

**UNISTRUT LIMITED**

**Annual Report and Financial Statements**

**For the year ended 30 September 2017**

**Company registration number: 01050870**



**UNISTRUT LIMITED**

**ANNUAL REPORT & FINANCIAL STATEMENTS FOR THE YEAR ENDED 30  
SEPTEMBER 2017**

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# **UNISTRUT LIMITED**

## **OFFICERS & PROFESSIONAL ADVISERS**

### **DIRECTORS**

J Williamson  
J Mallak  
C Jones  
P Merrick

### **COMPANY SECRETARY**

D Kelly

### **REGISTERED OFFICE**

Delta Point  
Greets Green Road  
West Bromwich  
B70 9PL

### **BANKERS**

Barclays Bank plc  
PO Box 5960  
1 Snowhill  
Snowhill Queensway  
Birmingham  
B3 2EP

### **LEGAL ADVISORS**

Eversheds LLP  
70 Great Bridgewater Street  
Manchester  
M1 5ES

### **AUDITOR**

Deloitte LLP  
Statutory Auditor  
1 City Square,  
Leeds, United Kingdom  
LS1 2AL

# UNISTRUT LIMITED

## STRATEGIC REPORT

### 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 £28,798,000 in 2016 to £38,669,000 in 2017 (34.3%). The company increased its operating profit from £2,277,000 in 2016 to £3,627,000 in 2017. During the year, Unistrut Limited purchased the 100% share capital of 2 businesses, Marco Gearing Limited and Flexicon Limited. These companies compliment the strategic growth of the Atkore International Electrical Raceway strategy, which is to supply a range of products for the mechanical infrastructure that deploys, isolates and protects a structures electrical circuitry from source to outlet. The net assets increased from £13,264,000 in 2016 to £28,371,000 in 2017. The increase was due to the generated profit and investment activities. During the year the Board reduced the share capital of the company to 1 ordinary share of £1 and reduced the share premium account to £0, see note 18.

### KEY PERFORMANCE INDICATORS:

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

|               | 2017  | 2016 | Measure   |
|---------------|-------|------|---|
| Debtor Days   | 71.8  | 77.7 | DSO: Average debtor payment days  |
| Stock Turns   | 51.3  | 55.6 | DOH: Average days in stock  |
| EBITDA Margin | 10.0% | 8.6% | 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 decreased slightly on prior year due to the inventory build for the rolling Mill replacement, which produces our main Unistrut product in FY16. Debtors remain in line with targets and prior years. EBITDA margin has grown strongly on prior year.

### 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.

## **UNISTRUT LIMITED**

### **STRATEGIC REPORT (continued)**

The company has yet to see the full impact of the post Brexit referendum. The fluctuating value of Sterling, means exports become more competitive but imports become more expensive thereby having an offsetting impact on margin.

The Company's performance may be affected by fuel and raw material prices, particularly steel. Revenue and margins may be affected by cheap imported products from the Far East.

The company mitigates these principal risks and uncertainties by marketing the value of the brand, maintaining close relationships with key customers and looking into expanding the product portfolio.

The company manages liquidity by monitoring the KPIs referenced on the previous page with tight controls on credit and supplier terms and stocking levels.

The market that the Company operates in sees a high level of bad debts but management consider that the risk is mitigated due to internal controls and strict credit agreements.

### **FUTURE PROSPECTS**

The combined activities of the Company should allow us to see continued growth in 2018 and beyond. The Company continues to invest in opportunities to expand its product range to offer a broader product portfolio supported by its strong branding.

No subsequent events have been recorded

Approved by the Board and signed on its behalf



P Merrick  
Director  
29<sup>th</sup> June 2018

## **UNISTRUT LIMITED**

### **DIRECTORS' REPORT**

The directors' present their annual report and the audited separate financial statements of the Company for the year ended 30 September 2017. Details of the Company's principal activity, business review, key performance indicators, principal risks and uncertainties, subsequent events and future developments can be found in the strategic report on pages 2 and 3 and form part of this report by cross reference.

