

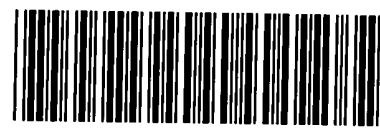
Registered number: 02762340

Pola Minerals Limited

Filleted financial statements

31 December 2017

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Pola Minerals Limited

Company Information

Director	D J Winters
Company secretary	J J Liddle
Registered number	02762340
Registered office	Ninth Avenue East Team Valley Gateshead Tyne and Wear NE11 0EJ
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
Bankers	Barclays Bank Plc 215 High Street Gateshead Tyne and Wear NE8 1BX
Solicitors	Watson Burton 1 St James' Gate Newcastle upon Tyne NE99 1YQ

Pola Minerals Limited

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Pola Minerals Limited

Balance sheet At 31 December 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	6	498,610	577,991
Current assets			
Stocks		1,289,455	1,161,864
Debtors	7	1,010,947	963,211
Cash at bank and in hand		474,042	563,511
		<u>2,774,444</u>	<u>2,688,586</u>
Creditors: amounts falling due within one year	8	(1,320,330)	(1,278,201)
Net current assets		<u>1,454,114</u>	<u>1,410,385</u>
Total assets less current liabilities		<u>1,952,724</u>	<u>1,988,376</u>
Creditors: amounts falling due after more than one year	9	(132,884)	(193,399)
Provisions for liabilities			
Deferred tax		(3,469)	-
Net assets		<u>1,816,371</u>	<u>1,794,977</u>
Capital and reserves			
Called up share capital		12,000	12,000
Cash flow hedge reserve		-	(180,794)
Profit and loss account		1,804,371	1,963,771
Total equity		<u>1,816,371</u>	<u>1,794,977</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities. The option not to file the profit and loss account has been taken.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 July 2018.

D J Winters
Director



Company registered number: 02762340

The notes on pages 2 to 9 form part of these financial statements.

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

1. General information

Pola Minerals Limited ('the company') is a private company limited by shares, incorporated and domiciled in England. The address of the registered office is given in the company information page of these financial statements.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'* ('FRS 102') and the Companies Act 2006.

3. Audit

These accounts have been subject to audit, however, the company has early adopted the changes in the Companies Act 2006, and has chosen not to file a copy of the company's profit and loss accounts (and the related notes). Therefore, the audit report on the financial statements has also been removed for filing purposes.

The audit report was signed by David Redhead (Senior Statutory Auditor), for and on behalf of UNW LLP, Statutory Auditor, Newcastle upon Tyne. The audit report gave an unqualified opinion.

4. Accounting policies

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 periods presented, unless otherwise stated.

4.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

4.2 Revenue

Turnover comprises revenue recognised in respect of goods and services supplied during the year, net of discounts and excluding Value Added Tax and trade discounts. Turnover is recognised at the point of delivery.

4.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	5% straight line
Leasehold improvements	-	Over the term of the lease
Plant and machinery	-	12.5% - 33% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

4. Accounting policies (continued)

4.4 Leases

Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the company similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

4.5 Stock

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is determined using average cost method and includes the purchase price (including taxes and duties) and transport and handling costs directly attributable to bringing the stock to its present location and condition.

Provision is made as necessary for damaged, obsolete or slow-moving items.

4.6 Financial instruments

Basic debt instruments

The company's basic debt instruments, include trade, intercompany and other amounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties.

Debt instruments due within one year are measured, initially and subsequently at the transaction price. Debt instruments due after one year are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss account in finance costs or finance income as appropriate, unless the derivative is designated and effective as a hedging instrument, in which event, the timing of the recognition in the profit and loss account depends on the nature of the hedge relationship.

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

4. Accounting policies (continued)

4.7 Hedge accounting

The company designates certain derivatives as hedging instruments in cash flow hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedged instrument. Furthermore, at the inception of the hedge the company determines and documents causes for hedge ineffectiveness.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

4.8 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

4.9 Foreign currency

The company's functional currency is the pound sterling.

