

**NEWBURY INVESTMENTS (UK)  
LIMITED AND ITS SUBSIDIARY  
UNDERTAKINGS**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2018



Company no. 02533036

**NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

**FINANCIAL STATEMENTS**

For the year ended 31 December 2018

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Company registration number: 02533036 (Incorporated in England)

Registered office: Votec House  
Hambridge Lane  
Newbury  
Berkshire  
RG14 5TN

Directors: R W Colburn  
C C Grigor  
N J Palmer  
S Westbrook

Secretary: S Westbrook (resigned 1 January 2018)  
L Yu (appointed 1 January 2018)

Independent auditor: Grant Thornton UK LLP  
Statutory Auditor  
Chartered Accountants  
2 Glass Wharf  
Bristol  
BS2 0EL

# **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2018

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# **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **STRATEGIC REPORT**

For the year ended 31 December 2018

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The directors present their Strategic Report for the year ended 31 December 2018.

### **Principal activity**

The principal activity of the group is the distribution of electrical, DIY, garden and security products. The principal activity of the company is as an investment company.

### **Business review and financial key performance indicators**

The principal objective of the group continues to be the delivery of sustainable, responsible and profitable business growth through a strategy of optimum use of the group's expertise in products and by supporting the requirements of our customers and suppliers.

### **Performance Review**

The group's main markets during 2018 have shown some signs of improvement consistent with the general economic situation in the UK. The group continued to respond strongly to opportunities, ending the year in a sound position and being well placed to meet the challenges of the year ahead. An acquisition was also made during the year which has been detailed in the Report of the Directors. The directors expect the group to continue to trade profitably.

The key aspects of performance of the group's main trading subsidiaries were:

#### **Decco Limited**

Turnover decreased during the year from £98.1m to £96.8m. Total operating costs decreased from £94.6m to £93.5m with operating profit decreasing to £3.3m from £3.5m. The decrease in operating profit is a direct result of a decrease in turnover.

#### **Deta Electrical Company Limited**

The directors are pleased that the company has continued to successfully build upon its strategy and position of being a market leading manufacturer of specification product. Turnover in the year increased from £60.3m to £61.9m. Operating profit increased from £5.2m to £6.7m. The increase in operating profit resulted from the growth in revenues.

#### **Norbain Holdings Limited**

Turnover in the year increased to £118.9m from £112.6m. This 5.6% increase arose from both organic growth and the impact of an acquisition during the year. Operating profit remained at £6.3m (2017: £6.3m).

#### **Ryness Electrical Supplies Limited**

Turnover in the year decreased to £15.3m (2017: £15.9m) with an operating loss of £0.4m (2017: £0.1m). The company has realised some synergy of consolidation of operations carried out in previous years and expects the business to be profitable in future years.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT

For the year ended 31 December 2018

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### Performance Review (continued)

#### Stearn Electric Company Limited

Turnover increased during the year from £160.6m to £177.2m. This 10.3% increase arose from organic growth and the full impact of an acquisition from the prior year. Total operating costs increased from £149.4m to £164.9m and operating profit increased from £11.3m to £12.3m.

#### UK Cables Limited

Turnover decreased during the year from £45.3m to £43.4m. Total operating costs decreased from £45.1m to £43.7m, and operating profit decreased from a profit of £0.2m to a loss of £0.2m. These results are as a direct consequence of the impact of volatility in copper prices and continued cost control measures.

#### UK Electric Limited

Turnover decreased during the year from £84.2m to £83.9m. Total operating costs decreased from £77.2m to £76.9m and operating profit remained at £7.0m.

#### UK Test Instruments Limited

Turnover decreased during the year from £17.0m to £14.4m as a result of business restructuring. Total operating costs decreased from £16.4m to £14.1m as a result of decreased sales activity.

### Key Performance Indicators

The directors use a number of measures, both financial and non-financial, to monitor and benchmark the performance of the group. They regard the following key financial indicators of performance.

Turnover increased during the year from £591.3m to £609.1m, a 3.0% increase. The increase was due to a combination of organic growth and the impact of an acquisition during the year. Total operating costs increased from £570.4m to £580.3m and operating profit increased from £20.9m to £28.8m. The increase in operating profit has been driven by factors specific to each of the group's trading subsidiaries which are outlined above.

Average employee numbers decreased from 1,722 to 1,696 during the year.

Net interest income was £0.1m (2017: £nil).

The group's defined benefit pension scheme position at the end of the year was an unrecognised surplus of £10.4m (2017: £9.4m surplus). The movement is largely a direct result of changes in market conditions that have served to increase the pension scheme asset and an employer contribution of £0.5m.

Net assets grew from £163.2m to £185.3m and net current assets increased from £148.1m to £173.1m mainly as a result of the profit after tax for the year.

Our net cash level, inclusive of short term deposits, at the year-end was £86.5m compared to £60.7m as at 31 December 2017.

The directors believe the group's businesses are all in a sound position at the year end and are well placed to meet the challenges for 2019. They do not anticipate any major changes to the group's strategy for the year ahead and believe its prospects are good.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## STRATEGIC REPORT

For the year ended 31 December 2018

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### Principal risks and uncertainties

The directors are responsible for the group's risk management procedure. The directors identify and manage day-to-day risks in accordance with defined policies and procedures.

The main risks and uncertainties facing the group can be summarised as changes in the economic environment, product demand and obsolescence, supply chain management, competitor action and credit risk. These risks are important as changes can have significant impact on the performance of the group's businesses. The directors review and agree policies for managing each of these risks. These policies remain unchanged from previous years.

In addition to the above, the impact of Brexit continues to be an important area of discussion. Supply disruption as a result of a "hard Brexit" has been considered. The directors have put in place contingency plans with the company's supply-base and customers in order to cope with any interruptions.

BY ORDER OF THE BOARD



L Yu

Secretary

Company registration: 02533036

27 September 2019

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## REPORT OF THE DIRECTORS

For the year ended 31 December 2018

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The directors present their report together with the financial statements for the year ended 31 December 2018.

### **Results and dividends**

Group turnover for the year was £609.1m (2017: £591.3m). There was a group profit after taxation for the year amounting to £21.4m (2017: £14.4m).

The directors do not recommend payment of a dividend (2017: £nil).

### **Acquisition Activity**

EU Fire & Security Ltd - Acquired on 1 May 2018, the business operates in the UK as a distributor of high quality and innovative fire systems. See note 27.

### **Charitable donations**

During the year the group made charitable contributions of £11,000 (2017: £14,000).

### **Financial risk management objectives and policies**

The group enters into certain contracts to manage the risks arising from underlying business activities and no transactions of a speculative nature are undertaken.

The main risks arising from the group's financial instruments are market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

#### *Market risk*

The group is exposed to foreign exchange risk on certain transactions. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Whilst the aim is to achieve an economic hedge, the group does not adopt an accounting policy of hedge accounting for these financial statements. There were no hedging arrangements in place as at 31 December 2018 and 31 December 2017.

#### *Liquidity risk*

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by overdraft facilities.

#### *Credit risk*

The group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis in conjunction with debt ageing and collection history.

