REGISTERED NUMBER: 02426143 (England and Wales)

Report and Financial Statements for the Eleven Month Period Ended 28 February 2017 for Phoenix Office Supplies Limited

Phoenix Office Supplies Limited (Registered number: 02426143)

Contents

Company Information

Directors:	J Collins M Randall G Thomas
Registered office:	Nimbus House Liphook Way Twenty Twenty Industrial Estate Maidstone ME16 0FZ
Registered number:	02426143 (England and Wales)
Auditors:	RSM UK Audit LLP Chartered Accountants Hanover House 18 Mount Ephraim Road Tunbridge Wells Kent TN1 1ED

Phoenix Office Supplies Limited (Registered number: 02426143)

Report of the Directors
for the Eleven Month Period 28 February 2017

The financial statements have been presented for a period of eleven months in order to align the accounting date to the date of acquisition by Apogee Corporation Limited.

The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

On 2 March 2017 the company's immediate parent company Danwood Group Limited was acquired by Apogee Corporation Limited.

On 30 June 2017 the trade, assets and liabilities of the company were hived up at book amounts to the parent company Apogee Corporation Limited. The company has ceased to trade and continues to operate only to act as agent for Apogee Corporation Limited in respect of certain contractual arrangements.

Going concern basis of accounting
The company has ceased to trade since the period end and the directors have adopted a basis other than the going concern basis in preparing these financial statements, as more fully described in Note 1 'Accounting policies – going concern.'

Directors
The directors of the company during the year and subsequently were:

J Collins	(appointed 2nd March 2017)
M Randall	(appointed 2nd March 2017)
G Thomas	(appointed 2nd March 2017)
W Mulligan	(resigned 2nd March 2017)
J Dalziel	(resigned 2nd March 2017)

Directors' responsibilities
The directors are responsible for preparing the 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 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 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 judgements and accounting estimates that are reasonable and prudent;
- 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.

Auditors
The auditor RSM UK Audit LLP was appointed during the period and is deemed to be re-appointed under section 487(2) of the Companies Act 2006.

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

In preparing this directors' report advantage has been taken of the small companies' exemption.

Approved by the Board and signed on its behalf by:

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M Randall – Director
8 November 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PHOENIX OFFICE SUPPLIES LIMITED

Opinion on financial statements
We have audited the financial statements on pages 4 to 11. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:
- give a true and fair view of the state of the company's affairs as at 28 February 2017 and of its profit for the period 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.

Emphasis of matter – non - going concern basis of accounting
In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made under Accounting policies – going concern on page 6 concerning the use of a basis of accounting other than the going concern basis. As described the company has ceased its principal activities and therefore the financial statements have been prepared on a basis other than that of a going concern.

Scope of the audit of the financial statements
A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at http://www.frc.org.uk/auditscopeukprivate

Opinion on other matter prescribed by the Companies Act 2006
In our opinion the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Directors' Report has 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 any material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a Strategic Report or in preparing the Directors' Report.

Respective responsibilities of directors and auditor
As more fully explained in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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.

RSM UK Audit LLP

Gary Purdy (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Hanover House
18 Mount Ephraim Road
Tunbridge Wells
Kent
TN1 1ED
Date: 8 November 2017

Phoenix Office Supplies Limited (Registered number: 02426143)

Statement of Comprehensive Income
for the Eleven Month Period Ended 28 February 2017

	Notes	11 month period ended 28 February 2017 £'000	18 month period ended 31 March 2016 £'000
Turnover	2	**3,771**	7,599
Cost of sales		**(2,829)**	(5,155)
Gross profit		**942**	2,444
Administrative expenses		**(669)**	(1,260)
Operating profit	3	**273**	1,184
Interest receivable and similar income		**1**	1
Interest payable and similar charges		**(35)**	(1)
Profit on ordinary activities before taxation		**239**	1,184
Tax on profit on ordinary activities		**(11)**	(47)
Profit and total comprehensive income for the financial period		**228**	1,137

The notes on pages 6 to 11 form part of these financial statements

Balance Sheet
as at 28 February 2017

	Notes	28 February 2017 £'000	28 February 2017 £'000	31 March 2016 £'000	31 March 2016 £'000
Fixed assets					
Tangible assets	5		**209**		216
Current assets					
Stocks		**40**		47	
Debtors	6	**3,577**		4,516	
Cash at bank and in hand		**26**		84	
		3,643		4,647	
Creditors: Amounts falling due within one year	7	**(280)**		(719)	
Net current assets			**3,363**		3,928
Total assets less current liabilities			**3,572**		4,144
Creditors: Amounts falling due after more than one year	8		**-**		(800)
Net assets			**3,572**		3,344
Capital and reserves					
Called up share capital	10		**-**		-
Profit and loss account			**3,572**		3,344
Shareholders' funds			**3,572**		3,344

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

These financial statements were approved by the Board and authorised for issue on 8 November 2017.