The financial statements are drawn up to the close of business on the 30th September, as required by the Company's ultimate parent company Atkore International Group Inc.

### **DIRECTORS**

The directors who held office during the period and subsequently to the date of this report are given below:

J Mallak  
J Williamson  
C Jones  
P Merrick

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.

### **ENVIRONMENT**

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 20. Initiatives designed to minimize the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

### **EMPLOYEES**

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.

The Company has continued its policy of employee involvement by making information available to employees through formal and informal meetings. Training remains a key part of the company's human resource programme.

## **UNISTRUT LIMITED**

### **DIRECTORS' REPORT (continued)**

#### **POLICY AND PRACTICE ON 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.

#### **RESULTS AND DIVIDENDS**

The profit after tax for the period ended 30 September 2017 was £2,684,000 (2016: £1,926,000). Net assets increased to £28,371,000 (2016: £13,264,000) as a result of the retained profit for the period and investments. No dividends have been paid or proposed (2016: £nil). A discussion of future prospects is given in the Strategic Report on pages 2 to 3.

#### **AUDITOR**

The directors at the date of this report confirm that:

- so far as the directors are aware there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution for the reappointment of Deloitte LLP as auditor of the Company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board and signed on its behalf



P Merrick  
Director  
29<sup>th</sup> June 2018

## **UNISTRUT LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

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

- select suitable accounting policies and then apply them consistently;
- make judgments 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.



# **UNISTRUT LIMITED**

## **Independent auditor's report to the members of Unistrut Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 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 of Unistrut Limited (the 'company') which comprise:

- Statement of Comprehensive Income and retained earnings
- Balance Sheet
- the statement of changes in equity; and
- the related notes 1 to 21.

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 auditor's 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 UK, including the FRC'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 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.

#### **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

## UNISTRUT LIMITED

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.

### **Auditor's responsibilities for the audit of the financial statements**

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 Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, 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 as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on other legal and regulatory requirements**

#### **Opinions on other matters prescribed by the Companies Act 2006**

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 have 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.

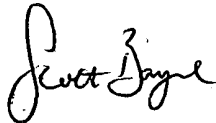
## UNISTRUT LIMITED

### **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.



Scott Bayne FCA (Senior statutory auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Leeds, UK

29<sup>th</sup> June 2018

# UNISTRUT LIMITED

## STATEMENT OF COMPREHENSIVE INCOME For the year ended 30 September 2017

|  | Note  | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|--|-------|---|---|
| Turnover   | 3     | 38,669                                      | 28,798                                      |
| Net operating expenses   | 4     | (35,042)                                    | (26,521)                                    |
|  |       | <hr/>                                       | <hr/>                                       |
| <b>OPERATING PROFIT</b>  | 5 & 6 | <b>3,627</b>                                | <b>2,277</b>                                |
| Interest receivable and similar income   | 7     | -   | 147   |
| Interest payable and similar charges   | 8     | (328)                                       | -   |
| <b>PROFIT ON ORDINARY ACTIVITIES<br/>BEFORE TAXATION</b>                             |       | <hr/> <b>3,299</b>                          | <hr/> <b>2,424</b>                          |
| Tax on profit on ordinary activities   | 9     | (615)                                       | (498)                                       |
| <b>PROFIT FOR THE PERIOD BEING<br/>TOTAL COMPREHENSIVE INCOME<br/>FOR THE PERIOD</b> |       | <hr/> <b>2,684</b>                          | <hr/> <b>1,926</b>                          |

All results are derived from continuing operations.

The accompanying notes are an integral part of these financial statements.

