

Ablebox Limited

Annual Report and Financial Statements
for the Year Ended 30 April 2017

Ablebox Limited

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Ablebox Limited

Company Information

Directors	S P Ainsworth T C Lloyd J E Lloyd J C Lloyd A B Lloyd
Registered office	23 Buckland Road Yeovil BA21 5HA
Auditors	Milsted Langdon LLP Chartered Accountants and Statutory Auditors Deane Gate Avenue Taunton Somerset TA1 2UH

Ablebox Limited

Strategic Report for the Year Ended 30 April 2017

The directors present their strategic report for the year ended 30 April 2017.

Principal activity

The principal activity of the company is to manufacture and distribute corrugated packaging.

Fair review of the business

This year has been a year of consolidation and with a strong focus on building a strong foundation ahead planned organic growth in the coming years. Subsequently, sales were fairly flat on the prior year but profitability was still strong. This year has seen significant investment in new capacity that will continue into the coming financial year.

The net current liability showing on the balance sheet is due to a short term bank loan for the construction of an additional factory, shown as £1.1m within Creditors due within one year. Upon completion, this loan will be transferred into a repayable mortgage of 20 years.

The company's key financial and other performance indicators during the year were as follows:

	Unit	2017	2016
Turnover	£	7,750,378	7,914,711
Gross profit	£	2,317,368	2,590,948
Gross profit margin	%	30	33

Principal risks and uncertainties

The directors have reviewed the industry in which the company operates and they consider that there are no significant risks and uncertainties that need disclosing within this report.

The directors consider it appropriate to adopt the going concern basis based on a review of the expected results for the foreseeable future.

Approved by the Board on 30 January 2018 and signed on its behalf by:

S P Ainsworth
Director

Ablebox Limited

Directors' Report for the Year Ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

Directors of the company

The directors who held office during the year were as follows:

S P Ainsworth

T C Lloyd

J E Lloyd

J C Lloyd

A B Lloyd

Financial instruments

Objectives and policies

The directors are responsible for monitoring financial risk. Appropriate policies have been developed and implemented to identify, evaluate and manage key risks.

Price risk, credit risk, liquidity risk and cash flow risk

a) Price risk - The company is exposed to price risk as a result of its operations. However, given the size of the company's operations, the costs of managing exposure to price risk exceed any potential benefits.

b) Credit risk - The company has implemented policies for its finance operations that require appropriate credit checks on potential customers before finance is given. The nature of the company's main operations does not give rise to significant credit risk.

c) Liquidity risk - The company actively maintains debt finance in respect of bank loans, hire purchases and an invoice financing facility that is designed to ensure the company has sufficient available funds for operations and expansions. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Future developments

The coming year will see further significant investment in new and more efficient capacity and significant increase in turnover.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 30 January 2018 and signed on its behalf by:

S P Ainsworth
Director

Ablebox Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities for preparing the Annual 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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Ablebox Limited

Independent Auditor's Report to the Members of Ablebox Limited

We have audited the financial statements of Ablebox Limited for the year ended 30 April 2017, set out on pages 7 to 23. 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).

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.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Ablebox Limited

Independent Auditor's Report to the Members of Ablebox Limited

Emphasis of matter

We draw your attention to note 10 of the financial statements, which describes the potential revision of the purchase price of software and its effect on the company's balance sheet. Our opinion is not modified in respect of this matter.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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.

Mr Nigel Fry (Senior Statutory Auditor)

For and on behalf of Milsted Langdon LLP, Statutory Auditor

Winchester House

Deane Gate Avenue

Taunton

Somerset

TA1 2UH

30 January 2018

Ablebox Limited

Profit and Loss Account for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Turnover	<u>3</u>	7,750,378	7,914,711
Cost of sales		<u>(5,433,010)</u>	<u>(5,323,763)</u>
Gross profit		2,317,368	2,590,948
Administrative expenses		<u>(1,442,440)</u>	<u>(1,418,723)</u>
Operating profit	<u>4</u>	<u>874,928</u>	<u>1,172,225</u>
Interest payable and similar expenses	<u>5</u>	<u>(32,643)</u>	<u>(30,032)</u>
		<u>(32,643)</u>	<u>(30,032)</u>
Profit before tax		842,285	1,142,193
Taxation	<u>9</u>	<u>(166,481)</u>	<u>(225,282)</u>
Profit for the financial year		<u>675,804</u>	<u>916,911</u>
Total comprehensive income for the year		<u><u>675,804</u></u>	<u><u>916,911</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 23 form an integral part of these financial statements.

