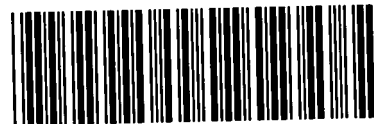


Company Registration No: 01576522

POURSHINS LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

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POURSHINS LIMITED

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POURSHINS LIMITED

COMPANY INFORMATION

DIRECTORS

S P Corr
T W Fountain
W H Human

SECRETARY

W H Human

COMPANY NUMBER

01576522

REGISTERED OFFICE

Ash House
Littleton Road
Ashford
Middlesex
TW15 1TZ

INDEPENDENT AUDITORS

Ernst & Young LLP
Apex Plaza,
Forbury Road
Reading
RG1 1YE

BANKERS

HSBC
HSBC Birmingham New Street
130 New Street,
Birmingham,
West Midlands
B2 4JU

SEB
SE-106 40 Stockholm
Sweden

POURSHINS LIMITED

STRATEGIC REPORT

The directors present their Strategic Report for Pourshins Limited (Company Registration No. 01576522) for the year ended 31 December 2018.

Review of the business

The results for the year ended 31 December 2018 were in line with Directors' expectations. Turnover in the year decreased by £4,515k compared to 2017. This constitutes a 3.5% decrease and is largely driven by the transfer of the 'Total Cost Management' (TCM) business to a sister Company, Supplair UK Ltd.

The Company's profit for the financial year was £1,882k (2017: £3,071k). The profit margin decreased from 2.4% in 2017 to 1.5% in 2018. The TCM business which operated at higher margins is largely driving the margin percentage drop.

The statement of financial position reported net assets amounting to £7,552k (2017: £8,670k).

Future Developments

The company's strategic plan continues to be to sustain its profitability and build on its already strong business model. The company will focus on building on its existing foundations to drive sustainable growth and value for both its customers and shareholders by the implementation of productivity and efficiency measures, while pushing for further growth in the airline industry.

Key performance indicators

Given the straightforward nature of the business, the Company's Directors are of the opinion that analysis using key performance indicators is not necessary for an understanding by relevant external parties of the development, performance or position of the business further to the information included in this report and the financial information and notes contained in the body of these financial statements.

Principle Risks and Uncertainties

The business and the execution of the Company's strategy are subject to a number of risks. The key uncontrollable business risks that could affect the Company include disruption to the operations of major customers as a result of factors such as weather, natural disasters and terrorist threats.

The Board regularly reviews the financial requirements of the Company and the risks associated therewith in order to limit the adverse effects on the financial performance of the Company. The Company does not use complicated financial instruments and operations are self-financed. The Company has financial instruments such as trade debtors, trade creditors, accruals that directly arise from the Company's operations. The Company takes the following approach to financial risk:

- the Company is at risk from customers failing to pay for goods and services provided. All potential new customers have their credit assessed and regular consideration is given to the credit ratings of existing customers.
- the Company actively manages financing that is designed to ensure there are available funds for operations, therefore the company has limited exposure to liquidity and interest risk.
- the Company has appropriate contracts in place to minimise exposure to price risk.

On behalf of the Board:


W H Human
Director

6 September 2019

POURSHINS LIMITED

DIRECTORS' REPORT

The directors present their report and audited financial statements for Pourshins Limited for the year ended 31 December 2018.

Principal activities

Pourshins Limited ("Pourshins") provides Business Process Outsourcing (BPO) and Fourth Party Logistics (4PL) services and solutions to the international travel market. The customers are airlines, airline caterers, warehouse providers, brokers, food, beverage and equipment manufacturers.

Results and dividends

The results for the year are set out on page 8.

The directors recommend a final dividend on the ordinary shares amounting to £3,000k (2017:£nil).

Going Concern

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts. Contracts with our major customers are long-term and therefore we expect the business to sustain and improve on its current performance.

Strategic report

In accordance with Section 414C(11) of the Companies Act 2006, the principle risks, uncertainties and future developments of the company are contained within the strategic report on page 2.

Directors

The directors of the Company who were in office during the year and up to the date of signing the financial statements were:

S P Corr
T W Fountain
W H Human

Qualifying third party indemnity provisions

During the course of the financial year and at the date of approval of the financial statements a qualifying third-party indemnity provision was in place for the directors.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic Report, Directors' 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 prepared the financial statements in accordance with statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

Statement of directors' responsibilities (continued)

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

Statement as to disclosure of information to auditors

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditors.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution is to be proposed at the Annual General Meeting for reappointment of Ernst & Young LLP as auditor of the Company.