# **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **REPORT OF THE DIRECTORS**

For the year ended 31 December 2018

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### **Recruitment and employee relations**

Recruitment policies are designed to ensure equal opportunity of employment regardless of age, race or sex. Appropriate consideration is given to disabled applicants in offering employment.

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 is 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.

The group places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the group. Employee representatives are consulted regularly on a range of matters affecting their interests.

### **Environmental policies**

We continue to review our environmental policies and seek at all times to meet our legal obligations in this regard.

### **Directors**

The present membership of the Board, and listing of directors who served during the year, is set out below:

R W Colburn (USA)  
C C Grigor (USA)  
N J Palmer  
S Westbrook

### **Directors' responsibilities statement**

The directors are responsible for preparing the Strategic Report, the Report of the Directors, 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 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 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;
- state whether applicable UK 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 company will continue in business.



# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## REPORT OF THE DIRECTORS

For the year ended 31 December 2018

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### Directors' responsibilities statement (continued)

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 to 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.

### Provision of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors 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 the company's auditor is aware of that information.

To the best of our knowledge:

- the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit or loss of the company and the undertakings included in the consolidation taken as a whole, and
- the Strategic Report and Report of the Directors include a fair review of the development and performance of the business and the position of the company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

### Auditor

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

BY ORDER OF THE BOARD



L Yu  
Secretary  
Company registration: 02533036

27 September 2019

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWBURY INVESTMENTS (UK) LIMITED**

We have audited the financial statements of Newbury Investments (UK) Ltd (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018, which comprise the principal accounting policies, the consolidated income statement, the consolidated balance sheet, the company balance sheet, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the company statement of changes in equity, consolidated statement of cash flows and the notes to the financial statements, 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 Standards, including Financial Reporting Standard 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 state of the group's and of the parent company's affairs as at 31 December 2018 and of the group's 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. We are independent of the group and the parent 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 where:

- 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 group's or the parent 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 NEWBURY INVESTMENTS (UK) LIMITED (CONTINUED)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinion 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

### **Matters on which we are required to report by exception**

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 by the parent company, 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.

### **Responsibilities of the directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 5-6, 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEWBURY INVESTMENTS (UK) LIMITED (CONTINUED)**

### **Responsibilities of the directors for the financial statements (continued)**

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Timothy Lincoln BA ACA  
Senior Statutory Auditor  
For and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Bristol

Date: 27 September 2019

# **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2018

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### **Accounting policies**

These financial statements are prepared on a going concern basis, under the historical cost convention, and in accordance with applicable accounting standards in the United Kingdom and the Companies Act 2006.

The principle accounting policies are set out below. The preparation of financial statements in compliance with Financial Reporting Standard 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the group's accounting policies.

### **Basis of consolidation**

The consolidated financial statements include the financial statements of the parent company and its subsidiaries made up to the end of the financial year. Profits and losses on intra group transactions are eliminated in full.

In the group financial statements the acquisition method is adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are consolidated for the periods from or to the date on which control passed. Goodwill arising on consolidation (representing the excess of the fair value of the consideration given over the fair value of the separable net assets acquired) is capitalised and amortised over its expected useful life, being not more than 10 years. The economical life is assessed on an individual basis. Provision is made for impairment. Negative goodwill is written back to the profit and loss account to match the recovery of the non-monetary assets acquired.

### **Company Cashflow statement**

The company has taken advantage of section 408 of the Companies Act 2006 and has not included its own Cashflow statement and related notes in these financial statements.

### **Going concern**

The financial statements have been prepared on the going concern basis as the directors have undertaken a review of the future financing requirements for the on-going operation of the company and wider group and are satisfied that sufficient cash facilities are secured, in respect of positive cashflows from operations, to meet its working capital requirements for at least 12 months from the date of signing of these financial statements. The directors accordingly consider it appropriate for the financial statements to be prepared on a going concern basis.

### **Fixed asset investments**

Fixed asset investments are shown at cost less any amounts written off. Provisions are made for any impairment. Only dividends received and receivable are credited to the company's income statement.

### **Tangible fixed assets**

All assets are initially measured at cost. Cost comprises the initial purchase price plus, where material, any further directly attributable costs in making the asset available for use. In the case of assets held for leasing, any costs incurred subsequent to the asset becoming available for hire, including the costs of delivery of assets to and installation of assets at customer locations, are expensed as incurred.

# **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

## **PRINCIPAL ACCOUNTING POLICIES**

For the year ended 31 December 2018

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### **Tangible fixed asset depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Depreciation is provided to write off the cost or valuation of the assets over their useful economic life as follows:

Freehold and long-leasehold land and buildings - 50 years  
Plant, equipment and motor vehicles - 4 years  
Rental assets - over the life of the lease  
Office and computer equipment - 4 years  
Leasehold improvements - over the lower of the life of the lease or 5 years.

Where the split of cost between freehold land and buildings can be reliably calculated, the freehold land element is held at historic cost and is not depreciated.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other operating income" in the income statement.

Impairment review is carried out annually and where required, impairment is recognised within "other operating income" in the income statement.

### **Intangible assets**

Intangible assets consists mainly of goodwill arising on consolidation. Goodwill arising on consolidation represents the excess of the fair value of the cost of acquisition over the fair value of the identifiable assets and liabilities acquired. Goodwill is capitalised and amortised on a straight line basis over its estimated useful economic life from the date of acquisition.

### **Stocks**

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

### **Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

### **Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### **Creditors**

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

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2018

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### **Current asset investments**

Current asset investments are initially accounted for at their purchase cost. At each subsequent balance sheet date the asset's net realisable value is assessed. If the net realisable value falls below the cost as recorded in the financial statements, a provision is made equal to the diminution in value. Any movements on this provision are charged or credited to profit in the period to which the movement relates. All current asset investments held are quoted on a recognised market and, as such, the net realisable value is taken to be equal to the closing selling price on the market at the balance sheet date.

### **Turnover**

The turnover shown in the income statement represents amounts in respect of the group's distribution, installation and lease rental businesses.

Turnover in respect of the distribution and installation businesses represents amounts invoiced during the year, exclusive of value added tax. Turnover is recognised when the risk and rewards of ownership of stock are transferred to the customer. For the distribution business, this occurs when the stock is delivered to the customer or is collected by them from the point of sale. As such, invoices are raised on delivery or collection and recognised immediately. For the installation business, turnover is recognised when the goods have been delivered and installed.

Invoices for the initial period of a lease rental are raised once the asset has been delivered to and installed at the customer's location. Invoices are raised for subsequent periods upon or approaching expiration of the preceding period. All operating lease invoicing, exclusive of value added tax, is immediately deferred in full. This income is then recognised on a straight line basis over the period to which the invoice relates.

### **Pension costs**

#### *Defined benefit pension costs*

The group operates defined benefit plans for certain employees and closed to future accrual. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the balance sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the group engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the group's policy for similarly held assets. This includes the use of appropriate valuation techniques. See note 26.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains and losses'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2018

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### **Pension costs (continued)**

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in the income statement as an 'Other financial expense'.

