily cash flow requirements over this period. Even considering reasonably likely downside scenarios as a result of Covid-19, there are sufficient funds to allow the company to continue in operational existence for the foreseeable future.

1.3 Consolidated financial statements

The Company is exempt from preparing group financial statements by virtue of Section 401 of the Companies Act 2006, which states that group financial statements do not have to be prepared on the basis that the Company was at the balance sheet date, a wholly owned subsidiary of Atkore International Group Inc., incorporated in the United States of America and produces group financial statements, for each financial year, that are publicly available. See note 21.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

1. Accounting policies (continued)

1.4 Impairment of investments

The Company considers whether investments in subsidiaries are impaired. Where an indication of impairment is identified the estimation of recoverable value requires estimation of the recoverable value of the cash generating units (CGUs). This requires estimation of the future cash flows from the CGUs and also selection of appropriate discount rates in order to calculate the net present value of those cash flows. No impairment indicators were identified as part of the review in 2019.

1.5 Turnover

Turnover represents the invoiced value of sales stated net of all credits, allowances, discounts and value added tax. Turnover from the sale of goods is recognised when the risks and rewards pass to the customer, either when a customer collects goods directly, or when the Company completes a delivery to the customer.

1.6 Income from investments in group undertakings

Dividend income from investments is recognized when the right to receive payment is established.

1.7 Stocks

Stocks are stated at the lower of cost and net realisable value, using the first in, first out method (FIFO). Costs include all direct costs incurred in bringing stocks to their present state and location, including an appropriate proportion of manufacturing overheads.

Net realisable value is based on estimated normal selling price less further costs expected to be incurred to completion and on disposal. Provision is made for obsolete, slow moving or defective items where appropriate.

The company reviews the net realisable value of and demand for its inventory on an on going basis to ensure recorded inventory is stated at the lower of cost or net realisable value. Factors that could impact estimated demand and selling prices are the timing and success of future technological innovations, competitor actions, supplier prices and economic trends. If total inventory losses differ, the company's net income in the year would have improved or declined, depending upon whether the actual results were better or worse than expected.

1.8 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.

At each reporting date, the Directors review outstanding debts and determine appropriate provision levels. The recovery of certain debts is dependent on the individual circumstances of customers.

1.9 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.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

1. Accounting policies (continued)

1.10 Cash and cash equivalents

Cash and cash equivalents comprise cash held, and cash at bank held on demand or cash held on deposit with maturities of three months or less from inception.

Interest receivable is recognised on an accruals basis under the effective interest method.

1.11 Related party disclosures

The Company is a wholly owned subsidiary of Atkore International Group Inc. and is included in the consolidated financial statements of Atkore International Group Inc., which are publicly available from the address in note 21 of this report. The Company has taken exemption from disclosing related party transactions with wholly owned entities that are part of the Atkore International Group.

1.12 Taxation

Current tax, including corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise, based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in taxation computations in different years from those in which they are included in the financial statements.

Deferred tax assets are recognised only to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.13 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.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

1. Accounting policies (continued)

1.13 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, straight line basis.

Depreciation is provided on the following basis:

Leasehold improvement	- Over the life of the lease
Plant and machinery	- 3 to 30 years
	- 3 to 7 years

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.

1.14 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.15 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 Balance sheet 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 Balance sheet.

1.16 Leases

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

Operating lease payments are charged to profit or loss on a straight line basis over the lease term. The aggregate benefit of lease incentives are recognised as a reduction to the expense recognised over the lease term on a straight line basis.

The company obtains use of property, plant and equipment as a lessee. The classification of such leases as operating or finance lease requires the Group to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains or acquires the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the statement of financial position.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

1. Accounting policies (continued)

1.17 Foreign currency

Transactions in foreign currencies have been translated at the rate prevailing at the transaction date. Balances payable/receivable in foreign currencies are translated to sterling at the rates of exchange ruling at the balance sheet date. Resulting gains and losses are reflected in the profit or loss.

1.18 Employee benefits

Short term employee benefits and contributions to defined contribution plans are recognised as an expense in the year in which they are incurred.

1.19 Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. 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.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts 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 year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

Critical judgements and estimates in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue Recognition

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed consideration of the commercial terms and conditions the Company agreed with both domestic and overseas customers, in order to determine if revenue should be recognised when, a customer collects goods directly, or when the Company completes a delivery to the customer, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with the commercial terms and conditions agreed with customers.

Critical accounting estimates - Investments

Investment values have been based on estimates of future cash flows for the acquired businesses. The company reviews these estimates on a regular basis to understand if there is any significant risk to the carrying amount of the assets.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

3. Turnover

Turnover and profit before tax are derived entirely from the Company's principal activity.