On behalf of the Board:



W H Human
Director

6 September 2019

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POURSHINS LIMITED

Opinion

We have audited the financial statements of Pourshins Limited for the year ended 31 December 2018 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes 1 to 16, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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 below. 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 have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POURSHINS LIMITED (CONTINUED)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

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 directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POURSHINS LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on pages 3 and 4, 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 <https://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.

Ernst + Young LLP

Kevin Harkin (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Reading

6th September 2019

POURSHINS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £'000	2017 £'000
Turnover	2	124,515	129,030
Cost of sales		(107,690)	(110,772)
Gross profit		16,825	18,258
Distribution costs		(10,352)	(10,185)
Administrative expenses		(4,292)	(4,097)
Operating profit		2,181	3,976
Interest payable and similar charges	3	(63)	(138)
Profit on ordinary activities before taxation	4	2,118	3,838
Tax on profit on ordinary activities	6	(236)	(767)
Profit for the financial year		1,882	3,071
Other comprehensive income		-	-
Total comprehensive income for the year		1,882	3,071

All results relate to continuing operations.

POURSHINS LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2018

	Note	2018	2017
		£'000	£'000
Fixed assets			
Intangible assets	7	223	446
		<u>223</u>	<u>446</u>
Current assets			
Stocks	8	8,367	7,312
Debtors	9	16,452	21,735
Cash at bank and in hand		161	1,839
		<u>24,980</u>	<u>30,886</u>
Creditors: amounts falling due within one year	11	(17,651)	(22,655)
Net current assets		<u>7,329</u>	<u>8,231</u>
Total assets less current liabilities		<u>7,552</u>	<u>8,677</u>
Provisions for liabilities	10	-	(7)
Net assets		<u>7,552</u>	<u>8,670</u>
Capital and reserves			
Called up share capital	12	849	849
Share premium account	12	6	6
Capital redemption reserve	12	5	5
Profit and loss account	12	6,692	7,810
Total equity		<u>7,552</u>	<u>8,670</u>

The financial statements were approved by the board of directors and authorised for issue on 6 September 2019 and are signed on its behalf by:



W H Human
Director

POURSHINS LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £'000	Share premium account £'000	Capital redemption reserve £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2017	849	6	5	4,739	5,599
Profit for the financial year	-	-	-	3,071	3,071
Balance at 31 December 2017	849	6	5	7,810	8,670
Profit for the financial year	-	-	-	1,882	1,882
Dividend (note 12)	-	-	-	(3,000)	(3,000)
Balance at 31 December 2018	849	6	5	6,692	7,552

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies

1.1 Statement of compliance

Pourshins Limited ("the Company") is a limited liability company domiciled and incorporated in England. The address of the company's registered office and principal place of business is Ash House, Littleton Road, Ashford, Middlesex, TW15 1TZ.

The Company's principal activities during the year were the provision of Business Process Outsourcing (BPO) and Fourth Party Logistics (4PL) services and solutions to the international travel market.

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"), as it applies to the financial statements of the company for the year ended 31 December 2018.

1.2 Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with the applicable accounting standards.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

1.3 Reduced disclosures

FRS 102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of, and no objection to, the use of exemptions by the Company's shareholders.

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares.
- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures.

1. Accounting policies (continued)

1.3 Reduced disclosures (continued)

- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income.
- Section 26 'Share-based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of gategroup Holding AG, which is incorporated in Switzerland. The consolidated financial statements of gategroup Holding AG are available on the group's webpage.

1.4 Functional and presentational currency

The financial statements are presented in sterling which is also the functional currency of the Company.

1.5 Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

1.6 Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to third party customers. Turnover is measured at the fair value of the consideration received or receivable. Revenue arising from the sale of goods is recognised when the entity transfers the risks and rewards of ownership and collectability of the related receivable is reasonably assured. Revenue arising from services rendered is recognised in the period in which the services are rendered.

The company accrues expected amounts due under rebate agreements and these are recognised against turnover.