A surplus of scheme assets may be recognised to the extent it is recoverable through reduced employer contribution in the future or through refund. If the scheme surplus is not deemed recoverable, an asset limit adjustment is applied to restrict the balance to zero.

#### *Defined contribution pension scheme*

The group operates defined contribution schemes for employees. The assets of the schemes are held separately from those of the group in independently administered funds. The amount charged to the profit and loss account in respect of pension costs and other post retirement benefits is the contributions payable in the year. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

### **Current and deferred taxation**

The tax expense for the year comprises of current and deferred tax. Tax is recognised in the income statement, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company and the group operate and generate income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by reporting date.

### **Finance lease agreements**

Rentals applicable to finance leases, where substantially all of the benefits and risks of ownership transfer to the lessee, are capitalised and depreciated over the period of the lease.

### **Operating lease agreements**

Rentals applicable to operating leases, where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profits on a straight line basis over the period of the lease.



# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2018

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### **Transactions and balances**

#### *Foreign currency*

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the income statement.

#### *Functional and presentation currency*

The group and company's functional and presentational currency is £GBP.

### **Financial instruments**

#### *Forward exchange contracts*

Forward exchange contracts are used to manage currency fluctuations on stock purchasing in foreign currencies by entering into a forward exchange contract to match the future foreign currency commitment when due. Foreign exchange contracts and the amounts due are valued at the time when the contract is taken out. Due to the short term from entering into the contract to maturity, foreign exchange contracts are not revalued.

#### *Financial liabilities and equity instruments*

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Balance Sheet. Finance costs and gains or losses relating to financial liabilities are included in the Income Statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

### **Significant judgements and estimates**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgments and estimates have been made include:

#### *Property dilapidations and onerous leases*

Under certain operating leases for land and buildings, the group is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The group charges amounts to profit and loss so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations. Where repairs are made part way through the lease that will reduce the estimated costs of dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

Where leased properties are committed to be vacated, the group provides for the best estimate of the future unrecoverable costs of its obligations under those leases.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## PRINCIPAL ACCOUNTING POLICIES

For the year ended 31 December 2018

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### Significant judgements and estimates (continued)

#### *Stock provisioning*

The group holds stock that is subject to changing industry demands. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of goods. See note 12 for the net carrying amount of the inventory and associated provision movement in the year.

#### *Impairment of debtors*

The group makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision movement in the year.

#### *Defined benefit pension scheme*

The calculation of the deficit or surplus on the group's defined benefit pension schemes is based on a number of actuarial assumptions including discount rate, inflation rate and mortality rates, as disclosed in note 26. These assumptions are reviewed regularly by the Directors with the scheme actuary.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2018

	Note	2018 £000s	2017 £000s
<b>Turnover</b>	<b>1</b>	<b>609,073</b>	<b>591,342</b>
<b>Operating profit</b>	<b>2</b>	<b>28,813</b>	<b>20,899</b>
Interest receivable and similar income	3	214	101
Interest payable and similar charges	4	(106)	(104)
Other financial expense	26	(1,173)	(256)
<b>Profit on ordinary activities before taxation</b>		<b>27,748</b>	<b>20,640</b>
Taxation on profit on ordinary activities	7	(6,379)	(6,199)
<b>Profit on ordinary activities after taxation</b>		<b>21,369</b>	<b>14,441</b>

All results derive from continuing operations for both the current and prior year.

There is no material difference between the profit on ordinary activities before taxation and the retained profit for the year stated above and their historical cost equivalents for both the current and prior year.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2018

Company No. 02533036

	Note	2018 £000s	2017 £000s
<b>Fixed assets</b>			
Intangible assets	9	6,315	7,384
Tangible assets	10	<u>12,027</u>	<u>13,281</u>
		18,342	20,665
<b>Current assets</b>			
Stocks	12	89,845	85,829
Debtors	13	117,367	118,123
Short term deposits	14	-	606
Cash at bank		<u>86,485</u>	<u>60,140</u>
		293,697	264,698
<b>Creditors: Amounts falling due within one year</b>	15	<u>(120,615)</u>	<u>(116,553)</u>
<b>Net current assets</b>		<u>173,082</u>	<u>148,145</u>
<b>Total assets less current liabilities</b>		191,424	168,810
<b>Creditors: Amounts falling due after more than one year</b>	16	(1,666)	(1,481)
<b>Provisions for liabilities and charges</b>	19	<u>(4,503)</u>	<u>(4,116)</u>
<b>Net assets excluding pension asset</b>		185,255	163,213
<b>Pension asset</b>	26	-	-
<b>Net assets including pension asset</b>		<u>185,255</u>	<u>163,213</u>
<b>Capital and reserves</b>			
Called-up share capital	20	1	1
Other reserves		5,200	5,200
Profit and loss account		<u>180,054</u>	<u>158,012</u>
<b>Total shareholders' funds</b>		<u>185,255</u>	<u>163,213</u>

The financial statements on pages 10 to 42 were approved and authorised for issue by the board of directors on 27 September 2019 and signed on their behalf by:



S Westbrook  
Director

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## COMPANY BALANCE SHEET AT 31 DECEMBER 2018

Company No. 02533036

	Note	2018 £000s	2017 £000s
<b>Fixed assets</b>			
Tangible assets	10	639	723
Investments	11	106,562	100,809
		<u>107,201</u>	<u>101,532</u>
<b>Current assets</b>			
Debtors due within one year	13	18,268	18,097
Short term deposits	14	-	606
Cash at bank		16,031	4,233
		<u>34,299</u>	<u>22,936</u>
<b>Creditors: Amounts falling due within one year</b>	15	<u>(118,323)</u>	<u>(97,848)</u>
<b>Net current liabilities</b>		<u>(84,024)</u>	<u>(74,912)</u>
<b>Total assets less current liabilities</b>		23,177	26,620
<b>Creditors: Amounts falling due after more than one year</b>	16	(92)	(80)
<b>Provisions for liabilities and charges</b>	19	<u>(50)</u>	<u>(46)</u>
<b>Net assets</b>		<u>23,035</u>	<u>26,494</u>
<b>Capital and reserves</b>			
Called-up share capital	20	1	1
Profit and loss account		<u>23,034</u>	<u>26,493</u>
<b>Shareholders' funds</b>		<u>23,035</u>	<u>26,494</u>

The company's loss after tax for the financial year was £3,459,000 (2017: £785,000 loss).

27 The financial statements on pages 10 to 42 were approved and authorised for issue by the board of directors on September 2019 and signed on their behalf by:



S Westbrook  
Director

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.

**NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS****CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**For the year ended 31 December 2018

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	<b>Note</b>	<b>2018</b>	<b>2017</b>
		<b>£000s</b>	<b>£000s</b>
Profit for the financial year		<b>21,369</b>	14,441
Actuarial gain relating to the pension schemes	<b>26</b>	<b>1,434</b>	9,647
Asset limit movement	<b>26</b>	<b>(761)</b>	(9,364)
Deferred taxation movement on pension schemes	<b>18</b>	<u>-</u>	<u>(406)</u>
Total comprehensive income for the year		<u><b>22,042</b></u>	<u>14,318</u>

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.

**NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2018

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	<b>Called-up share capital £000s</b>	<b>Other reserves £000s</b>	<b>Profit and loss account £000s</b>	<b>Total £000s</b>
<b>At 1 January 2017</b>	<b>1</b>	<b>5,200</b>	<b>143,694</b>	<b>148,895</b>
Profit for the year	-	-	14,441	14,441
Other comprehensive (loss) for the year	-	-	(123)	(123)
<b>At 31 December 2017</b>	<b>1</b>	<b>5,200</b>	<b>158,012</b>	<b>163,213</b>
Profit for the year	-	-	21,369	21,369
Other comprehensive gain for the year	-	-	673	673
<b>At 31 December 2018</b>	<b>1</b>	<b>5,200</b>	<b>180,054</b>	<b>185,255</b>

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.

**NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS****COMPANY STATEMENT OF CHANGES IN EQUITY**

For the year ended 31 December 2018

	<b>Called-up share capital £000s</b>	<b>Profit and loss account £000s</b>	<b>Total £000s</b>
<b>At 1 January 2017</b>	<b>1</b>	<b>27,278</b>	<b>27,279</b>
Loss for the year	-	(785)	(785)
<b>At 31 December 2017</b>	<b>1</b>	<b>26,493</b>	<b>26,494</b>
Loss for the year	-	(3,459)	(3,459)
<b>At 31 December 2018</b>	<b>1</b>	<b>23,034</b>	<b>23,035</b>

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.



# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## CONSOLIDATED STATEMENT OF CASH FLOWS

For the year ended 31 December 2018

	Note	2018 £000s	2017 £000s
<b>Net cash inflow from operating activities</b>	<b>21</b>	<b>37,152</b>	<b>30,780</b>
<b>Investing activities</b>			
Interest received	3	214	101
Purchase of tangible fixed assets		(4,608)	(4,437)
Sale of investments		-	15
Sale of tangible fixed assets		2,291	874
Amounts paid in respect of prior year acquisitions		(392)	-
Amounts paid in respect of current year acquisitions		(7,981)	(6,150)
Net cash acquired with subsidiary		877	(407)
<b>Net cash used in investing activities</b>		<b>(9,599)</b>	<b>(10,004)</b>
<b>Financing activities</b>			
Interest paid	4	(12)	(9)
Interest on finance leases	4	(94)	(95)
Repayment of finance leases		(1,708)	(1,742)
<b>Net cash used in financing activities</b>		<b>(1,814)</b>	<b>(1,846)</b>
<b>Increase in cash and cash equivalents</b>		<b>25,739</b>	<b>18,930</b>
<b>Reconciliation of cash and cash equivalents</b>			
Cash at beginning of the year		60,746	41,800
Short term deposits at end of the year		-	16
Increase in cash and cash equivalents during the year		25,739	18,930
<b>Cash and cash equivalents at end of the year</b>		<b>86,485</b>	<b>60,746</b>

The accompanying accounting policies (pages 10-15) and notes (pages 23-42) form an integral part of these financial statements.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 1 TURNOVER

The turnover is attributable to the principal activities of the group as described in the report of the directors.

An analysis of turnover by geographical destination is given below:

	2018 £000s	2017 £000s
United Kingdom	600,132	581,066
Europe	7,175	6,247
Rest of world	1,766	4,029
	<u>609,073</u>	<u>591,342</u>

An analysis of turnover by activity is given below:

	2018 £000s	2017 £000s
Sales of stock	608,445	590,657
Rentals receivable under operating leases	628	685
	<u>609,073</u>	<u>591,342</u>

### 2 OPERATING PROFIT

Operating profit is stated after (charging)/crediting:

	2018 £000s	2017 £000s
Change in stocks of goods for resale	4,016	4,366
Other operating income	5,206	5,266
Goods for resale and consumables	(473,573)	(456,887)
Other external charges	(15,155)	(14,280)
Staff costs (see note 5)	(67,603)	(65,932)
Depreciation of tangible fixed assets	(2,764)	(2,444)
Depreciation of fixed assets on hire purchase or finance leases	(1,391)	(1,488)
Amortisation of intangible fixed assets (see note 9)	(7,056)	(13,636)
Other operating charges	(21,940)	(25,408)
	<u>(580,260)</u>	<u>(570,443)</u>

Operating profit is stated after (charging)/crediting:

	2018 £000s	2017 £000s
Auditor's remuneration		
- in respect of the audit of Newbury Investments (UK) Limited	(18)	(29)
- in respect of the audit of the group	(188)	(173)
- in respect of the audit of pension schemes	(33)	(27)
- in respect of other services relating to taxation	(43)	(41)
- in respect of other professional service fees	(2)	(1)
Profit on sale of fixed assets	387	431
Operating lease rentals		
- Plant and machinery	(380)	(307)
- Other	<u>(7,494)</u>	<u>(7,070)</u>

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 3 INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £000s	2017 £000s
Bank interest receivable	212	98
Other similar income receivable	2	3
	<u>214</u>	<u>101</u>

### 4 INTEREST PAYABLE AND SIMILAR CHARGES

	2018 £000s	2017 £000s
Interest on finance leases	94	95
Other similar charges payable	12	9
	<u>106</u>	<u>104</u>

### 5 EMPLOYEES

The average number of staff employed by the group and company during the financial year amounted to:

	Group 2018 No	Group 2017 No	Company 2018 No	Company 2017 No
Sales and distribution	927	944	-	-
Administration	769	778	93	92
	<u>1,696</u>	<u>1,722</u>	<u>93</u>	<u>92</u>

The aggregate payroll costs of the above were:

	Group 2018 £000s	Group 2017 £000s	Company 2018 £000s	Company 2017 £000s
Wages and salaries	57,668	56,777	2,290	2,042
Social security costs	5,781	5,665	253	216
Other pension costs (see note 26)	4,154	3,490	334	287
	<u>67,603</u>	<u>65,932</u>	<u>2,877</u>	<u>2,545</u>

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 6 DIRECTORS

Remuneration in respect of directors was as follows:

	2018 £000s	2017 £000s
Emoluments receivable	1,051	1,833
	<u>1,051</u>	<u>1,833</u>

No directors (2017: nil) had benefits accruing under a defined contribution pension scheme.

The amounts set out above include remuneration in respect of the highest paid director as follows:

	2018 £000s	2017 £000s
Emoluments receivable	614	1,312

There was no accrued pension entitlement under the defined benefit scheme of the highest paid director as at the 31 December 2018 (2017: £nil).

### KEY MANAGEMENT PERSONNEL

All directors and certain senior management personnel who have authority and responsibility for planning, directing and controlling activities of the company and the group are considered to be key management personnel.