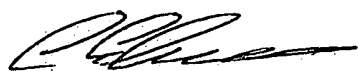
# UNISTRUT LIMITED

## BALANCE SHEET

As at 30 September 2017

|   | Note | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|---|------|--|--|
| <b>FIXED ASSETS</b>                                   |      |  |  |
| Tangible fixed assets                                 | 10   | 1,082                                  | 880                                    |
| Investments   | 11   | 67,492                                 | -                                      |
|   |      | <u>68,574</u>                          | <u>880</u>                             |
| <b>CURRENT ASSETS</b>                                 |      |  |  |
| Stocks  | 12   | 3,160                                  | 3,845                                  |
| Debtors - due within one year                         | 13   | 8,441                                  | 8,477                                  |
| Cash at bank and in hand                              |      | 4,578                                  | 8,569                                  |
|   |      | <u>16,179</u>                          | <u>20,891</u>                          |
| <b>CREDITORS: Amounts falling due within one year</b> | 14   | <b>(13,054)</b>                        | <b>(8,507)</b>                         |
|   |      | <u>3,125</u>                           | <u>12,384</u>                          |
| <b>NET CURRENT ASSETS</b>                             |      |  |  |
| <b>CREDITORS: Amounts falling due after one year</b>  | 15   | <b>(43,328)</b>                        | -                                      |
|   |      | <u>28,371</u>                          | <u>13,264</u>                          |
| <b>NET ASSETS</b>                                     |      |  |  |
| <b>CAPITAL AND RESERVES</b>                           |      |  |  |
| Called-up share capital                               | 17   | 0                                      | 1,320                                  |
| Share premium account                                 | 18   | -                                      | 28,788                                 |
| Capital contribution reserve                          | 18   | 15,000                                 | -                                      |
| Profit and loss account                               | 18   | 13,371                                 | (16,844)                               |
|   |      | <u>28,371</u>                          | <u>13,264</u>                          |
| <b>SHAREHOLDERS' FUNDS</b>                            |      |  |  |

The financial statements of Unistrut Limited, Company registration number 01050870 were approved by the board of directors and authorized for issue on May 2018 and signed on its behalf by:



**C. Jones**  
Director  
29<sup>th</sup> June 2018

# UNISTRUT LIMITED

## STATEMENT OF CHANGES IN EQUITY As at 30 September 2017

|   | Note | Called-up<br>Share<br>Capital<br>£'000 | Share<br>Premium<br>Account<br>£'000 | Capital<br>Contribution<br>Reserve<br>£'000 | Profit &<br>Loss<br>Account<br>£'000 | Total   |
|---|------|--|--------------------------------------|---|--------------------------------------|---------|
| <b>At 1 October<br/>2015</b>                                |      | 1,320                                  | 28,788                               | -   | (18,770)                             | 11,338  |
| Profit and total<br>comprehensive<br>income for the<br>year |      |  |                                      |   | 1,926                                | 1,926   |
| <b>At 30 September<br/>2016</b>                             |      | 1,320                                  | 28,788                               |   | (16,844)                             | 13,264  |
| Profit and total<br>comprehensive<br>income for the<br>year |      |  |                                      |   | 2,684                                | 2,684   |
| Transfer to<br>Reserves                                     | 18   | (1,320)                                | (28,788)                             |   | 30,108                               | -       |
| Dividend  | 18   |  |                                      |   | (2,577)                              | (2,577) |
| Capital<br>Contribution                                     |      |  |                                      | 15,000                                      |                                      | 15,000  |
| <b>At 30 September<br/>2017</b>                             |      | -                                      | -                                    | 15,000                                      | 13,371                               | 28,371  |

# **UNISTRUT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2017**

### **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.

#### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102) issued by the Financial Reporting Council, and with the Companies Act 2006. The financial statements are drawn up to the close of business on the 30 September, as required by the Company's ultimate parent company.

The functional currency of Unistrut Limited is considered to be pounds Sterling (£), because that is the currency of the primary economic environment in which the Company operates.

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
- Financial instrument disclosures, including
  - Categories of financial instruments;
  - Items of income, expenses, gains or losses relating to financial instruments and
  - Exposure to and management of risks; and
- Key management remuneration

Group consolidated accounts are prepared at the US parent level, information is available at the address in note 20.

