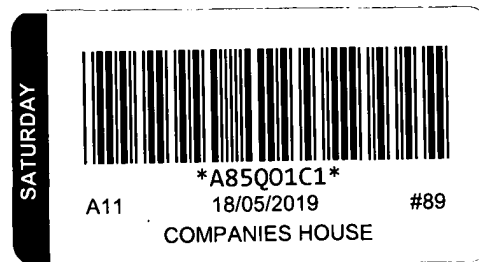


**Company Registration Number 01435835 (England and Wales)**

**Akhter Group Limited**

**Directors' Report and Consolidated Financial Statements**

**For The Period Ended 31 December 2018**



**Registered office: Akhter Group plc, Akhter House, Perry Road, Harlow, Essex CM18 7PN**

**Akhter Group Limited**

**Index to the consolidated financial statements  
For The Period Ended 31 December 2018**

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## **Akhter Group Limited**

### **Directors' report**

#### **For The Period Ended 31 December 2018**

The directors present their annual report and the audited financial statements for the period ended 31 December 2018.

#### **Principal activities**

The group is an established manufacturer, systems integrator and supplier of PC network and database technology to a broad base of predominantly public sector customers in the UK. The group principally serves the networked PC and workstation market offering customers complete turnkey systems solutions, comprising hardware, software, installation, networking, training and after sales support. The group sells mainly into niche markets in which it can differentiate itself and gain a competitive advantage. It has also entered the green energy market through the design and production of commercial solar powered lights.

#### **Review of the business**

Our review is consistent with the size and nature of our business and is written in the context of the risks and uncertainties we face. Financial performance indicators have been selected that reflect the performance of the group as a whole including turnover, gross profit and operating profit.

The group's business environment in which we operate continues to be challenging. The computer market is highly competitive and operating margins need to be maintained. We face competition from companies both inside and outside the UK. We are also affected by consumer spending patterns and consumer' overall level of disposable income within our economy. However, the market for "green technology" will continue to grow with the group's investment into manufacture of solar street lights and continued research and development is expected to contribute to growth in operating income.

#### **Results and dividends**

The group's consolidated profit and loss account is shown on page 5.

No interim dividend was paid during the year (2017: nil). The directors do not recommend the payment of a final dividend for the year (2017: nil).

An interim dividend was paid by Akter Computers Limited to Akhter Group Limited on 31 December 2018 of £600,000.

#### **Market value of land and buildings**

In the opinion of the directors, the professional valuation of land and buildings exceed the current book value.

#### **Future developments**

The group is continuing to develop new products and will continue the development of new market sectors for its I.T. solutions and range of commercial solar products. Market conditions remain tough with the future of public sector investment into new I.T. products becoming increasingly uncertain.

The group's management team is dedicated to maintaining and extending the improvements in customer support, quality and productivity.

#### **Research and development**

Research and development is an important part of the group's operations. The directors intend to continue their policy of investment in research and development as an essential aspect of the continuing commitment to product and quality improvements.

The research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the group or the relevant subsidiary company is expected to benefit.

## **Akhter Group Limited**

### **Directors' report (continued) For The Period Ended 31 December 2018**

#### **Directors**

The following directors have held office since 1 July 2014

Humayun A Mughal  
Alan G Laffoley

Chief Executive Officer  
Group Technical Director

#### **Employee consultation**

The group places considerable value on the involvement of its employees and has continued its practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. This is achieved through formal and informal meeting.

#### **Disabled employees**

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort will be made to ensure that their employment with the group continues and that appropriate training is arranged. It is the policy of the group that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

#### **Political and charitable contributions**

The group made no political contributions. Charitable donations paid during the year were nil (2017: nil).

#### **Creditor payment policy**

It is the group's policy to negotiate terms with its suppliers and to ensure that they know the terms on which payment will be made when business is agreed. It is the directors policy to abide by such terms. The group does not follow any special code or standard on payment practice due to the diverse nature of its supplier base.