Remuneration in respect of key management personnel was as follows:

	2018 £000s	2017 £000s
Emoluments receivable	3,283	3,862
Value of company pension contributions to defined contribution scheme	76	69
	<u>3,359</u>	<u>3,931</u>

### 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

	2018 £000s	2017 £000s
UK corporation tax at 19% (2017: 19.25%)	6,742	6,382
Adjustment in respect of prior periods	6	(89)
Total current tax	<u>6,748</u>	<u>6,293</u>
Deferred Tax:		
Origination and reversal of timing differences	(350)	(110)
Adjustment in respect of prior periods	(19)	(2)
Adjustment for change in future corporation tax rate	-	18
	<u>-</u>	<u>18</u>
Tax on profit on ordinary activities	<u>6,379</u>	<u>6,199</u>

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 7 TAXATION ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

#### TAX INCLUDED IN OTHER COMPREHENSIVE INCOME

	2018 £000s	2017 £000s
Deferred tax:		
Origination and reversal of timing differences	-	(406)
Total tax movement included in other comprehensive income	-	(406)

#### RECONCILIATION OF TAX CHARGE

The tax assessed on the profit on ordinary activities for the year is higher (2017: higher) than the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

	2018 £000s	2017 £000s
Profit on ordinary activities before taxation	27,748	20,640
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 19% (2017: 19.25%)	5,272	3,973
Effect of:		
Expenses not deductible for tax purposes	163	146
Depreciation in excess of capital allowances	83	170
Amortisation not deductible for tax purposes	1,231	2,625
Provision tax adjustment	-	(112)
Group relief	-	42
Other timing diffs	(369)	9
Adjustment in respect of prior periods	6	(89)
Timing differences in respect of pension scheme	(7)	(565)
Tax charge for the year	6,379	6,199

#### Factors affecting future tax charges

The main rate of UK corporation tax was reduced from 20% to 19% with effect from 1 April 2017. Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 March 2017. These included reductions to the main rate to reduce the rate to 17% from 1 April 2020.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 8 PROFIT AND LOSS ACCOUNT

No profit and loss account is presented for the company as permitted by section 408 of the Companies Act 2006. The company's loss after tax for the financial year, determined in accordance with the Act, was £3,459,000 (2017: £785,000 loss).

### 9 INTANGIBLE FIXED ASSETS

	Goodwill, Patents and Trademarks
	£000s
<b>Cost</b>	
At 1 January 2018	47,465
Additions	5,991
Disposals	(7)
<b>At 31 December 2018</b>	<b>53,449</b>
<b>Amortisation</b>	
At 1 January 2018	(40,081)
Charge for the year	(7,056)
Accumulated amortisation related to disposals	3
<b>At 31 December 2018</b>	<b>(47,134)</b>
<b>Net book value at 31 December 2018</b>	<b>6,315</b>
Net book value at 31 December 2017	7,384

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 10 TANGIBLE FIXED ASSETS

#### Group

	Freehold and long leasehold £000s	Plant, equipment and motor vehicles £000s	Rental assets £000s	Office and computer equipment £000s	Leasehold Improvements £000s	Total £000s
<b>Cost</b>						
At 1 January 2018	5,159	15,791	1,478	4,506	4,825	31,759
Additions	-	2,987	176	731	714	4,608
Reclassifications	-	(17)	-	17	-	-
Disposals	(1,565)	(2,494)	(164)	(308)	(397)	(4,928)
At 31 December 2018	3,594	16,267	1,490	4,946	5,142	31,439
<b>Depreciation</b>						
At 1 January 2018	449	10,368	984	3,214	3,463	18,478
Charge for the year	91	2,748	172	542	602	4,155
Reclassifications	-	(7)	-	7	-	-
Disposals	(70)	(2,317)	(153)	(297)	(384)	(3,221)
At 31 December 2018	470	10,792	1,003	3,466	3,681	19,412
<b>Net book value at 31 December 2018</b>	<b>3,124</b>	<b>5,475</b>	<b>487</b>	<b>1,480</b>	<b>1,461</b>	<b>12,027</b>
Net book value at 31 December 2017	4,710	5,423	494	1,292	1,362	13,281

Freehold land amounting to £643,000 (2017: £643,000) has not been depreciated.

At 31 December 2018 (2017: £nil) there was no material difference between the book value of freehold land and buildings and market value less expected costs of disposal.

Included in the net book value of £12,027,000 is £2,915,000 (2017: £2,989,000) relating to motor vehicles purchased on finance lease and hire purchase. The depreciation charged in the year in respect of these assets amounted to £1,391,000 (2017: £1,488,000).

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 10 TANGIBLE FIXED ASSETS (CONTINUED)

#### Company

	Plant, equipment and motor vehicles £000s	Office and computer equipment £000s	Leasehold improvements £000s	Total £000s
<b>Cost</b>				
At 1 January 2018	290	400	563	1,253
Additions	92	32	12	136
Transfers Out	(36)	-	-	(36)
Disposals	(28)	-	-	(28)
At 31 December 2018	<u>318</u>	<u>432</u>	<u>575</u>	<u>1,325</u>
<b>Depreciation</b>				
At 1 January 2018	149	254	127	530
Charge for the year	68	48	96	212
Transfers Out	(28)	-	-	(28)
Disposals	(28)	-	-	(28)
At 31 December 2018	<u>161</u>	<u>302</u>	<u>223</u>	<u>686</u>
<b>Net book value at 31 December 2018</b>	<u>157</u>	<u>130</u>	<u>352</u>	<u>639</u>
Net book value at 31 December 2017	<u>141</u>	<u>146</u>	<u>436</u>	<u>723</u>



# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 11 INVESTMENTS

#### Company

	Capital contributions £000s	Shares in subsidiary undertakings £000s	Total £000s
<b>Cost</b>			
At 1 January 2018	3,000	97,809	100,809
Additional investment in JPD Contracts (UK) Limited	-	392	392
Investments made in the year (see note 27)	-	7,981	7,981
Impairment of investment	-	(2,620)	(2,620)
At 31 December 2018	3,000	103,562	106,562
<b>Net book value at 31 December 2018</b>	<b>3,000</b>	<b>103,562</b>	<b>106,562</b>
Net book value at 31 December 2017	3,000	97,809	100,809

#### Subsidiary and associate undertakings

The company owns directly or indirectly the entire issued share capital of the companies listed below, all of which are incorporated in England and Wales and whose registered address is Votec House, Hambridge Lane, Newbury, Berkshire, RG14 5TN.