#### **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 the possibilities of a consequential unfavourable impact of this upon trading.

Based on the Company's performance during the period and into the new financial year, the current order backlog, 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.

#### **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.

## **UNISTRUT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2017

#### **1 ACCOUNTING POLICIES (continued)**

##### **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.

##### **DEBTORS**

Short term debtors are measured at transaction price, less any impairment. Loans receivable (including intragroup loans) 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.

##### **CREDITORS**

Short term trade creditors are measured at the transaction price. Other financial liabilities, including intra group loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest.

##### **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.

##### **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.



# **UNISTRUT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2017

### **1 ACCOUNTING POLICIES (continued)**

#### **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 periods 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.

#### **TANGIBLE FIXED ASSETS**

Tangible fixed assets are stated at cost less accumulated depreciation, less any provision for impairment. Depreciation is provided on a straight line basis over the estimated lives of the assets. The following annual rates are used, assuming nil residual balance:

|   |                            |
|---|----------------------------|
| Leasehold improvement                         | Over the life of the lease |
| Plant and machinery                           | 3 to 30 years              |
| Other, including Computers & Office Equipment | 3 to 7 years               |

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain IT and manufacturing equipment.

#### **INVESTMENTS**

Investments in subsidiaries are measured at cost less impairment.

#### **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

# **UNISTRUT LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2017

### **1 ACCOUNTING POLICIES (continued)**

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.

#### **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.

#### **EMPLOYEE BENEFITS**

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

#### **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.

##### *Financial assets and liabilities*

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment. Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

### **2 CRITICAL ACCOUNTING JUDGEMENTS 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 period in which the estimate is revised if the revision

## **UNISTRUT LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended 30 September 2017**

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

#### **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 2017

#### 3 TURNOVER

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

Turnover consists of sales of goods to the following destinations:

|                | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|----------------|---|---|
| United Kingdom | 28,333                                      | 21,818                                      |
| Rest of Europe | 9,000                                       | 6,077                                       |
| Rest of World  | 1,336                                       | 903   |
|                | <u>38,669</u>                               | <u>28,798</u>                               |

#### 4 NET OPERATING EXPENSES

|  | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|--|---|---|
| Changes in stocks of finished goods and work in progress | (623)                                       | 1,384                                       |
| Other operating income                                   | (16)  | (21)  |
| Raw materials and consumables                            | 25,475                                      | 15,785                                      |
| Other external charges                                   | 1,867                                       | 1,707                                       |
| Staff costs  | 5,289                                       | 4,882                                       |
| Depreciation   | 227   | 214   |
| Impact of FX   | (4)   | (19)  |
| Other operating charges                                  | 2,827                                       | 2,589                                       |
|  | <u>35,042</u>                               | <u>26,521</u>                               |

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

### 5 OPERATING PROFIT

|   | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|---|---|---|
| Operating profit is stated after charging:  |   |   |
| Depreciation  | 227   | 214   |
| Operating lease rentals:  |   |   |
| Plant and motor vehicles  | 218   | 215   |
| Land and buildings  | 475   | 478   |
| Foreign exchange gains  | (4)   | (19)  |
| Fees payable to the Company's auditor for audit of the Company's financial statements | 34  | 40  |
| Tax compliance services   | 16  | 12  |

### 6 INFORMATION REGARDING DIRECTORS AND EMPLOYEES

|                       | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|-----------------------|---|---|
| Wages and salaries    | 4,636                                       | 4,269                                       |
| Social security costs | 485   | 446   |
| Other pension costs   | 168   | 167   |
| Total staff costs     | <u>5,289</u>                                | <u>4,882</u>                                |

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

|                             | Year ended<br>30 September<br>2017<br>Number | Year ended<br>30 September<br>2016<br>Number |
|-----------------------------|--|--|
| Technical and manufacturing | 85   | 75   |
| Selling and distribution    | 36   | 29   |
| Administration              | 13   | 10   |
|                             | <u>134</u>                                   | <u>114</u>                                   |

At the balance sheet date, contributions of £20,699 (2016: £20,346) remained payable to defined contribution pension schemes.