#### **Principal risks and uncertainties**

All businesses face a range of risks and uncertainties, being subject to hazards from internal and external forces. The company and its subsidiaries undertakes regular risk assessments and the likelihood and significance of risk factors are considered to ensure risk mitigation.

#### **UK economic performance**

The UK economy has slowed down with reduced consumer spending and rising unemployments. The operational leverage is such that any deterioration in sales performance may have a disproportionate reduction in profitability. The company and its subsidiaries mitigate this risk by continuous monitoring of costs. In addition, the subsidiaries are aggressively pursuing work and orders from new and existing customers.

#### **Availability of credit**

The availability of credit for consumers and businesses has fallen considerably. Thus there is possibility of bad debts. However, this risk is mitigated by the company and its subsidiaries by the maintenance of cash reserves and through agreements with customers regarding payment terms and credit facilities. Extended credit terms are agreed with creditors where possible.

## **Akhter Group Limited**

### **Directors' report (continued) For The Period Ended 31 December 2018**

#### **Principal risks and uncertainties (continued)**

##### **Exchange rate fluctuations**

Exchange rate fluctuations have had, and continue to have, a material impact on the subsidiaries operating results. The global financial crisis has led to increased volatility in exchange rates which make it harder to predict exchange rates and thus perform financial planning. Thus the company and its subsidiaries only monitors closely the foreign exchange market to try and mitigate this risk.

#### **Directors' responsibilities**

The directors are responsible for preparing 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). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group 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 the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



**Professor Humayun Akhter Mughal**  
**Chief Executive Officer**

**16th May 2019**

Registered office:  
Akhter House  
Perry Road  
Harlow  
Essex  
England  
CM18 7PN

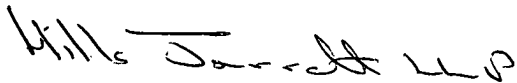
**Akhter Group Limited**

**Chartered Certified Accountants Report to the Board of Directors on the Preparation of the  
Unaudited Statutory Financial Statements of Akhter Group Limited  
For The Period Ended 31 December 2018**

As described on the statement of financial position, the directors of the group and the company are responsible for the preparation of the financial statements for the year ended 31 December 2018, which comprise the statement of income and retained earnings, statement of financial position and the related notes.

You consider that the group and the company is exempt from an audit under the Companies Act 2006.

In accordance with your instructions we have compiled these financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and from information and explanations supplied to us.



HILLS JARRETT LLP  
Chartered Certified Accountants

Gainsborough House  
Sheering Lower Road  
Sawbridgeworth  
Herts  
CM21 9RG

16 May 2019

**Akhter Group Limited**

**Consolidated profit and loss account  
For The Period Ended 31 December 2018**

		<b>31.12.18</b>	<b>Period</b>
	<b>Note</b>	<b>£' 000</b>	<b>01.07.16 to</b>
			<b>31.12.17</b>
			<b>£' 000</b>
Turnover of the group	1	8,341	7,238
Cost of sales		(6,868)	(5,425)
Gross profit		1,473	1,813
Selling and distribution costs		-	(445)
Administrative expenses		(1,209)	(1,418)
Other operating income		171	34
Group operating profit/(loss)	2	435	(16)
Share of operating profits of associates	21	125	4
Exceptional items:	2	-	794
(Loss)/Profit on ordinary activities before interest		560	782
Interest receivable and similar income	3	100	-
Interest payable and similar charges	4	(75)	(134)
(Loss)/Profit on ordinary activities before taxation		585	648
Tax on profit on ordinary activities	7	(34)	209
<b>Profit for the financial year for the group</b>		<b>551</b>	<b>857</b>