Transactions in foreign currencies are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the period-end retranslation are recognised in the profit and loss account.

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

4. Accounting policies (continued)

4.10 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

4.11 Dividends

Dividends and other distributions to the company's members are recognised when they become legally payable.

5. Employees

The average monthly number of employees, including directors, during the year was 16 (2016 - 16).

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

6. Tangible fixed assets

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Total £
Cost				
At 1 January 2017 and 31 December 2017	658,659	59,323	394,768	1,112,750
Depreciation				
At 1 January 2017	164,665	49,735	320,359	534,759
Charge for the year	32,933	2,398	44,050	79,381
At 31 December 2017	197,598	52,133	364,409	614,140
Net book value				
At 31 December 2017	461,061	7,190	30,359	498,610
At 31 December 2016	493,994	9,588	74,409	577,991

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

7. Debtors

	2017 £	2016 £
Trade debtors	862,232	843,261
Amounts owed by group undertakings	26,627	26,627
Other debtors	61,643	24,296
Prepayments and accrued income	60,445	45,891
Deferred taxation	-	23,136
	<u>1,010,947</u>	<u>963,211</u>

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans	46,900	46,900
Trade creditors	849,137	519,559
Amounts owed to group undertakings	2,776	2,776
Corporation tax	62,874	96,105
Other taxation and social security	34,732	17,981
Net obligations under finance lease and hire purchase contracts	13,615	32,676
Other creditors	104,855	203,195
Accruals and deferred income	205,441	178,215
Financial instruments	-	180,794
	<u>1,320,330</u>	<u>1,278,201</u>

Bank loans and overdrafts amounting to £46,900 (2016 - £46,900), which are disclosed under creditors falling due within one year are secured over the freehold property.

Net obligations under finance leases and hire purchases contracts are secured over the assets to which they relate.

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

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

	2017 £	2016 £
Bank loans	132,884	179,784
Net obligations under finance leases and hire purchase contracts	-	13,615
	<u>132,884</u>	<u>193,399</u>

Bank loans amounting to £132,884 (2016 - £179,784), which are disclosed under creditors falling due after more than one year, are secured over the freehold property.

Net obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

10. Commitments under finance lease and hire purchase contracts

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	15,030	39,468
After one and before five years	-	16,445
Less: future finance charges	(1,415)	(9,622)
	<u>13,615</u>	<u>46,291</u>

11. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	37,040	50,624
Later than 1 year and not later than 5 years	141,000	143,240
Later than 5 years	289,200	376,800
	<u>467,240</u>	<u>570,664</u>

Pola Minerals Limited

Notes to the financial statements Year ended 31 December 2017

12. Related party transactions

Loans totalling £280,000 (2016 - £280,000) were made by DJ Winters to the company. No interest has been charged on the remaining loan (2016 - £nil). The balance outstanding at the year end is £87,514 (2016 - £180,970) which is included within other creditors.

Dividends totalling £280,000 (2016 - £280,000) were paid to the parent company, Pola Minerals (Holdings) Limited. £26,328 (2016 - £26,328) was owed to the company at the year end which is included within debtors.

At the year end the company was owed £299 (2016 - £299) by Ocean Organics Limited, a fellow subsidiary which is included within debtors.

At the year end the company owed £2,776 (2016 - £2,776) by Conceptbalance Limited, the ultimate parent company which is included within creditors.

13. Ultimate parent undertaking and controlling party

The director regards Pola Minerals (Holdings) Limited, a company registered in the UK, as the intermediate parent company by virtue of its 100% holding of the equity share capital of the company, and Conceptbalance Limited, a company registered in the UK as the ultimate parent company by virtue of its 100% holding of the equity share capital of Pola Minerals (Holdings) Limited.

The director considers himself to be the ultimate controlling party by virtue of his 100% holding of the equity share capital of Conceptbalance Limited.