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

### INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)

|   | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|---|---|---|
| <b>Directors' emoluments</b>                      |   |   |
| Aggregate emoluments (including benefits in kind) | 451   | 422   |
| Company contributions to pension schemes          | 16  | 15  |
| <b>Total emoluments</b>                           | <b>467</b>                                  | <b>437</b>                                  |

During the period retirement benefits were accruing to 2 Directors (2016: 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 (2016: same).

#### Remuneration of the highest paid director

|   | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|---|---|---|
| <b>Emoluments</b>                                       | <b>280</b>                                  | <b>331</b>                                  |
| Pension contributions to money purchase pension schemes | 11  | 10  |
| <b>Aggregate emoluments</b>                             | <b>291</b>                                  | <b>341</b>                                  |

## UNISTRUT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2017

#### 7 INTEREST RECEIVABLE AND SIMILAR INCOME

|                                  | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|----------------------------------|---|---|
| Intercompany interest receivable | -   | 146   |
| Other interest receivable        | -   | 1   |
| <b>Total interest receivable</b> | <b>-</b>                                    | <b>147</b>                                  |

#### 8 INTEREST PAYABLE AND SIMILAR CHARGES

|                               | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|-------------------------------|---|---|
| Intercompany interest payable | (328)                                       | -   |
| Other interest payable        | -   | -   |
| <b>Total interest payable</b> | <b>(328)</b>                                | <b>-</b>                                    |

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2017

### 9 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge/(credit) comprises:

|                                       | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|---------------------------------------|---|---|
| <b>Current Tax</b>                    |   |   |
| UK Corporation Tax                    | 419   | -   |
| <b>Deferred Tax - Note 16</b>         |   |   |
| Origination and timing differences    | 225   | 459   |
| Effect of changes in Tax rate         | (29)  | 39  |
| <b>Total tax per income statement</b> | <b>615</b>                                  | <b>498</b>                                  |

The charge for the year can be reconciled to the profit and loss statement as follows:

|  | Year ended<br>30 September<br>2017<br>£'000 | Year ended<br>30 September<br>2016<br>£'000 |
|--|---|---|
| <b>Profit for the period</b>                               | <b>3,299</b>                                | <b>2,424</b>                                |
| <br>Tax on profit at standard rate of 19.5% (2016: 20.00%) | <br>643                                     | <br>484                                     |
| Effects of:  |   |   |
| Expenses not deductible                                    | 1   | 4   |
| Effects of group relief / other reliefs                    | -   | (29)  |
| Tax rate changes   | (29)  | 39  |
| <b>Tax Charge for Period</b>                               | <b>615</b>                                  | <b>498</b>                                  |
| <br>Income tax reported in the income statement            | <br>615                                     | <br>498                                     |

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the Company's profits for this accounting period are taxed at an effective rate of 19.50%.



# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS For the year ended 30 September 2017