**Akhter Group Limited**

**Consolidated balance sheet**

**As at 31 December 2018**

	Note	31.12.18 £' 000	31.12.18 £' 000	31.12.17 £' 000	31.12.17 £' 000
<b>Fixed assets</b>					
Intangible assets	9		-		-
Tangible assets	10		4,510		4,557
Investments	11		6,366		5,660
			<u>10,876</u>		<u>10,217</u>
<b>Current assets</b>					
Stocks	12	478		1,138	
Debtors	13	2,455		1,488	
Cash at bank and in hand		108		21	
		<u>3,041</u>		<u>2,647</u>	
<b>Creditors: amounts falling due within one year</b>	14	(2,691)		(1,573)	
<b>Net current assets</b>			<u>350</u>		<u>1,074</u>
<b>Total assets less current liabilities</b>			<u>11,225</u>		<u>11,291</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(1,619)		(2,199)
<b>Provision for liabilities</b>	16		(18)		(55)
			<u>9,588</u>		<u>9,037</u>
<b>Capital and reserves</b>					
Called up share capital	17		343		343
Share premium account	18		-		-
Revaluation reserve	18		2,321		2,321
Other reserves	18		127		127
Profit and loss account	18		6,797		6,246
			<u>9,588</u>		<u>9,037</u>

For the financial year in question the group was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the group to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

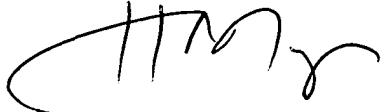
These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.



**Akhter Group Limited**

**Consolidated balance sheet (continued)**  
**As at 31 December 2018**

These financial statements were approved by the board of directors and authorised for issue on 16 May 2019 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'H. Mughal', written in a cursive style.

**Professor Humayun Akhter Mughal**  
**Chief Executive Officer**

**Company Registration Number 01435835**

**Akhter Group Limited**

**Company balance sheet  
As at 31 December 2018**

	Note	31.12.18 £' 000	31.12.18 £' 000	31.12.17 £' 000	31.12.17 £' 000
<b>Fixed assets</b>					
Tangible assets	10		4,474		4,460
Investments	11		6,910		2,113
			<u>11,384</u>		<u>6,573</u>
<b>Current assets</b>					
Debtors	13	1,666		6,288	
Cash at bank and in hand		16		1	
		<u>1,682</u>		<u>6,289</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(1,164)</u>		<u>(980)</u>	
<b>Net current (liabilities) assets</b>			<u>518</u>		<u>5,309</u>
<b>Total assets less current liabilities</b>			<u>11,902</u>		<u>11,882</u>
<b>Creditors: amounts falling due after more than one year</b>	15		(3,233)		(3,880)
<b>Provision for liabilities</b>	16		(18)		(44)
			<u>8,651</u>		<u>7,958</u>
<b>Capital and reserves</b>					
Called up share capital	17		343		343
Share premium account	18		-		-
Revaluation reserve	18		2,321		2,321
Other reserves	18		127		127
Profit and loss account	18		5,860		5,167
			<u>8,651</u>		<u>7,958</u>

For the financial year in question the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibility for complying with the requirements of the Act with respect to accounting records and for the preparation of accounts.

These accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

**Akhter Group Limited**

**Company balance sheet (continued)**  
**As at 31 December 2018**

These financial statements were approved by the board of directors and authorised for issue on 16 May 2019 and were signed on its behalf by:

A handwritten signature in black ink, appearing to be 'H. Akhter Mughal', written over a horizontal line.

**Professor Humayun Akhter Mughal**  
**Chief Executive Officer**

**Company Registration Number 01435835**

## **Akhter Group Limited**

### **Notes to the financial statements For The Period Ended 31 December 2018**

#### **Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'

#### **Accounting policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements.

#### **Basis of preparation**

The financial statements have been prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) under the historical cost convention modified to include the revaluation of certain land and buildings.

#### **Transition to FRS 102**

The group transitioned from previous UK GAAP to FRS 102 as at 1 July 2015. No transitional adjustments were required.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the company and its subsidiary undertakings, together with the Group's share of the results and net assets of its associate, made up to 31 December 2018.