Name	Activities
Decco Limited	Distribution of garden and DIY equipment
Deta Electrical Company Limited	Distribution of electrical equipment
Norbain Holdings Limited	Distribution of electronic security devices
Ryness Electrical Supplies Limited	Distribution of electrical equipment
Stearn Electric Company Limited	Distribution, leasing and installation of electrical equipment
UK Cables Limited	Distribution of electrical equipment
UK Electric Limited	Distribution of electrical equipment
UK Test Instruments Limited	Distribution and service of specialist test instruments
Decco Pension Trustees Limited* <sup>1</sup>	Pension Trustee Company
Newbury Investments DC Pension Trustees Limited	Pension Trustee Company
Stearn Electric Company Pension Trustees Limited	Pension Trustee Company
ABGO Equipment Sales Limited*	Dormant
Acute Sales Limited	Dormant
Acute Test Instruments Specialists Limited* <sup>7</sup>	Dormant
AGA Spares Limited	Dormant
Assynia Limited * <sup>4</sup>	Dormant
Auriga (Europe) Limited	Dormant
Beam Distribution Limited * <sup>5</sup>	Dormant
Beam Group Limited	Dormant
Blue Helix Limited	Dormant
Boiler Spares 2 Go Limited	Dormant
Capital Cables Limited*	Dormant
CCTV Centre Limited * <sup>3</sup>	Dormant
Certific8 Limited* <sup>7</sup>	Dormant
Channel Installations Limited * <sup>6</sup>	Dormant
Channel Safety Limited * <sup>6</sup>	Dormant
Channel Safety Systems Group Limited	Dormant
Channel Safety Systems Limited * <sup>6</sup>	Dormant
CMS (Cables Management Supplies) plc	Dormant

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 11 INVESTMENTS (CONTINUED)

Davico Ties & Terminals Limited	Dormant
Decco Construction Supplies Limited	Dormant
Dunasfern Limited	Dormant
Dunasfern (Auriga) Limited	Dormant
Education Maintenance Services Limited*	Dormant
Electrical Bargain Stores Limited	Dormant
Electrical Trades Supply Limited*	Dormant
ELG Publishing Limited	Dormant
ELG Relamp Limited	Dormant
E.U.Fire and Security Limited	Dormant
European Lamp Group Limited	Dormant
Fyfe & McGrouther Limited*	Dormant
Gas Appliance Spares (Preston) Limited *	Dormant
Gladpower Limited	Dormant
H Squared Electronics Limited	Dormant
H & V Controls Limited*	Dormant
Heat and Combustion Supplies Limited	Dormant
Homelec Limited	Dormant
H-TE Controls Limited	Dormant
IVAC Limited*	Dormant
JS Copsey Limited	Dormant
JPD Contracts Holdings Limited	Dormant
JPD Contracts (UK) Limited	Dormant
K Supplies (Holdings) Limited* <sup>1</sup>	Dormant
K Supplies Limited* <sup>1</sup>	Dormant
Kirkby Components Limited*	Dormant
Lampways Limited	Dormant
Network World Limited	Dormant
Norbain Distribution Limited	Dormant
Norbain Group Limited	Dormant
Norbain SD Limited	Dormant
Norbain Limited	Dormant
Parry Lighting Limited	Dormant
QVS Electrical Supplies Limited	Dormant
QVS Electrical Wholesale Limited	Dormant
Ryness Holdings Limited	Dormant
Seachester Three Limited	Dormant
SMJ (UK) Limited	Dormant
Stuart & McIntosh Limited	Dormant
Takbro Limited	Dormant
Test 4 Less Limited* <sup>7</sup>	Dormant
The Electrical Crew Limited	Dormant
The Safety Crew Limited * <sup>6</sup>	Dormant
UK Components Limited	Dormant
UK Drives Limited*	Dormant
UK Metering Limited	Dormant
UK Spares Limited*	Dormant
Ultimate CCTV Products Limited * <sup>3</sup>	Dormant
Vimark Limited	Dormant
Western Automation Limited*	Dormant
Your Network Needs Limited	Dormant
Your Other Warehouse Limited	Dormant
Zone Developments Limited * <sup>3</sup>	Dormant

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 11 INVESTMENTS (CONTINUED)

- \* By virtue of shares held in UK Electric Limited
- \*<sup>1</sup> By virtue of shares held in Decco Limited
- \*<sup>2</sup> By virtue of shares held in Deta Electrical Company Limited
- \*<sup>3</sup> By virtue of shares held in Norbain Holdings Limited
- \*<sup>4</sup> By virtue of shares held in CMS (Cables Management Supplies) plc
- \*<sup>5</sup> By virtue of shares held in Beam Group Limited
- \*<sup>6</sup> By virtue of shares held in Channel Safety Systems Group Limited
- \*<sup>7</sup> By virtue of shares held in UK Test Instruments Limited

The directors consider the value of the investments to be supported by their underlying assets.

### 12 STOCKS

Group	2018 £000s	2017 £000s
Finished goods	<u>89,845</u>	<u>85,829</u>

Stock recognised in cost of sales during the year as an expense was £475,800,000 (2017: £470,800,000 expense)

An impairment reversal of £146,000 (2017: £305,000 charge) was recognised in cost of sales during the year.

### 13 DEBTORS

	Group 2018 £000s	Company 2018 £000s	Group 2017 £000s	Company 2017 £000s
Amounts falling due within one year:				
Trade debtors	103,891	-	106,341	-
Amounts owed by subsidiary undertakings	-	16,198	-	16,138
Deferred tax (see note 18)	1,592	16	1,223	2
Corporation tax receivable	300	-	34	-
Other taxation	217	1,197	413	1,197
Other debtors	5,470	365	4,886	363
Prepayments and accrued income	5,897	492	5,226	397
	<u>117,367</u>	<u>18,268</u>	<u>118,123</u>	<u>18,097</u>

The amounts owed by subsidiary undertakings are unsecured and bears interest at a rate of the NatWest Bank Plc base rate plus 1.5%.

An impairment charge of £649,000 (2017: £543,000 charge) was recognised within trade debtors.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 14 SHORT TERM DEPOSITS

	2018 £000s	2017 £000s
Short term deposits – Group and Company	-	606

The short term deposit at 31 December 2017 relates to amounts placed on thirty day deposit with NatWest Bank Plc and Lloyds Bank Plc.

### 15 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group 2018 £000s	Company 2018 £000s	Group 2017 £000s	Company 2017 £000s
Bank loans and overdrafts	-	8,607	-	9,532
Trade creditors	76,762	-	70,744	-
Amounts owed to subsidiary undertakings	-	108,601	-	86,401
Corporation tax payable	3,199	134	2,883	1
Other taxation and social security	4,826	-	5,394	-
Other creditors	5,523	105	4,785	11
Hire purchase and finance lease (see note 16)	1,305	70	1,356	67
Accruals and deferred income	28,846	806	31,223	1,836
Pension contributions	154	-	168	-
	<u>120,615</u>	<u>118,323</u>	<u>116,553</u>	<u>97,848</u>

The amounts owed under finance lease and hire purchase are secured by the leased assets.

### 16 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group 2018 £000s	Company 2018 £000s	Group 2017 £000s	Company 2017 £000s
Finance lease creditor	<u>1,666</u>	<u>92</u>	<u>1,481</u>	<u>80</u>

#### Finance leases

Future minimum payments under finance leases as follows:

	Group 2018 £000s	Company 2018 £000s	Group 2017 £000s	Company 2017 £000s
Within one year	1,384	75	1,431	72
Within two to five years	<u>1,726</u>	<u>96</u>	<u>1,529</u>	<u>83</u>
	3,110	171	2,960	155
Less: finance charges included above	<u>(139)</u>	<u>(9)</u>	<u>(123)</u>	<u>(8)</u>
	<u>2,971</u>	<u>162</u>	<u>2,837</u>	<u>147</u>

The assets held under finance lease are held as security for the finance lease creditor.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 17 FINANCIAL INSTRUMENTS

#### Group

Financial Assets	2018 £000s	2017 £000s
------------------	---------------	---------------

Financial Assets that are debt instruments measured at amortised cost	<u>195,846</u>	<u>171,973</u>
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Financial Liabilities	2018 £000s	2017 £000s
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Financial Liabilities measured at amortised cost	<u>114,256</u>	<u>109,757</u>
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#### Company

Financial Assets	2018 £000s	2017 £000s
------------------	---------------	---------------

Financial Assets that are debt instruments measured at amortised cost	<u>23,987</u>	<u>11,808</u>
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Financial Liabilities	2018 £000s	2017 £000s
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Financial Liabilities measured at amortised cost	<u>109,674</u>	<u>88,395</u>
--	----------------	---------------

Financial assets measured at amortised cost comprise net cash and cash equivalents, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, accruals, finance lease creditors, pension contributions and amounts owed to group undertakings.