### 10 TANGIBLE FIXED ASSETS

|                             | Leasehold<br>improvements<br>£'000 | Plant and<br>machinery<br>£'000 | Other<br>£'000 | Total<br>£'000 |
|-----------------------------|------------------------------------|---------------------------------|----------------|----------------|
| <b>Cost</b>                 |                                    |                                 |                |                |
| At 1st October 2017         | 444                                | 4,684                           | 343            | 5,471          |
| Additions                   | -                                  | 415                             | 14             | 429            |
| Disposals                   | -                                  | (432)                           | -              | (432)          |
| <b>At 30 September 2017</b> | <b>444</b>                         | <b>4,667</b>                    | <b>357</b>     | <b>5,468</b>   |
| <b>Depreciation</b>         |                                    |                                 |                |                |
| At 1st October 2017         | 437                                | 3,818                           | 336            | 4,591          |
| Charge for period           | 7                                  | 213                             | 7              | 227            |
| Eliminated on disposal      | -                                  | (432)                           | -              | (432)          |
| <b>At 30 September 2017</b> | <b>444</b>                         | <b>3,599</b>                    | <b>343</b>     | <b>4,386</b>   |
| <b>Net book value</b>       |                                    |                                 |                |                |
| <b>At 30 September 2017</b> | <b>-</b>                           | <b>1,068</b>                    | <b>14</b>      | <b>1,082</b>   |
| At 30 September 2016        | 7                                  | 866                             | 7              | 880            |

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

### 11 INVESTMENTS

|   | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|---|--|--|
| Total fixed asset investments comprise: |  |  |
| Investment in Subsidiaries              | 67,492                                 | -                                      |
|   | <u>67,492</u>                          | <u>-</u>                               |

The company owns, either directly or indirectly, 100% of the issued share capital of the companies listed below:

|   | Class of<br>Share held | Principal Activity | Percentage of<br>Shares held |
|---|------------------------|--------------------|------------------------------|
| Marco Gearing Ltd<br>Unit 8, Bryn Cefni Industrial Park, Llangefni, Gwynedd, LL77 7XA | Ordinary               | Manufacturer       | 100%                         |
| Flexicon Ltd<br>Roman Way, Coleshill, Birmingham, B46 1HG                             | Ordinary               | Manufacturer       | 100%                         |

|                         | Investments in<br>Subs<br>£'000 |
|-------------------------|---------------------------------|
| Cost and net book value |                                 |
| At 1 October 2016       | 0                               |
| Additions               | <u>67,492</u>                   |
| At 30th September 2017  | <u>67,492</u>                   |

## UNISTRUT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

#### 12 INVENTORIES

|                  | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|------------------|--|--|
| Raw materials    | 326                                    | 387                                    |
| Work in progress | 192                                    | 289                                    |
| Finished goods   | 2,642                                  | 3,169                                  |
|                  | <u>3,160</u>                           | <u>3,845</u>                           |

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

A reversal of an impairment loss of £74k (2016: £48k loss) was recognised in net operating expenses against stock during the year.

#### 13 DEBTORS

|   | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|---|--|--|
| <b>Amounts falling due within one year:</b> |  |  |
| Trade debtors                               | 7,895                                  | 5,394                                  |
| Amounts due from other group undertakings   | -                                      | 2,573                                  |
| Other debtors                               | -                                      | 48                                     |
| Deferred tax asset (note 16)                | 27                                     | 223                                    |
| Prepayments and accrued income              | 519                                    | 239                                    |
|   | <u>8,441</u>                           | <u>8,477</u>                           |

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

### 14 CREDITORS: Amounts falling due within one year:

|                                      | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|--------------------------------------|--|--|
| Trade creditors                      | 7,461                                  | 7,339                                  |
| Amounts due to other group companies | 4,125                                  | 278                                    |
| Other creditors and accruals         | 967                                    | 758                                    |
| Corporation tax                      | 378                                    | -                                      |
| Taxation and social security         | 123                                    | 132                                    |
|                                      | <u>13,054</u>                          | <u>8,507</u>                           |

Amounts due to other groups are repayable on demand.

### 15 CREDITORS: Amounts falling due after one year:

|   | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|---|--|--|
| Amounts falling due after more than one year: |  |  |
| Inter-company loan                            | 43,328                                 | -                                      |
|   | <u>43,328</u>                          | <u>-</u>                               |

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

The loans are repayable over the period until 2022. The interest rates on the loans are 4.45% Unistrut can repay the principal or any part at any time provided each repayment is in a minimum amount of £100k.