They were signed on its behalf by:

M L Randall

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M Randall – Director

The notes on pages 6 to 11 form part of these financial statements

1. Accounting Policies

General information

The principal activity of the company in the period under review was that of supply, lease and support of computer and print equipment. Turnover is wholly generated within the UK.

The company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is on page 1.

Statement of compliance

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities. The financial statements of the company for the period ended 31 March 2016 were prepared in accordance with previous UK GAAP.

These financial statements are the first financial statements prepared under FRS 102. The first-adoption of FRS102 has not resulted in any changes to the comparative reported profit or the financial position at the date of transition.

Going concern

The company has ceased to trade since the period end and the directors have adopted a basis other than the going concern basis in preparing these financial statements. The company had net assets of £3,572,000 at the end of the financial period. The ultimate parent company has indicated in writing that it will provide support to the company to enable it to meet its obligations as they fall due. No material adjustments arose as a result of preparing the financial statements on this basis.

Basis of measurement

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires management to exercise judgement in applying the accounting policies. The following principal accounting policies have been applied:

Turnover

The company generates revenue through the sale of equipment and consumables, and the provision of services under other commercial arrangements.

Revenue is measured at the fair value of consideration received, net of discounts, rebates and excluding VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of equipment	Revenue is recognised when goods are delivered and accepted by the customer.
Provision of services	Revenue is recognised over the period that the service is provided.
Sales of consumables	Revenue is recognised when goods are delivered to accepted by the customer.

Tangible Fixed Assets

Tangible assets are stated at original cost less accumulated depreciation and any provisions for impairment. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset into working condition for its intended use.

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Long leasehold property	▪ Life of the lease
Plant and equipment	▪ 15% - 33% straight line

All tangible assets are carried at depreciated historic cost.

The profit or loss on disposal of tangible assets is computed as the difference between net sale proceeds and the net carrying amount of the asset.

Tangible Fixed Assets (continued)

Where events or changes in circumstances indicate that the carrying amount of the company's tangible assets may not be recoverable, impairment reviews are undertaken. Carrying value is compared to recoverable amount, being the higher of net realisable value and value in use. Where the carrying value is higher than the recoverable amount, the difference is charged to the profit and loss account as an impairment charge.

Stocks

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

Cost is determined on a purchase price basis, with the same cost formula being applied to all inventories having a similar nature or use as follows:

Serialised hardware, consumables and parts	▪ Purchase price
Non-serialised hardware	▪ Purchase price

Cost includes all purchase costs and deductions for all trade discounts and rebates received and receivable. Net realisable value is based on estimated selling price, allowing for all further costs of completion and disposal.

Pensions and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

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

Trade and other debtors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities

Trade and other creditors are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Leases

Assets acquired under finance leases and hire purchase contracts are treated as tangible fixed assets and depreciation is provided accordingly. The present value of future rentals is shown as a liability and the interest element of rental obligations is charged to the profit and loss account over the term of the lease.

Leasing charges and income in respect of operating leases are recognised in the profit and loss account, on a straight line basis over the term of the lease agreements.

Current tax

Current tax assets and liabilities are measured at the amounts expected to be recovered from or paid to the taxation authorities. The Company is only subject to corporate taxes in the UK. The tax rates and tax laws used to compute the amounts are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more than likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Capital Instruments

The Company's capital is as follows:

- Called up share capital represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

2. Turnover

The turnover and profit before taxation are attributable to the principal activity of the company. Turnover represents the fair value of sales less allowances, rebates, trade discounts and value added tax.

3. Operating profit

Operating profit is stated after charging:

	11 month period ended 28 February 2017 £'000	18 month period ended 31 March 2016 £'000
Depreciation of owned assets (note 5)	**11**	29

Fees payable to the company's auditors for the audit of the company's financial statements amounted to £10,000 (2016: £21,000). All audit fees for the company for the period ended 28 February 2017 and the period ended 31 March 2016 were borne by a fellow group company, The Danwood Group Limited.