#### **Goodwill**

Goodwill arising on the acquisition of subsidiaries or other businesses, represented by the excess of their fair value of the consideration given over the fair value of the separable net assets acquired, is capitalised and amortised over its useful economic life in accordance with Financial Reporting Standard 10. Goodwill is amortised over a period of not more than twenty years.

#### **Company accounts**

Under section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account. The amount of the profit for the financial year dealt with in the accounts of the company is £654,000 (2017: Loss £2,774,000).

#### **Turnover**

Turnover represents the invoiced value of goods sold and services provided and is stated net of Value Added Tax. The turnover is attributable to the principal activities of the group which all represent continuing operations. For equipment supplied under rental agreements, turnover is recognised on an accruals basis.

#### **Revenue recognition**

Revenue is generally recognised as contract activity progresses so that for incomplete contracts it reflects the partial performance of the contractual obligations. For such contracts the amount of revenue reflects the accrual of the right to consideration by reference to the value of work performed. Revenue not billed to clients is included in debtors and payments on account in excess of the relevant amount of revenue are included in creditors.

Fee income that is contingent on events outside the control of the firm is recognised when the contingent event occurs.

#### **Foreign currencies**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date and any exchange differences arising are taken to the profit and loss account.

For consolidation purposes, the assets and liabilities of overseas subsidiary undertakings are translated at the closing exchange rates. Profit and loss accounts of such undertakings are consolidated at the average rates of exchange during the year. Exchange differences arising on these translations are taken to reserves, net of exchange differences arising on related foreign currency borrowings.

## **Akhter Group Limited**

### **Accounting policies (continued)**

**For The Period Ended 31 December 2018**

#### **Leases and hire purchase commitments**

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

Rentals under operating leases are charged on a straight line basis over the lease term.

#### **Research and development expenditure**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### **Deferred taxation**

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted. Deferred tax assets are recognised only to the extent that they are likely to be realised.

#### **Fixed assets and depreciation**

Depreciation is provided on all tangible fixed assets except land, to write off the cost, less estimated residual value, of each asset over its expected useful life on a reducing balance basis, except where stated, as follows:

Fixtures, fitting and equipment	Between 10 and 33.33 per cent, per annum, on a reducing balance basis
Motor vehicles	Between 20 and 25 per cent, per annum, on a reducing balance basis
Buildings in UK	2 per cent, per annum, on cost or valuation on a straight line basis unless revalued at year end
Buildings in Pakistan	10 per cent, per annum, on a reducing balance basis
Equipment for rental	On a systematic basis so as to spread profit evenly over the period of the rental agreements
Computer equipment	33.33 per cent, per annum, on a straight line basis and some of the equipment are depreciated on 33 per cent on a reducing balance basis

#### **Design costs and amortisation**

Design costs relate to specific new products and are amortised to write off these costs, less estimated residual value, over their expected useful life, which has been estimated by the directors as 33.3 per cent, per annum on a straight line basis.

#### **Stocks**

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

#### **Pension costs and other post-retirement benefits**

The group continues to operate an occupational pension scheme for H A Mughal. The arrangements for H A Mughal are an approved defined contribution scheme (in which his wife is a member) and a funded unapproved defined contribution scheme. There were no contributions made by the group to the unapproved scheme.

The group also operates a Group Personal Pension Plan for certain employees and directors, into which it pays contributions. The pension cost charges represent contributions payable by the group. Pension provision is available to all employees.

# Akhter Group Limited

## Notes to the financial statements

For The Period Ended 31 December 2018

### 1. Turnover

Turnover is all attributable to the principal activities of the group and arises mainly from the UK.

The distribution of external sales by geographic region is as follows:

	31.12.18	31.12.17
	£' 000	£' 000
Turnover	8,341	7,238
Total	8,341	7,238

The directors believe that the group has only one business segment and accordingly no further segmental analysis is provided.