### 18 DEFERRED TAXATION

#### Group

The movement in the deferred taxation account during the year was:

	2018 £000s	2017 £000s
At the beginning of the year	1,223	1,535
Profit and loss account movement arising during the year	350	110
Adjustment in respect of prior periods	19	2
Adjustment for change in future corporation tax rate	-	(18)
Statement of comprehensive income movement arising during the year	<u>-</u>	<u>(406)</u>
At the end of the year	<u>1,592</u>	<u>1,223</u>

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 18 DEFERRED TAXATION (CONTINUED)

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2018 £000s	2017 £000s
Capital allowances and depreciation	1,272	1,005
Other timing differences	320	218
Total deferred tax asset (including pension scheme)	1,592	1,223

#### Factors affecting future tax charges

At 31 December 2018 the group had trading losses of £227,000 (2017: £227,000) and capital losses of £109,000 (2017: £686,000) available for future use. The group has not recognised any deferred tax asset in respect of any of the carried forward losses as it is not possible to reliably estimate what amounts may be used in the foreseeable future.

The main rate of UK corporation tax was reduced from 20% to 19% with effect from 1 April 2017. Changes to the UK corporation tax rates were announced in the Chancellor's Budget on 8 March 2017. These include reductions to the main rate to reduce the rate to 17% from 1 April 2020.

#### Company

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2018 £000s	2017 £000s
Capital allowances and depreciation	16	2
Total provision for deferred tax (including pension scheme)	16	2

At 31 December 2018 the company had capital losses of £109,000 (2017: £210,000) available for future use. The company has not recognised any deferred tax asset in respect of this amount as the losses that may be used in the foreseeable future cannot be reliably estimated.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 19 PROVISIONS FOR LIABILITIES AND CHARGES

#### Group

	Warranty provision	Property dilapidations and onerous leases	Total
	£000s	£000s	£000s
At 1 January 2018	100	4,016	4,116
Income statement charge	58	496	554
Released	(67)	(16)	(83)
Utilised	-	(84)	(84)
At 31 December 2018	<u>91</u>	<u>4,412</u>	<u>4,503</u>

#### Company

	Property dilapidations and onerous leases £000s
At 1 January 2018	46
Income statement charge	<u>4</u>
At 31 December 2018	<u>50</u>

A provision has been made for the expected reinstatement costs for all leased properties as well as the best estimate of the future unrecoverable costs of vacated leased properties. The settlement timing of these obligations is dependent upon the remaining lease terms and whether any interim reinstatement activity takes place.

All own brand products supplied by the company are covered by warranty. Provision based on past experience has been made for the expected cost of warranty claims.

### 20 SHARE CAPITAL

	2018 £000s	2017 £000s
<b>Authorised share capital</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>
<b>Allotted, called-up and fully paid</b>		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 21 NOTES TO THE STATEMENT OF CASH FLOWS

#### Reconciliation of profit to net cash inflow from operating activities

	2018 £000s	2017 £000s
Group profit after tax	21,369	14,441
Adjustments to reconcile profit for the year to net cash flow from operating activities		
Depreciation charge (note 2)	4,155	3,932
Amortisation charge (note 2)	7,056	13,636
Net interest expense	1,065	245
Taxation	6,379	6,199
Profit on sale of tangible fixed assets (note 2)	(387)	(431)
Increase in stocks	(3,358)	(2,468)
Decrease/(Increase) in debtors	4,050	(2,028)
Increase in creditors	3,901	5,318
Increase in provisions	387	213
Net movement in pension schemes	(500)	(2,406)
Cash from operations	22,748	22,210
UK corporation tax paid	(6,965)	(5,871)
Cash from operations after tax payment	15,783	16,339
<b>Net cash inflow from operating activities</b>	<b>37,152</b>	<b>30,780</b>

### 22 CAPITAL COMMITMENTS

The group had £1,508,000 of capital commitments at 31 December 2018 (2017: £1,609,000) in respect of capital projects entered into but had not yet completed as at the year end.

The company had £55,000 of capital commitments at 31 December 2018 (2017: £31,000).

### 23 CONTINGENT LIABILITIES

#### BANK CROSS GUARANTEE

There is an unlimited cross guarantee between the company, Newbury Investments (UK) Limited, Decco Limited, Deta Electrical Company Limited, Norbain Holdings Limited, Ryness Electrical Supplies Limited, Stearn Electric Company Limited, UK Cables Limited, UK Electric Limited, and UK Test Instruments Limited in favour of NatWest Bank Plc. The obligation under this guarantee at 31 December 2018 was £nil (2017: £nil).

#### CONTINGENT CHARGE

Upon closing the defined benefit pension scheme to future accrual, the principal employers of the scheme came to an agreement with the Trustees to register a contingent charge over assets to protect members in the unlikely event of insolvency. This contingent charge will therefore only become non-contingent if the company becomes insolvent.

As at the date of signing these financial statements the directors consider the possibility of the charge becoming non-contingent as being remote. The obligation under this contingent charge, as at the date of signing of these financial statements is £nil (2017: £nil). The maximum amount recoverable under this charge is limited to £3,250,000 (2017: £3,250,000).

There were no other contingent liabilities at 31 December 2018 or at 31 December 2017.



# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 24 LEASING COMMITMENTS

At the end of the year the group had future minimum lease payments under non-cancellable operating leases for:

	<b>Land and buildings 2018 £000s</b>	<b>Other operating leases 2018 £000s</b>	<b>Land and buildings 2017 £000s</b>	<b>Other operating leases 2017 £000s</b>
Operating leases which expire:				
Within one year	6,182	-	5,885	1
Within two to five years	15,583	-	14,553	-
After five years	7,923	-	8,053	-
	<u>29,688</u>	<u>-</u>	<u>28,491</u>	<u>1</u>

At the end of the year the company had future minimum lease payments under non-cancellable operating leases for:

	<b>Land and buildings 2018 £000s</b>	<b>Other operating leases 2018 £000s</b>	<b>Land and buildings 2017 £000s</b>	<b>Other operating leases 2017 £000s</b>
Operating leases which expire:				
Within one year	189	-	188	-
Within two to five years	142	-	328	-
	<u>331</u>	<u>-</u>	<u>516</u>	<u>-</u>

### 25 RELATED PARTY TRANSACTIONS

The group made sales of approximately £46,900,000 (2017: £41,500,000) to companies connected to certain shareholders of the group's ultimate parent undertaking of which amounts receivable of £10,900,000 (2017: £9,900,000) were still outstanding at the year end. Further, there were related party charges from these related companies of £3,100,000 (2017: £2,900,000) in respect of non-trading transactions. In the opinion of the directors all transactions were at arm's length.