Analysis of turnover by country of destination:

	2019 £000	2018 £000
United Kingdom	28,519	27,226
Rest of Europe	11,978	10,295
Rest of the world	2,468	1,735
	<u>42,965</u>	<u>39,256</u>

4. Net operating expenses

	2019 £000	2018 £000
Changes in stock of finished goods and work in progress	246	217
Raw materials and consumables	27,390	25,752
Other external charges	2,169	1,948
Staff costs	5,437	5,125
Depreciation	226	188
Impact of FX	-	(24)
Other operating charges	3,664	3,203
	<u>39,132</u>	<u>36,409</u>

5. Operating profit

The operating profit is stated after charging:

	2019 £000	2018 £000
Depreciation	226	188
Operating lease rentals for plant and motor vehicles	154	218
Operating lease rentals for land and buildings	678	688
Foreign exchange gains	-	(24)
Fee payable to auditor for company's auditor for audit of the financial statements	38	39
Fees payable to auditor for company's auditor for tax compliance services	-	7
	<u> </u>	<u> </u>

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

6. Information regarding directors and employees

Staff costs were as follows:

	2019	2018
	£000	£000
Wages and salaries	4,742	4,452
Social security costs	511	495
Cost of defined contribution scheme	204	178
	<u>5,457</u>	<u>5,125</u>

The average monthly number of persons employed by the Company, excluding directors, during the year was as follows:

	2019	2018
	No.	No.
Technical and manufacturing	66	82
Selling and distribution	37	37
Administration	22	15
	<u>125</u>	<u>134</u>

At the balance sheet date, contributions of £27,435 (2018: £ 47,929) remained payable to defined contribution schemes.

	2019	2018
	£000	£000
Directors' emoluments		
Aggregate emoluments (including benefit in kind)	554	546
Company contributions to pension schemes	21	20
Total emoluments	<u>575</u>	<u>566</u>

During the period retirement benefits were accruing to 2 Directors (2018: 2) in respect of defined contribution pension schemes.

In addition, two directors did not receive any emoluments for their services as directors of Unistrut Limited during the period, these were borne by overseas group entities. No recharge is made to the Company as it is not possible to make an accurate apportionment of the emoluments in respect of their services to the Company (2018: same).

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

Remuneration of highest paid director

	2019 £000	2018 £000
Emoluments	403	376
Pension contributions to money purchase pensions schemes	14	13
Aggregate emoluments	417	389

7. Interest payable and similar charges

	2019 £000	2018 £000
Intercompany interest payable	(1,925)	(1,832)
Total interest receivable	1,925	1,832

8. Income from group undertakings

	2019 £000	2018 £000
Flexicon Limited dividends received	-	4,350
Marco Gearing Limited dividends received	-	1,850
	-	6,200

In 2018, the Company agreed with the above group undertakings to set-off amounts owed by the above Companies against dividends in order to reduce the amounts owed to Unistrut Limited.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

9. Taxation

	2019	2018
	£000	£000
Corporation tax		
Current tax on profits for the year	318	283
Adjustments in respect of previous periods	-	(31)
	318	252
Total current tax	318	252
Deferred tax		
Origination and reversal of timing differences	103	45
Adjustment in respect of previous periods	2	(5)
Effect of changes in tax rates	(11)	-
Total deferred tax	94	40
Taxation on profit on ordinary activities	412	292

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018: lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	2018
	£000	£000
Profit on ordinary activities before tax	1,928	7,215
Profit multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	366	1,371
Effects of:		
Expenses not deductible	55	146
Income not taxable	-	(1,189)
Adjustments from prior periods	2	(32)
Tax rate changes	(11)	(4)
Total tax charge for the year	412	292

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

9. Taxation (continued)

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 01 April 2017. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 19.33%. Changes to the UK corporation tax rates were substantively enacted as part of the Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These included reductions to the main rate to, reduce the rate from 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the statement of financial position date have been measured using these enacted tax rates and reflected in these financial statements.

10. Tangible fixed assets

	Plant and machinery £000	Leasehold improvements £000	Other £000	Total £000
Cost or valuation				
At 1 October 2018	4,887	444	357	5,688
Additions	561	-	126	687
At 30 September 2019	5,448	444	483	6,375
Depreciation				
At 1 October 2018	3,768	444	354	4,566
Charge for the year on owned assets	185	-	41	226
At 30 September 2019	3,953	444	395	4,792
Net book value				
At 30 September 2019	1,495	-	88	1,583
At 30 September 2018	1,119	-	3	1,122

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

11. Investments

	Investments in subsidiary companies £000
Cost or valuation	
At 1 October 2018	67,492
Additions	1,286
At 30 September 2019	<u>68,778</u>

On the 12th August 2019, the Company completed the acquisition of Flytec Systems Limited and Modern Associates Limited (Holding Company). The acquisition resulted in 100% ownership by Unistrut Limited. The total consideration paid was £1,286,000.

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Principal activity	Class of shares	Holding
Marco Gearing Ltd	Unit 8, Bryn Cefni Industrial Park; Llangefni, LL77 7XA	Manufacturer	Ordinary	100%
Flexicon Ltd	Roman Way, Coleshill, Birmingham, B46 1HG	Manufacturer	Ordinary	100%
Flytec Systems Limited	43-45 Devizes Road, Swindon, Wiltshire, SN1 4BG	Manufacturer	Ordinary	100%
Modern Associates Limited	43-45 Devizes Road, Swindon, Wiltshire, SN1 4BG	Holding	Ordinary	100%

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

12. Stocks

	2019	2018
	£000	£000
Raw materials	332	547
Work in progress	193	410
Finished goods	3,097	2,419
	3,622	3,376

In the opinion of the Directors there is no material difference between the book value and replacement costs of stocks.