1. Accounting policies (continued)

1.7 Intangible assets

Intangible assets purchased other than in a business combination are recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Intangible assets are initially recognised at cost (which for intangible assets acquired in a business combination is the fair value at acquisition date) and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets are amortised to profit or loss on a straight-line basis over their useful lives, as follows:

IT software	over 5 years
-------------	--------------

1.8 Tangible fixed assets

Tangible fixed assets are initially measured at historical cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Leasehold improvements	over 10 years
Plant, machinery and fixtures	between 5 and 10 years
Computer equipment	between 3 and 4 years

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

1.9 Impairment of fixed assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

1.10 Stocks

Stock is stated at the lower of cost and net realisable value. In general cost is determined on a first in first out basis. Net realisable value is the price at which stock can be sold in the normal course of business after allowing for the costs of realisation. Provision is made where necessary for obsolete, slow moving and defective stock. Stock comprises principally goods held for resale.

1. Accounting policies (continued)

1.11 Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

1.12 Employee benefits

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

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The amount charged to profit or loss for defined contribution schemes is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

1. Accounting policies (continued)

1.14 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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Debtors

Debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of comprehensive income for the excess of the carrying value of the debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in the statement of comprehensive income.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Creditors

Creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1. Accounting policies (continued)

1.15 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Deferred tax liabilities are assessed on the basis of assumptions regarding the future, the likelihood that assets will be realised and liabilities will be settled, and estimates as to the timing of those future events and as to the future tax rates that will be applicable.

The provision for bad debt requires assessment of the recoverability of trade debtors which involves estimation as to the financial condition of customers and their ability to subsequently make payments.

2. Turnover

An analysis of the Company's turnover by geographical region is as follows:

	2018	2017
	£'000	£'000
Continuing operations:		
United Kingdom	41,056	40,017
Rest of Europe	83,459	89,013
	<u>124,515</u>	<u>129,030</u>

The total turnover of the company for the year has been derived entirely from its principal activity which is considered to be the sole class of business.

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

3. Interest payable and similar charges

	2018	2017
	£'000	£'000
Interest arising on:		
Bank loans and overdrafts	41	67
Group interest and similar charges	22	71
	<u>63</u>	<u>138</u>

4. Profit on ordinary activities before taxation

	2018	2017
	£'000	£'000
The profit on ordinary activities before taxation is stated after charging:		
Amortisation of intangible assets (note 7)	223	224
Depreciation of tangible fixed assets	-	109
Stock – amounts expensed to cost of sales	107,690	110,772
Operating lease rentals	-	494
Auditors' remuneration:		
- Statutory audit	36	36
	<u>223</u>	<u>863</u>

5. Employees and directors

	2018	2017
	No.	No.
The average monthly number of persons (including directors) employed by the Company during the year amounted to:		
Sales and operational	48	54
Administration and finance	7	10
	<u>55</u>	<u>64</u>

	2018	2017
	£'000	£'000
Staff costs for the above persons:		
Wages and salaries	2,532	2,840
Social security costs	235	342
Other pension costs (note 14)	57	78
	<u>2,824</u>	<u>3,260</u>

Included in the above are employee costs of £1,000k (2017: £1,540k) recharged to another group company.

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

5. Employees and directors (continued)

Directors' remuneration

All of the directors received emoluments from other group companies and their emoluments are included in the financial statements of those companies. The directors are directors of a number of gategroup Holding AG group companies and it is not possible to make an accurate apportionment of their emoluments in respect of each of the group companies. Accordingly, the staff costs include only costs which are directly borne by or recharged to the company in relation to these payments to the directors.

There were no directors for whom retirement benefits are accruing under money purchase pension schemes (2017: 0).

6. Tax

a) Tax on profit on ordinary activities

	2018	2017
	£'000	£'000
Current tax:		
UK corporation tax	325	771
Total current tax	325	771
Deferred tax:		
Origination and reversal of timing differences	(89)	(4)
Total deferred tax	(89)	(4)
Total tax on profit on ordinary activities	236	767

b) Factors affecting current tax charge for the year.

The tax assessed for the year is lower (2017: higher) than the standard rate of corporation tax in the UK (19.25%). The differences are explained below:

	2018	2017
	£'000	£'000
Profit on ordinary activities before taxation	2,118	3,838
Profit on ordinary activities multiplied by the standard rate of Corporation tax in the UK of 19.0% (2017: 19.25%)	402	739
Effects of:		
Accelerated capital allowances	18	36
Adjustments in respect of prior periods	(100)	(4)
Other	5	-
Tax on profit on ordinary activities	325	771

c) Factors that may affect future tax charges

In his budget of March 2017, the Chancellor of Exchequer announced a reduction in the main rate of corporation tax to 17% effective from 1 April 2020. The reduction was enacted on 15 September 2017. Where deferred tax is expected to unwind after 1 April 2018 or 1 April 2020, deferred tax has been calculated at the expected enacted rate of 19% of 17% respectively.