### 2. Operating profit

Operating profit is stated after charging:

Depreciation and other amounts written off tangible fixed assets	145	348
Auditors' remuneration:		
Audit	-	-
Other services	-	4
Pension costs	7	22
Amortisation of goodwill and design costs	-	44

The exceptional items are as follows:

Wholly owned subsidiary disposal to minority interest	-	(926)
Profit on investment of wholly owned subsidiary	-	(124)
Pension liability discharged	-	250
Provision for diminution in value of the investment in:		
Ultima Networks Plc	-	6
	-	(794)

### 3. Interest receivable and similar income

Bank interest receivable	-	-
Other interest receivable	100	-
	100	-

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**4. Interest payable and similar charges**

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>
On bank loans and overdrafts	75	134
Other interest payable	-	-
	<u>75</u>	<u>134</u>

**5. Staff numbers and costs**

	<b>Number of employees</b>	
	<b>31.12.18</b>	<b>31.12.17</b>
Administration and technical	16	29
Selling and distribution	8	12
	<u>24</u>	<u>41</u>

The aggregate payroll costs of these persons, including directors, were as follows:

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>
Wages and salaries	498	1,007
Social security costs	34	89
Other pension costs	7	17
	<u>539</u>	<u>1,113</u>

**6. Directors' emoluments**

The emoluments of the directors are as follows:

Emoluments:		
Salary	-	144
Benefits in kind	-	-
	<u>-</u>	<u>144</u>
Total emoluments	-	144
Pension contributions	-	8
	<u>-</u>	<u>152</u>

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 0 (2017: 1).

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	<u>-</u>	<u>144</u>
------------------------------------	----------	------------

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**7. Taxation**

(a) Analysis of (credit)/charge in year for group

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>
UK Corporation Tax at 19% (2017: 19%) on the profit on ordinary activities	80	-
Adjustments relating to an earlier year	(20)	14
Overseas tax	-	-
	<u>60</u>	<u>14</u>
Deferred tax (credit)/charge	(26)	(223)
	<u>34</u>	<u>(209)</u>

(b) Factors affecting tax charge in year for group

Profit on ordinary activities	585	648
	<u>585</u>	<u>648</u>
Profit on ordinary activities multiplied by rate of Corporation Tax in the UK of 19.00% (2017: 19%)	111	130
Effects of:		
Expenses not deductible for tax purposes	-	-
Capital Allowances in excess of depreciation	-	-
Utilisation of tax losses/group reliefs	(31)	(130)
Current period unutilised tax losses	-	-
Adjustment to tax charge of prior periods	-	-
Overseas tax	-	-
	<u>80</u>	<u>-</u>
Current tax (credit)/charge for the year	<u>80</u>	<u>-</u>

**8. Equity dividends**

Interim dividend paid	-	-
	<u>-</u>	<u>-</u>



**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**9. Intangible fixed assets**

<b>Group</b>	<b>Goodwill £' 000</b>	<b>Design costs £' 000</b>	<b>Total £' 000</b>
Cost			
At beginning of year	-	-	-
Additions	-	-	-
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/>	<hr/>	<hr/>
Amortisation			
At beginning of year	-	-	-
Charge for the year	-	-	-
Eliminated on disposal	-	-	-
	<hr/>	<hr/>	<hr/>
At end of year	-	-	-
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2018	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2017	-	-	-
	<hr/>	<hr/>	<hr/>

**10. Tangible fixed assets**

<b>Group</b>	<b>Fixtures, fittings and equipment £' 000</b>	<b>Motor Vehicles £' 000</b>	<b>Land and buildings £' 000</b>	<b>Total £' 000</b>
Cost or valuation				
At beginning of year	3,010	72	4,983	8,065
Additions	142	16	-	158
Reclassify from development costs (note 9)	-	-	-	-
Disposals	(261)	(16)	(63)	(340)
Revaluation	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,891	72	4,920	7,883
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At beginning of year	2,907	68	533	3,508
Charge for the year	65	3	77	145
Disposals	(222)	(16)	(42)	(280)
Impairment	-	-	-	-
Exchange difference	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	2,750	55	568	3,373
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 2018	141	17	4,352	4,510
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	103	4	4,450	4,557
	<hr/>	<hr/>	<hr/>	<hr/>

The land and building held by Akhter Group Limited were revalued by a professional body in the sum of £4,920,000 on the basis of open market value.