A stock impairment provision has increased by £54k (2018: £63k increase) and was recognised in net operating expenses against stock during the year.

13. Debtors: due within one year

	2019	2018
	£000	£000
Trade debtors	9,129	8,702
Amounts owed by group undertakings	14	1
Other debtors	52	96
Prepayments and accrued income	153	347
	9,348	9,146

Amounts owed by group undertakings are unsecured, due in 45 days and no guarantees have been received.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

14. Creditors: amounts falling due within one year

	2019 £000	2018 £000
Trade creditors	7,687	9,018
Amounts owed to group undertakings	4,511	185
Corporation tax	58	65
Other taxation and social security	124	143
Other creditors	276	151
	<u>12,656</u>	<u>9,562</u>

Amounts owed to group undertakings are unsecured repayable on demand. Amounts owed to group undertakings do not incur any finance charge.

15. Creditors: amounts falling due after more than one year

	2019 £000	2018 £000
Inter-company loan	38,676	40,698
	<u>38,676</u>	<u>40,698</u>

The inter-company loan is with Atkore International Inc and was created to fund the financing of the investments.

The loans are not due for repayment until 2022. The interest rates on the loans are 4.45% and the loans were made on an arms length basis. Unistrut can repay the principal or any part at any time provided each repayment is a minimum amount of £100k.

16. Deferred tax

	2019 £000	2018 £000
At beginning of year	(12)	27
Charged to profit or loss	(92)	(40)
Adjustment in respect of prior years	(2)	-
Utilised in year	-	1
At end of year	<u>(106)</u>	<u>(12)</u>

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

16. Deferred tax (continued)

The provision for deferred taxation is made up as follows:

	2019 £000	2018 £000
Fixed asset timing differences	(130)	(21)
Short term timing differences - trading	24	9
	<u>(106)</u>	<u>(12)</u>

17. Other provisions

	Provision for legal reserve £000
At 1 October 2018	750
At 30 September 2019	<u>750</u>

Under guidelines of FRS102 reporting the Company made a provision for legal costs of £750k. This was reflected in the 2018 financial statements.

18. Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 (2018 - 1) Ordinary shares share of £1.00	<u>1</u>	<u>1</u>

Unistrut Limited

Notes to the financial statements
For the year ended 30 September 2019

19. Capital and other commitments

The Company leases certain property, vehicles and office equipment on short and long term operating leases. The rents payable under the leases are subject to renegotiation at various intervals specified in the leases.

The future minimal rentals payable under non cancelable operating leases are as follows:

	2019 £000	2018 £000
Land and Buildings		
Within one year	572	572
Between one year and five years	2,288	2,288
After five years	2,145	2,717
	<u>5,005</u>	<u>5,577</u>
	2019 £000	2018 £000
Motor Vehicles and office equipment		
Within one year	24	48
Between one and five years	24	24
	<u>48</u>	<u>72</u>

There are no Capital lease commitments.

20. Post balance sheet events

On 7th October 2019 Atkore notified employees of its plan to close and relocate the Marco Cable Management, manufacturing facility. The facility is located in Llangefni, Wales. This decision follows a detailed analysis of facilities within the United Kingdom to determine opportunities to improve our operating performance by aligning costs and manufacturing capacity with current demand and future growth. As part of the plan the intention is to hive up the trade and assets of Marco Gearing Limited into Unistrut Limited. As at the date the financial statements were signed a deadline for the hive up is yet to be confirmed.

The UK stopped being a member of the European Union (EU) on 31 January 2020. The Directors' recognise that the final outcome of the negotiations between the UK and the EU remain uncertain. Unistrut have taken reasonable steps to mitigate where possible the impacts of leaving the EU without a transitional agreement and will continue to monitor the situation closely.

In England, its people and companies', along with other countries around the world, has been impacted by Covid-19. The directors of the company have considered the impact of Covid 19 on the company. Covid 19 is a non adjusting post balance sheet event for the Company and therefore no adjustments have been made to the 30 September 2019 financial results.

Unistrut Limited

**Notes to the financial statements
For the year ended 30 September 2019**

21. Ultimate parent company

The immediate parent company is Allied Products UK Limited, a company registered in England and Wales, copies of the financial statements can be obtained from the Registrar of Companies, Crown Way, Cardiff, CF4 3UZ. The ultimate parent company and only group for which consolidated financial statements are prepared at the balance sheet date is Atkore International Group Inc. a company incorporated in the United States of America. Copies of the consolidated financial statements are available from the Company Secretary at the registered address of Atkore International Inc., 16100, Lathrop Avenue, Harvey, Illinois, 60426, United States.

22. Related party transactions

The company has taken advantage of the exemption permitted in FRS 102 Section 33 to wholly owned subsidiaries not to disclose transactions and balances with other group companies. There are no other related party transactions.