# UNISTRUT LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

### 16 DEFERRED TAXATION

|  | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|--|--|--|
| <b>Deferred tax assets</b>                             |  |  |
| Provision at start of period                           | 223                                    | 721                                    |
| Deferred tax charge to income statement for the period | (196)                                  | (498)                                  |
| Provision at end of period                             | <u>27</u>                              | <u>223</u>                             |
| <br>Fixed asset timing difference                      | <br>17                                 | <br>57                                 |
| Short term timing differences - trading                | 10                                     | 6                                      |
| Losses   | -                                      | 160                                    |
|  | <u>27</u>                              | <u>223</u>                             |
| <br><b>Deferred tax (assets)</b>                       |  |  |
| Recoverable within 12 months                           | <u>27</u>                              | <u>223</u>                             |

In determining the deferred tax asset to be recognised, the Directors carefully review the recoverability of these assets on a prudent basis and reach a judgement based on the best available information. Estimates and judgments used in the financial statements are based on historical experience and other assumptions that the Directors and management consider reasonable and are consistent with the company's latest budgeted forecasts where applicable.

Changes to the UK corporation tax rates were substantively enacted as part of the 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 balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

The amount of the net reversal of deferred tax expected to occur next year is £27k (2017: £223k), relating to the reversal of existing timing differences on tangible fixed assets and utilisation of trade losses carried forward.

## UNISTRUT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

#### 17 CALLED-UP SHARE CAPITAL

|  | As at<br>30 September<br>2017<br>£'000 | As at<br>30 September<br>2016<br>£'000 |
|--|--|--|
| <b>Authorised</b>                      |  |  |
| 1,320,001 Ordinary shares of £1 each   | -                                      | 1,320                                  |
| 1 Ordinary shares of £1 each           | <u>0</u>                               | <u>-</u>                               |
| <b>Allotted, issued and fully paid</b> |  |  |
| 1,320,001 Ordinary shares of £1 each   | -                                      | 1,320                                  |
| 1 Ordinary shares of £1 each           | <u>0</u>                               | <u>-</u>                               |

#### 18 RESERVES

On November 10th 2016 a special resolution was passed by the Board to reduce the share capital of the company from £1,320,001 divided into 1,320,001 issued and fully paid ordinary shares of £1.00 each and a share premium account of £28,787,832 to, £1.00 divided into 1 ordinary share of £1.00 each and a share premium account of £0.00 and that such reduction be effected by cancelling 1,320,000 Ordinary shares of £1.00 each and extinguishing the entire share premium account and that such reductions be effected by way of capital reduction pursuant of section 641 of the Companies Act 2006, with such reserves to be treated as realised profit.

On November 28th 2016 the company paid a dividend of £2,577,341 to its immediate parent company

## UNISTRUT LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2017

#### 19 CAPITAL AND OTHER COMMITMENTS

##### Total Future minimum lease 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 cancellable operating leases are as follows:

|                            | Land & Buildings  |                   | Motor vehicles and office equipment |                   |
|----------------------------|-------------------|-------------------|-------------------------------------|-------------------|
|                            | 30 September 2017 | 30 September 2016 | 30 September 2017                   | 30 September 2016 |
|                            | £'000             | £'000             | £'000                               | £'000             |
| Expiring:                  |                   |                   |                                     |                   |
| Within one year            | 572               | 582               | 139                                 | 16                |
| Between one and five years | 2,288             | 2,288             | 54                                  | 271               |
| After five years           | 2,812             | 3,385             | -                                   | -                 |
|                            | <u>5,672</u>      | <u>6,255</u>      | <u>193</u>                          | <u>287</u>        |

There are no Capital lease commitments.

#### 20 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 S. Lathrop Avenue, Harvey, Illinois, 60426, United States.

#### 21 RELATED PARTY TRANSACTION

The company has taken advantage of the exemption permitted in FRS102 Section 33 to wholly owned subsidiaries not to disclose transaction and balances with other group companies. There are no other related party transactions.