4. Employees

The average monthly number of employees during the period was as follows:

	11 month period ended 28 February 2017 No.	18 month period ended 31 March 2016 No.
Sales	**8**	7
Service	**8**	8
Administration	**5**	5
	21	20

Directors' remuneration

No director received any emoluments during the current period (2016 - £Nil).

5. Tangible assets

	Long leasehold property £'000	Plant and equipment (including software tools) £'000	Total £'000
COST			
At 1 April 2016	228	661	889
Additions	-	4	4
At 28 February 2017	228	665	893
ACCUMULATED DEPRECIATION			
At 1 April 2016	45	628	673
Charge for the period	3	8	11
At 28 February 2017	48	636	684
NET BOOK VALUE			
At 28 February 2017	**180**	**29**	**209**
At 31 March 2016	183	33	216

6. Debtors

	28 February 2017 £'000	31 March 2016 £'000
Amounts falling due within one year:		
Trade debtors	**195**	487
Amounts owed by group undertakings	**3,309**	3,904
Prepayments and accrued income	**66**	106
	3,570	4,497
Amounts falling due after more than one year:		
Deferred tax asset	**7**	19
	7	19
Aggregate debtors (amounts falling due both within one year and after more than one year)	**3,577**	4,516

Amounts owed by group undertakings are unsecured, repayable on demand and do not attract interest.

7. Creditors: amounts falling due within one year

	28 February 2017 £'000	31 March 2016 £'000
Bank loans (secured)	-	200
Trade creditors	221	417
Taxation and social security	19	15
Other creditors	-	69
Accruals and deferred income	40	18
	280	719

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

	28 February 2017 £'000	31 March 2016 £'000
Bank loans (secured)	-	800

9. Loans

An analysis of the maturity of the bank loan is given below:

	28 February 2017 £'000	31 March 2016 £'000
Amounts falling due within one year	-	200
Amounts falling due within two and five years	-	800
	-	1,000

The Hykeham Group Limited group completed a refinancing in December 2016 resulting in the outstanding balance on Phoenix Office Supplies Limited's term loan being repaid in full (2016: £1,000,000).

At 28 February 2017 the company remained a party to bank cross guarantees for the wider group as disclosed in note 12.

10. Called up share capital

Allotted and fully paid:

Number:	Class:	Nominal value:	28 February 2017 £'000	31 March 2016 £'000
67 (2016: 67)	Ordinary shares	£1	-	-

11. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The cost of contributions to the defined contribution scheme during the period amounted to £8,978 (2016: £16,000). At 28 February 2017 there were no outstanding contributions (2016: £nil) owed to the scheme.

12. Contingent liabilities

As at 28 February 2017 there was a bank cross guarantee in place across all companies within the group supporting the group bank debts of £15,000,000 (2016: £23,307,000). The company, along with Hykeham Capital Limited, Danwood Group Holdings Limited, The Danwood Group Limited, Danwood Jersey Limited, Phoenix Office Supplies Limited and Hykeham Group Limited, acted as a guarantor of the debt held within The Danwood Group Limited, Printware Limited and Phoenix Office Supplies Limited.

On 2 March 2017 the company was released from the bank cross guarantee.

On 30 March 2017 the company entered into a cross guarantee to support group bank borrowing of Manzana Bidco Limited. At the period end the liabilities covered by these guarantees totalled £118,500,000 (2016: Nil).

The company is included in a group registration for VAT purposes and is therefore jointly and severally liable for all other group companies' unpaid debts in this connection. As at 28 February 2017 the group VAT balances amounted to a net creditor of £982,000 (2016: £1,449,000) and this is reflected in the respective companies' balance sheets at the period end.

13. Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of The Danwood Group Limited which is its immediate parent company, its ultimate parent company at the balance sheet date being Hykeham Group Limited, a company incorporated in England and Wales.

The largest group in which the results of the company were consolidated is that headed by Hykeham Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House.

The smallest group in which the results of the company are consolidated is headed by The Danwood Group Limited. The consolidated accounts of this company are available to the public and may be obtained from Companies House.

On 2 March 2017 the company's ultimate parent company became Manzana Holdings Limited, registered in Jersey.

14. Post balance sheet events

On 2 March 2017, Apogee Corporation Limited purchased the entire share capital of The Danwood Group Limited, the company's immediate parent company.