Ablebox Limited

(Registration number: 02547129)

Balance Sheet as at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>10</u>	4,989,802	2,967,257
Current assets			
Stocks	<u>11</u>	327,060	321,569
Debtors	<u>12</u>	1,317,520	1,444,234
Cash at bank and in hand		<u>162,732</u>	<u>469,425</u>
		1,807,312	2,235,228
Creditors: Amounts falling due within one year	<u>14</u>	<u>(2,713,940)</u>	<u>(1,793,641)</u>
Net current (liabilities)/assets		<u>(906,628)</u>	<u>441,587</u>
Total assets less current liabilities		4,083,174	3,408,844
Creditors: Amounts falling due after more than one year	<u>14</u>	<u>(623,237)</u>	<u>(227,447)</u>
Provisions for liabilities	<u>15</u>	<u>(230,021)</u>	<u>(216,137)</u>
Net assets		<u>3,229,916</u>	<u>2,965,260</u>
Capital and reserves			
Called up share capital	<u>17</u>	210	210
Capital redemption reserve	<u>18</u>	190	190
Profit and loss account		<u>3,229,516</u>	<u>2,964,860</u>
Total equity		<u>3,229,916</u>	<u>2,965,260</u>

Approved and authorised by the Board on 30 January 2018 and signed on its behalf by:

S P Ainsworth

Director

The notes on pages 11 to 23 form an integral part of these financial statements.

Ablebox Limited

Statement of Changes in Equity for the Year Ended 30 April 2017

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2016	210	190	2,964,860	2,965,260
Profit for the year and total comprehensive income	-	-	675,804	675,804
Dividends	-	-	(411,148)	(411,148)
At 30 April 2017	210	190	3,229,516	3,229,916

	Share capital £	Capital redemption reserve £	Profit and loss account £	Total £
At 1 May 2015	210	190	2,605,409	2,605,809
Profit for the year and total comprehensive income	-	-	916,911	916,911
Dividends	-	-	(557,460)	(557,460)
At 30 April 2016	210	190	2,964,860	2,965,260

The notes on pages 11 to 23 form an integral part of these financial statements.

Ablebox Limited

Statement of Cash Flows for the Year Ended 30 April 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		675,804	916,911
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	461,605	539,914
Profit on disposal of tangible assets		(3,450)	(9,367)
Finance costs	<u>5</u>	32,643	30,032
Income tax expense	<u>9</u>	166,481	225,282
		1,333,083	1,702,772
Working capital adjustments			
(Increase)/decrease in stocks	<u>11</u>	(5,491)	17,860
Decrease in trade debtors	<u>12</u>	126,714	166,899
Decrease in trade creditors	<u>14</u>	(144,594)	(336,549)
Increase in deferred income, including government grants		149,685	-
Cash generated from operations		1,459,397	1,550,982
Income taxes paid	<u>9</u>	(201,120)	(135,485)
Net cash flow from operating activities		1,258,277	1,415,497
Cash flows from investing activities			
Acquisitions of tangible assets		(2,654,283)	(466,646)
Proceeds from sale of tangible assets		173,583	119,899
Net cash flows from investing activities		(2,480,700)	(346,747)
Cash flows from financing activities			
Interest paid	<u>5</u>	(32,643)	(30,032)
Proceeds from bank borrowing draw downs		1,374,839	-
Repayment of bank borrowing		(51,699)	-
Proceeds from other borrowing draw downs		386,336	362,709
Payments to finance lease creditors		(349,955)	(310,386)
Dividends paid	<u>21</u>	(411,148)	(557,460)
Net cash flows from financing activities		915,730	(535,169)
Net (decrease)/increase in cash and cash equivalents		(306,693)	533,581
Cash and cash equivalents at 1 May		469,425	(64,156)
Cash and cash equivalents at 30 April		162,732	469,425

The notes on pages 11 to 23 form an integral part of these financial statements.

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The principal place of business is:
23 Buckland Road
Yeovil
BA21 5HA

These financial statements were authorised for issue by the Board on 30 January 2018.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements are prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Tax

The tax expense for the period comprises UK corporation tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

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 operates and generates taxable income.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land	nil
Buildings	5% straight line
Plant and machinery	20% reducing balance
Furniture, fittings and equipment	33% reducing balance
Motor vehicles	33% reducing balance
Goose software	10% straight line

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

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Notes to the Financial Statements for the Year Ended 30 April 2017

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using a combination of purchase price and selling price less the gross profit margin for each individual product.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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Notes to the Financial Statements for the Year Ended 30 April 2017

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2017	2016
	£	£
Sale of goods	7,750,378	7,914,711

The analysis of the company's turnover for the year by market is as follows:

	2017	2016
	£	£
UK	7,750,378	7,914,711

4 Operating profit

Arrived at after charging/(crediting)

	2017	2016
	£	£
Depreciation expense	461,605	539,914
Operating lease expense - plant and machinery	18,149	16,218

5 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank borrowings	10,573	-
Interest on obligations under finance leases and hire purchase contracts	19,493	17,155
Other interest payable	2,577	12,877
	32,643	30,032