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7. Intangible assets

	IT software £'000
Cost:	
At 1 January 2018 and 31 December 2018	1,116
Accumulated amortisation:	
1 January 2018	670
Charge for the year	223
31 December 2018	893
Net book value:	
31 December 2018	223
1 January 2018	446

8. Stocks

	2018 £'000	2017 £'000
Finished goods and goods for resale	8,367	7,312

9. Debtors

	2018 £'000	2017 £'000
<i>Amounts falling due within one year:</i>		
Trade debtors	5,310	5,302
Amounts owed by group undertakings	9,517	14,458
Other debtors	235	-
Deferred tax	82	-
Other taxation	-	865
Prepayments and accrued income	1,308	1,110
	16,452	21,735

Amounts owed by group undertakings are payable on demand and are non-interest bearing, apart from short-term inter-company cash-pooling arrangements which incur an interest calculated as a daily base rate.

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10. Deferred Tax Liability	Deferred tax liability £'000	
At 1 January 2018		(7)
At 31 December 2018		-
	2018 £'000	2017 £'000
The deferred tax liability is made up as follows:		
Accelerated capital allowances	-	(7)
	-	(7)
11. Creditors: Amounts falling due within one year	2018 £'000	2017 £'000
Trade creditors	12,486	21,138
Amounts owed to group undertaking	1,352	631
Other taxation and social security	49	59
Corporation tax	243	458
Accruals and deferred income	3,521	369
	17,651	22,655
Amounts owed to group undertakings are payable on demand and are non-interest bearing, apart from short-term inter-company loans which incur an interest calculated as a daily base rate.		
12. Dividends and other appropriations	2018 £'000	2017 £'000
Declared and paid during the year		
Final dividend (35p per share)	3,000	-
	3,000	-

POURSHINS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

13. Share capital and reserves

	2018	2017
	£'000	£'000
Share capital		
<i>Allotted, called up and fully paid:</i>		
917,500 (2017: 917,500) 'A' ordinary shares of 10p each	92	92
7,220,000 (2017: 7,220,000) 'B' ordinary shares of EURO 15 cents each	722	722
	<u>814</u>	<u>814</u>
<i>Allotted, called up, but not fully paid:</i>		
350,000 (2017: 350,000) 'A' ordinary shares of 10p each	<u>35</u>	<u>35</u>
	<u>849</u>	<u>849</u>

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

Each 'B' ordinary share of EURO 15 cent has the same rights, privileges and restrictions as each 'A' ordinary share of 10p each to the intent that each 'A' ordinary share and each 'B' ordinary share shall rank equally in all respects notwithstanding any change in exchange rates between Sterling and the EURO or any other factor. The exchange rate at the time of issuance of each 'B' share was € 1.5 to £1.

Reserves

Reserves of the Company represent the following:

Share premium account

Consideration received for shares issued above their nominal value net of transaction costs.

Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

Share-based payment reserve

The cumulative share-based payment expense.

Profit and loss account

Cumulative profit and loss net of distributions to owners.

14. Retirement benefits

The Company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. Contributions payable by the Company charged to profit or loss amounted to:

	2018	2017
	£'000	£'000
Contributions payable by the company for the year	<u>34</u>	<u>78</u>

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

15. Related party transactions

The company has taken advantage of the exemptions provided by Section 33 of FRS 102 'Related Party Disclosures' and has not disclosed transactions entered into between two or more members of a group, provided that any subsidiary undertaking which is party to the transaction is wholly owned by a member of that group.

16. Parent and ultimate parent undertaking

The directors regard the Company's ultimate parent Company and controlling party at 31 December 2018 to be Gategroup Holding AG, incorporated in Switzerland.

The smallest and largest group in which the results of the company for the year ended 31 December 2018 were consolidated was that headed by Gategroup Holding (Switzerland) AG., Ltd, which is incorporated in Switzerland. Copies of the group financial statements may be obtained from the group's webpage.

The immediate parent Company is Gate Gourmet Luxembourg IV S.a.r.l., which is incorporated in Luxembourg.