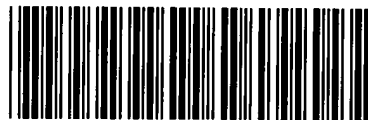


Company Registration No. 01136087 (England and Wales)

ELVSTROM SAILS UK LIMITED
ANNUAL REPORT AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018
PAGES FOR FILING WITH REGISTRAR

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ELVSTROM SAILS UK LIMITED

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ELVSTROM SAILS UK LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	3		368		1,435
Current assets					
Stocks		53,411		48,904	
Debtors	4	166,928		96,299	
Cash at bank and in hand		21,041		38,080	
		<u>241,380</u>		<u>183,283</u>	
Creditors: amounts falling due within one year	5	<u>(519,786)</u>		<u>(476,623)</u>	
Net current liabilities			(278,406)		(293,340)
Total assets less current liabilities			<u>(278,038)</u>		<u>(291,905)</u>
Capital and reserves					
Called up share capital	6	575,090		575,090	
Profit and loss reserves		<u>(853,128)</u>		<u>(866,995)</u>	
Total equity			<u>(278,038)</u>		<u>(291,905)</u>

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

For the financial year ended 30 September 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

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

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

The financial statements were approved by the board of directors and authorised for issue on 21/12/2018 and are signed on its behalf by:


N Bjerregaard
Director

Company Registration No. 01136087

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

Company information

Elvstrom Sails UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is HYS, Unit 2, Port Hamble, Hamble, Southampton, Hampshire, SO31 4NN.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The financial statements have been prepared on a going concern basis, which assumes the continued support of the company's ultimate parent company, Elvstrom Sails A/S and other creditors. The directors have no reason to believe that this support will not continue.

If this continued support was not forthcoming the going concern basis would not be appropriate, and adjustments would have to be made to reduce the value of the assets to their realisable amounts and re-classify long term liabilities as current liabilities. The financial statements do not include any adjustments that would result from a withdrawal of this support.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT. The fair value of consideration takes into account trade and settlement discounts. Revenue is recognised on the raising of a sales invoice.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Improvements to leasehold property	33.33% straight line
Plant and machinery	10%, 20% and 33.33% straight line
Motor vehicles	20% straight line

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

1.5 Impairment of fixed assets

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

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies

(Continued)

1.6 Stocks

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

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

Work in progress is valued at the lower of cost and net realisable value.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2018

1 Accounting policies (Continued)

1.9 Equity instruments

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

1.10 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 4 (2017 - 4).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 October 2017 and 30 September 2018	1,175	47,628	48,803
Depreciation and impairment			
At 1 October 2017	1,175	46,193	47,368
Depreciation charged in the year	-	1,067	1,067
At 30 September 2018	1,175	47,260	48,435
Carrying amount			
At 30 September 2018	-	368	368
At 30 September 2017	-	1,435	1,435

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	163,701	92,726
Prepayments and accrued income	3,227	3,573
	<u>166,928</u>	<u>96,299</u>

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	12,226	16,651
Amounts due to group undertakings	487,481	440,365
Other taxation and social security	13,931	15,311
Other creditors	1,848	996
Accruals and deferred income	4,300	3,300
	<u>519,786</u>	<u>476,623</u>

6 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
575,090 ordinary shares of £1 each	575,090	575,090
	<u>575,090</u>	<u>575,090</u>

7 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	11,669	13,369
Between two and five years	-	11,141
	<u>11,669</u>	<u>24,510</u>

ELVSTROM SAILS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

8 Parent company

The immediate parent company is Sobstad Sailmakers (UK) Limited, a company incorporated in England and Wales. Its registered office is Unit 2, Hamble Yacht Services, Port Hamble, Southampton, Hampshire, SO31 4NN. Sobstad Sailmakers (UK) Limited is a wholly owned subsidiary of Elvstrom Sails A/S, a company incorporated in Denmark.