The directors consider the valuation to be appropriate as at 31 December 2018.

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**10. Tangible fixed assets (continued)**

<b>Company</b>	<b>Fixtures, fittings and equipment £' 000</b>	<b>Motor Vehicles £' 000</b>	<b>Land and buildings £' 000</b>	<b>Total £' 000</b>
Cost or valuation				
At beginning of year	49	-	4,920	4,969
Revaluation	-	-	-	-
Additions	-	123	-	123
Disposal	-	-	-	-
At end of year	49	123	4,920	5,092
Depreciation				
At beginning of year	18	-	491	509
Charge for the year	6	26	77	109
Disposal	-	-	-	-
At end of year	24	26	568	618
Net book value				
At 31 December 2018	25	97	4,352	4,474
At 31 December 2017	31	-	4,429	4,460

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**11. Fixed asset investments**  
**Group**

	Shares in group undertakings £' 000	Investment to an associate company	Investment in Ultima £' 000	Total £' 000
Valuation				
At beginning of year	906	4,754	-	5,660
Movement	137	569	-	706
At end of year	1,043	5,323	-	6,366
Provisions				
At beginning and end of year	-	-	-	-
Net book value				
At 31 December 2018	1,043	5,323	-	6,366
At 31 December 2017	906	4,754	-	5,660

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**11. Fixed asset investments (continued)**  
**Group (continued)**

Company	Shares in group undertakings	Other Investments £' 000	Total £' 000
Cost			
At beginning of year	2,113	-	2,113
Disposals	(63)	-	(63)
Transfers	(1,050)	5,910	4,860
At end of year	1,000	5,910	6,910
Provisions			
At beginning of year	-	-	-
At end of year	-	-	-
Net book value			
At 31 December 2018	1,000	5,910	6,910
At 31 December 2017	2,113	-	2,113

The principal subsidiary undertakings, all of which are wholly owned and have an accounting year end of 31 December 2018, are as follows:

Akhter Computers Limited (issued share capital £1,000,000 of £1 each) - established manufacturer, system integrator and supplier of PC networking and database technology. Registered in England and Wales.

**Other Investments held**

Silicon CPV Limited (issued share capital £550,000 of 10p each) - developing production of electricity.

Akhter Solar Limited (issued share capital PKR 1,000,000 of 100 Rupees each) - manufacturer of solar cell module assemblies. Registered in Pakistan.

UK Solar 1 Limited (issued share capital £2,000 of 1p each) - production of electricity.

The interest in Silicon CPV Limited was reduced from 100% to 33.33% on 1 January 2018.

Akhter Solar Limited ceased to be a subsidiary of the group from 1 January 2018.

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**12. Stocks**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>
Finished goods and goods for resale	478	1,138	-	-

**13. Debtors**

Trade debtors	825	1,252	177	342
Amounts owed by parent and fellow subsidiary undertakings	-	-	-	5,808
Corporation Tax	-	-	-	-
Prepayments and accrued income	111	-	82	66
Other debtors	1,519	236	1,407	72
	<u>2,455</u>	<u>1,488</u>	<u>1,666</u>	<u>6,288</u>

**14. Creditors: amounts falling due within one year**

Bank loans & overdrafts (see note 15)	183	183	183	183
Trade creditors	1,207	645	-	-
Amounts owed to group undertakings	-	-	-	-
Other taxes and social security	159	209	-	1
Corporation tax	9	18	9	21
Directors current account	18	23	-	-
Accruals and deferred income	232	393	89	310
Other creditors	883	102	883	465
	<u>2,691</u>	<u>1,573</u>	<u>1,164</u>	<u>980</u>