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

6 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2017	2016
	£	£
Wages and salaries	1,689,218	1,521,169
Pension costs, defined contribution scheme	48,339	34,205
Other employee expense	15,623	16,516
	<u>1,753,180</u>	<u>1,571,890</u>

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2017	2016
	No.	No.
Production	39	36
Administration and support	26	23
	<u>65</u>	<u>59</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017	2016
	£	£
Remuneration	71,815	65,406
Contributions paid to money purchase schemes	8,367	5,782
	<u>80,182</u>	<u>71,188</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2017	2016
	No.	No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

8 Auditors' remuneration

	2017	2016
	£	£
Audit of the financial statements	<u>9,850</u>	<u>12,000</u>

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

9 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	149,023	201,121
UK corporation tax adjustment to prior periods	3,574	-
	<u>152,597</u>	<u>201,121</u>
Deferred taxation		
Arising from origination and reversal of timing differences	24,537	32,950
Arising from changes in tax rates and laws	(10,653)	(8,789)
	<u>13,884</u>	<u>24,161</u>
Total deferred taxation		
	<u>166,481</u>	<u>225,282</u>
Tax expense in the income statement		

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2016 - the same as the standard rate of corporation tax in the UK) of 19.92% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>842,285</u>	<u>1,142,193</u>
Corporation tax at standard rate	167,765	228,439
Decrease from effect of different UK tax rates on some earnings	(1,185)	-
Effect of expense not deductible in determining taxable profit (tax loss)	4,439	2,285
Corporation tax relating to previous periods	3,574	-
Deferred tax credit from unrecognised temporary difference from a prior period	(10,653)	(8,789)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>2,541</u>	<u>3,347</u>
Total tax charge	<u>166,481</u>	<u>225,282</u>

Notes to the Financial Statements for the Year Ended 30 April 2017

Deferred tax assets and liabilities

10 Tangible assets

	Land and buildings £	Plant and machinery £	Furniture, fittings and equipment £	Motor vehicles £	Goose software £	Total £
Cost or valuation						
At 1 May						
2016	275,191	2,414,293	187,789	720,064	1,518,297	5,115,634
Additions	2,138,203	300,312	8,899	206,869	-	2,654,283
Disposals	-	(13,006)	-	(309,638)	-	(322,644)
At 30 April						
2017	2,413,394	2,701,599	196,688	617,295	1,518,297	7,447,273
Depreciation						
At 1 May						
2016	13,277	1,496,591	110,528	318,328	209,653	2,148,377
Charge for the year	2,656	130,538	28,433	148,149	151,829	461,605
Eliminated on disposal	-	(7,189)	-	(145,322)	-	(152,511)
At 30 April						
2017	15,933	1,619,940	138,961	321,155	361,482	2,457,471
Carrying amount						
At 30 April						
2017	2,397,461	1,081,659	57,727	296,140	1,156,815	4,989,802
At 30 April						
2016	261,914	917,702	77,261	401,736	1,308,644	2,967,257

Included within the net book value of land and buildings above is £152,324 (2016 - £154,980) in respect of freehold land and buildings and £2,245,137 (2016 - £106,934) in respect of assets under construction.

Goose software

The valuation of Goose, a fully integrated management system shown as a Tangible Asset on the Balance Sheet is currently under review. Goose was valued by an independent IP specialist and sold at arm's length at its market value by a connected party. Should it be required, the vendor will make an adjustment to the sale price under the terms of the sale agreement. However, any subsequent adjustment is not likely to have a material effect on the company's net assets.

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Plant and machinery	294,517	213,800
Motor vehicles	225,529	339,268
	<u>520,046</u>	<u>553,068</u>

Restriction on title and pledged as security

Property, plant and equipment with a carrying amount of £4,989,802 (2016 - £2,967,257) has been pledged as security for the invoice financing facility and bank loans.

11 Stocks

	2017 £	2016 £
Paper stock	129,246	141,055
Warehouse stock	174,840	155,898
Other stock	22,974	24,616
	<u>327,060</u>	<u>321,569</u>

The cost of stocks recognised as an expense in the year amounted to £3,430,597 (2016 - £3,595,417).

Total stocks with a carrying amount of £327,060 (2016 - £321,569) has been pledged as security for the invoice financing facility and bank loans.

12 Debtors

	2017 £	2016 £
Trade debtors	1,279,687	1,391,754
Other debtors	5,972	11,856
Prepayments	31,861	34,717
Accrued income	-	5,907
	<u>1,317,520</u>	<u>1,444,234</u>

Total current trade and other assets with a carrying amount of £1,317,520 (2016 - £1,444,234) has been pledged as security for the invoice financing facility and bank loans.