### 26 PENSION ARRANGEMENTS

#### Defined contribution pension scheme

All subsidiaries operate a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the companies to the funds during the year and amounted to £4,154,000 (2017: £3,490,000) as included in note 5.

#### Defined benefit pension schemes

The group has two defined benefit pension schemes, the Stearn Electric Company Pension Fund (Stearn Scheme) and The Decco Pension and Life Insurance Scheme 1980 (Decco Scheme), as well as participating in a non-group scheme. All three schemes were closed to future accrual at 31 March 2011.

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 26 PENSION ARRANGEMENTS (CONTINUED)

#### GROUP PENSION SCHEMES

The group operates two defined benefit final salary pension schemes in the United Kingdom, as the principal employer of the Stearn Scheme and the Decco Scheme. The assets of the schemes are administered by trustees in funds independent from those of the group and invested directly on the advice of the independent professional investment managers. Both schemes are closed for new employees and to future accruals.

The last full triennial actuarial valuation of the Stearn Scheme took place as at 31 March 2018 and that of the Decco Scheme took place as at 31 March 2017, which were performed using the projected unit method.

#### Assumptions

The valuation of the schemes' net position for the purpose of these financial statements has been based on these actuarial valuations, updated to 31 December 2018 by independent qualified actuaries. The major assumptions used were:

	<b>2018</b>	<b>2017</b>
	<b>Per annum</b>	<b>Per annum</b>
Rate of increase in salaries	3.20%	3.20%
Discount rate	2.85%	2.55%
Inflation assumption (RPI)	3.20%	3.15%
Inflation assumption (CPI)	2.40%	2.35%

The mortality assumptions used were as follows:

	<b>2018</b>	<b>2017</b>
	<b>Years</b>	<b>Years</b>
<b>Stearn Scheme</b>		
Member aged 65 (current life expectancy):		
- Men	23.8	23.9
- Women	25.8	25.9
Member aged 45 (life expectancy at age 65):		
- Men	25.6	25.7
- Women	27.7	27.7
<b>Decco Scheme</b>		
Member aged 65 (current life expectancy):		
- Men	23.8	23.9
- Women	25.8	25.9
Member aged 45 (life expectancy at age 65):		
- Men	25.6	25.7
- Women	27.7	27.7

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 26 PENSION ARRANGEMENTS (CONTINUED)

	2018 £000s	2017 £000s	2016 £000s
Equities	33,187	37,310	32,497
Bonds	44,036	46,776	55,581
Property	3,839	3,706	3,522
Cash	11,272	11,571	2,199
Insured pensions	1,728	1,915	2,074
Total fair value of assets	94,062	101,278	95,873
Present value of scheme liabilities	(83,702)	(91,914)	(97,900)
Surplus/(deficit) in the scheme	10,360	9,364	(2,027)
Effect of asset limit	(10,360)	(9,364)	-
Net pension surplus/(deficit)	-	-	(2,027)

At the end of the year, both the group's defined benefit final salary pension schemes were in a surplus position.

Movement in the surpluses during the year	Assets £000s	Liabilities £000s	Total £000s
At 1 January 2018	101,278	(91,914)	9,364
Interest income/(expense)	2,510	(2,266)	244
Expenses paid from plan assets	(354)	-	(354)
Loss on curtailments	-	(828)	(828)
Employer contributions	500	-	500
Benefits paid	(4,114)	4,114	-
Remeasurements in respect of insured pensioners	(21)	21	-
Effect on experience adjustments	-	874	874
Actuarial gain	(5,737)	6,297	560
At 31 December 2018	94,062	(83,702)	10,360
Effect of asset limit			(10,360)
At 31 December 2018 after effect of asset limit			-

The return on plan assets during the year was a loss of £3,248,000 (2017: £7,410,000 gain).

It should be noted that a pension surplus or deficit calculated under FRS 102 represents an estimate at a point in time and is not necessarily indicative of the eventual funding position of a scheme.

#### Analysis of amount charged to other financial expenses:

	2018 £000s	2017 £000s
Net interest and other expenses paid from defined benefit pension scheme assets	(1,173)	(256)
	(1,173)	(256)

# NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2018

### 26 PENSION ARRANGEMENTS (CONTINUED)

#### Analysis of amount recognised in other comprehensive income

	2018 £000s	2017 £000s
Actual return less interest income on pension scheme assets	536	(2,068)
Experience gains and losses arising on the scheme obligations	(874)	-
Changes in assumptions underlying the present value of the scheme liabilities	(1,096)	(7,579)
	<u>(1,434)</u>	<u>(9,647)</u>
Effect of pension scheme asset limit adjustment	761	9,364
Actuarial (gain) recognised after effect of asset limit	<u>(673)</u>	<u>(283)</u>

#### Other non-group scheme

Certain employees of the group are members of a defined benefit scheme operated by a non-group company. The assets of the scheme are managed through a separate trustee administered fund. The scheme was closed to future accrual at 31 March 2011.

The group's liability for this scheme was crystallised during 2015.

### 27 ACQUISITIONS

#### Company

#### Acquisition of E.U. Fire & Security Limited

On 1 May 2018, the company acquired 100% of the share capital of E.U. Fire & Security Limited for a consideration of £7,981,000. The business operates in the UK as a distributor of high quality and innovative fire systems. The fair value of assets acquired was £2,382,000 resulting in goodwill at acquisition of £5,599,000. This reflected the excess of the total costs of the acquisition over the fair value of net assets acquired. This balance is to be amortised over a period of 32 months.

The book value and fair value of the net assets acquired were:

	Book Value £000s	Fair value £000s
Consideration paid	7,981	7,981
Fixed assets	194	194
Trade debtors	2,919	2,919
Stock	658	658
Other debtors & Prepayments	152	152
Cash	877	877
Trade Creditors	(1,821)	(1,821)
Other creditors and Accruals	(549)	(549)
Long term liabilities	(48)	(48)
Total net assets acquired	<u>2,382</u>	<u>2,382</u>
Goodwill at acquisition		<u>5,599</u>

Included within the consolidated income statement are post acquisition sales of £7,807,000 and operating profit of £556,000. No separately identifiable intangible assets were identified.

## **NEWBURY INVESTMENTS (UK) LIMITED AND ITS SUBSIDIARY UNDERTAKINGS**

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

For the year ended 31 December 2018

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#### **28 ULTIMATE PARENT COMPANY**

Newbury Investments BV, a company incorporated in the Netherlands, is the company's parent undertaking and ultimate controlling related party by virtue of its ownership of 90.1% of the ordinary shares. The results of the group headed by Newbury Investments BV are not consolidated into any publicly available financial statements.