**Akhter Group Limited**
**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**
**15. Creditors: amounts falling due after more than one year**

	<b>Group</b>		<b>Company</b>	
	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>
Other Creditors	1	436	1	32
Amounts owed to group undertakings	-	-	1,614	2,085
Bank loans	1,618	1,763	1,618	1,763
	<u>1,619</u>	<u>2,199</u>	<u>3,233</u>	<u>3,880</u>
<b>Analysis of loans</b>				
Not wholly repayable within five years	1,802	2,414	3,416	5,144
	<u>1,802</u>	<u>2,414</u>	<u>3,416</u>	<u>5,144</u>
Included in current liabilities	(183)	(215)	(183)	(208)
	<u>1,619</u>	<u>2,199</u>	<u>3,233</u>	<u>4,936</u>
<b>Loan maturity analysis</b>				
Within one years	183	215	183	208
In more than one year but not more than two years	183	215	183	208
In more than two years but not more than five years	549	549	549	3,493
In more than five years	887	1,435	2,501	1,027
	<u>1,802</u>	<u>2,414</u>	<u>3,416</u>	<u>4,936</u>

The bank loan and the overdraft is secured against the company's freehold land and buildings. Interest on the loan during the year was charged at bank base rate plus 2.4%.

**16. Provisions for liabilities and charges**

	<b>Deferred taxation</b>	
	<b>£' 000</b>	<b>£' 000</b>
<b>Group</b>		<b>Company</b>
At beginning of year	55	44
Credit to profit and loss account during year	(37)	(26)
Exchange difference	-	-
	<u>18</u>	<u>18</u>

The amounts provided for deferred tax are set out below:

	<b>Group</b>		<b>Company</b>	
	<b>31.12.18</b>	<b>31.12.17</b>	<b>31.12.18</b>	<b>31.12.17</b>
	<b>Provided</b>	<b>Provided</b>	<b>Provided</b>	<b>Provided</b>
	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>	<b>£' 000</b>
Difference between accumulated depreciation and amortisation and capital allowances liability	19	55	19	44

**Akhter Group Limited**

**Notes to the financial statements (continued)**  
**For The Period Ended 31 December 2018**

**17. Called up share capital**

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>
Allotted, issued and fully paid up 3,428,400 Ordinary shares of 10p each	343	343

**18. Reserves**  
**Group**

	<b>Share Premium £' 000</b>	<b>Revaluation reserve £' 000</b>	<b>Other reserves £' 000</b>	<b>Profit and loss account £' 000</b>
At beginning of year	-	2,321	127	6,246
Revaluation	-	-	-	-
Profit for the financial year	-	-	-	551
At end of year	-	2,321	127	6,797

**Company**

	<b>Share Premium £' 000</b>	<b>Revaluation reserve £' 000</b>	<b>Other reserves £' 000</b>	<b>Profit and loss account £' 000</b>
At beginning of year	-	2,321	127	5,167
Movement	-	-	-	-
Transfer from revaluation reserve to profit and loss	-	-	-	-
Profit for the financial year	-	-	-	693
At end of year	-	2,321	127	5,860

The other reserves is the capital redemption reserve created when the company repurchased its own 1,267,156 ordinary shares of 10p in prior years.

**19. Commitments**

The group had no material capital commitments at 31 December 2018.

Annual commitments under non-cancellable operating leases in respect of land and buildings are as follows:

	<b>31.12.18</b>	<b>31.12.17</b>
	<b>£' 000</b>	<b>£' 000</b>
Operating leases which expire in more than five years	-	-

**Akhter Group Limited**

**20. Ultimate controlling party**

The ultimate controlling party is Professor Humayun Akhter Mughal.

**21. Share of operating profits of associates**

The group has an interest in Silicon CPV of 33.33%.