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

13 Cash and cash equivalents

	2017	2016
	£	£
Cash on hand	664	61
Cash at bank	589	14,270
	<u>1,253</u>	<u>14,331</u>
Invoice financing facility	161,479	455,094
Cash and cash equivalents in statement of cash flows	<u>162,732</u>	<u>469,425</u>

The cash and cash equivalents with a carrying amount of £1,253 (2016 - £14,331) has been pledged as security for the invoice discounting facility and bank loans.

The invoice financing facility is secured against the assets of the company.

14 Creditors

	Note	2017	2016
		£	£
Due within one year			
Loans and borrowings	<u>19</u>	1,290,189	176,773
Trade creditors		773,203	647,967
Social security and other taxes		106,027	287,992
Outstanding defined contribution pension costs		8,148	3,234
Other payables		332,119	445,380
Accrued expenses		55,231	34,749
Income tax liability	<u>9</u>	<u>149,023</u>	<u>197,546</u>
		<u>2,713,940</u>	<u>1,793,641</u>
Due after one year			
Loans and borrowings	<u>19</u>	473,552	227,447
Deferred income		149,685	-
		<u>623,237</u>	<u>227,447</u>

The loans and borrowings are secured against assets of the company.

15 Deferred tax and other provisions

	Deferred tax	Total
	£	£
At 1 May 2016	216,137	216,137
Additional provisions	<u>13,884</u>	<u>13,884</u>
At 30 April 2017	<u>230,021</u>	<u>230,021</u>

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

16 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £48,339 (2016 - £34,205).

Contributions totalling £8,148 (2016 - £3,234) were payable to the scheme at the end of the year and are included in creditors.

17 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary A shares of £0.01 each	16,800	168.00	16,800	168.00
Ordinary B shares of £0.01 each	1,050	10.50	1,050	10.50
Ordinary C shares of £0.01 each	1,050	10.50	2,100	21.00
Ordinary D shares of £0.01 each	1,050	10.50	1,050	10.50
Ordinary E shares of £0.01 each	1,050	10.50	-	-
	21,000	210	21,000	210

Rights, preferences and restrictions

Ordinary shares class A, B, C, D and E have the following rights, preferences and restrictions:

All classes of ordinary shares have full voting rights, rights to dividends and a right to distribution on winding up.

18 Reserves

Capital redemption reserve

The capital redemption reserve has arisen due to a historic company purchase of own shares of 190 ordinary shares with a nominal value of £190. The creation of the capital redemption reserve preserves the capital of the company.

19 Loans and borrowings

	2017	2016
	£	£
Non-current loans and borrowings		
Bank borrowings	199,789	-
Finance lease liabilities	273,763	227,447
	473,552	227,447

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	1,123,351	-
Finance lease liabilities	166,838	176,773
	<u>1,290,189</u>	<u>176,773</u>

20 Obligations under leases and hire purchase contracts

Finance leases

Obligations under finance lease and hire purchase contracts are secured against the assets which the arrangement finances.

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	175,799	187,481
Later than one year and not later than five years	281,881	235,036
	<u>457,680</u>	<u>422,517</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	155,284	162,143
Later than one year and not later than five years	287,398	467,057
	<u>442,682</u>	<u>629,200</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £162,143 (2016 - £162,043).

21 Dividends

	2017 £	2016 £
Interim dividend of £19.58 (2016 - £26.55) per ordinary share	411,148	557,460

The directors are proposing a final dividend of £Nil (2016 - £Nil) per share totalling £Nil (2016 - £Nil).

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

22 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £616,230 (2016 - £Nil).

23 Related party transactions

Key management personnel

Directors.

Key management compensation has been disclosed in note 7 Director's remuneration.

Summary of transactions with key management

When overdrawn, interest is charged to the directors at the official HM Revenue & Customs rate. An agreement is in place with one director whereby interest is payable on their director's loan account in credit at the rate of 3% per annum. All director's loan accounts are repayable on demand.

The directors' provide indemnity and undertaking in respect of the invoice discounting facility.

Income and receivables from related parties

	Key management
2017	£
Sale of car	50,000

Expenditure with and payables to related parties

	Key management
2017	£
Ordinary dividends paid	411,148

	Key management
2016	£
Ordinary dividends paid	557,460

Ablebox Limited

Notes to the Financial Statements for the Year Ended 30 April 2017

Loans to related parties

	Key management £
2017	
At start of period	(314,724)
Advanced	712,887
Repaid	<u>(609,519)</u>
At end of period	<u><u>(211,356)</u></u>
	Key management £
2016	
At start of period	(734,848)
Advanced	1,032,765
Repaid	<u>(612,641)</u>
At end of period	<u><u>(314,724)</u></u>

24 Parent and ultimate parent undertaking

The ultimate controlling party is the directors who own 100% of the shares.

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