

Company Registration No. 02875057 (England and Wales)

**MOMENTUM INSTORE LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2018**



# **MOMENTUM INSTORE LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	R M Gleave S P Gleave
<b>Company number</b>	02875057
<b>Registered office</b>	Beechwood Court Springwood Way Tytherington Business Park Macclesfield Cheshire SK10 2XG
<b>Auditor</b>	CLB Coopers Audit Services Ship Canal House 98 King Street Manchester M2 4WU

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# **MOMENTUM INSTORE LIMITED**

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# **MOMENTUM INSTORE LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 MAY 2018**

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The directors present the strategic report for the year ended 31 May 2018.

### **Business review**

The company has had an encouraging year, recording sales growth in the year of 15.2%. This sales growth was principally generated from a significant client project that has spanned three financial years, with the bulk of the revenue recognised in the year to 31 May 2018. During the year the company has also developed some new very exciting strong sales opportunities, the benefit of which will be reflected in the coming years.

In September 2018, the company set up a French subsidiary, Momentum Instore SAS, to underpin the strong pipeline of pan-European sales opportunities the business has been developing over the last few years.

The company continues to seek out efficiency improvements and cost saving opportunities by continual monitoring of its internal and supply chain processes and cost base. A significant part of this review will be the implementation of a new ERP system during 2019.

The directors are satisfied with the results for the year and the financial position at the year end.

### **Principal risks and uncertainties**

The market within which company operates, remains highly competitive and retail clients continue to exert pressure on margins. The company continuously monitors the market and client requirements and adapts operationally to mitigate the pressures on margin.

Management aim to minimise risk by retention of key staff, focusing on higher margin generative work streams and robust overhead management.

Cash flow has continued to be strong and been well managed throughout the year. The company's principal funding facility was renewed in September 2018.

### **Key performance indicators**

In the opinion of the directors the key performance indicators of the company are as follows:

- Gross profit margin of 28.4% (2017: 34.1%). Calculated as ratio of gross profit to turnover expressed as a percentage; and
- Operating profit margin of 2.2% (2017: 5.2%). Calculated as a ratio of operating profit to turnover expressed as a percentage.

It should be noted that Gross Margins have reduced in the year due to effect of a large client project where a significant service line as part of the project was delivered at a low single digit margin. This was for an activity outside the Company's ordinary course of business and will not be repeated. The company expects gross margin to return to more favourable levels in the following financial year.

# **MOMENTUM INSTORE LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2018**

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### **Developments and future outlook**

The directors remain highly positive about the future prospects for the business. The business's sales pipeline is very strong both in the UK and Europe and the company expects to maximise this pipeline.

The company continues to invest in its infrastructure and employees, to position itself for future growth opportunities identified in the market.

Warehouse operations have been further rationalised during the year, to provide the business with a more flexible solution to operational delivery in addition to producing cost savings for the business.

Investment in bespoke IT solutions continues, as the business focuses on continuous improvement in project delivery, operations and reporting. This investment will allow the business to adapt to changing client requirements and widen the service offering of the business.

The changes made reinforce the directors' positive view of the future prospects of the business.

On behalf of the board



R M Gleave

**Director**

30 January 2019

# **MOMENTUM INSTORE LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 MAY 2018**

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The directors present their annual report and financial statements for the year ended 31 May 2018.

#### **Principal activities**

The principal activity of the company continued to be that of the provision of retail marketing services.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

R M Gleave  
S P Gleave

#### **Results and dividends**

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £377,000 (2017: £318,000). The directors do not recommend payment of a further dividend.

#### **Auditor**

The auditor, CLB Coopers Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

# **MOMENTUM INSTORE LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MAY 2018**

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On behalf of the board



R M Gleave

**Director**

30 January 2019

# **MOMENTUM INSTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF MOMENTUM INSTORE LIMITED**

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#### **Opinion**

We have audited the financial statements of Momentum Instore Limited (the 'company') for the year ended 31 May 2018 which comprise the statement of income and retained earnings, the balance sheet and 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

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

#### **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.

#### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



# **MOMENTUM INSTORE LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF MOMENTUM INSTORE LIMITED**

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <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.

*CLB Coopers Audit Services*

**Graham Rigby (Senior Statutory Auditor)  
for and on behalf of CLB Coopers Audit Services**

30 January 2019

**Statutory Auditor**

Ship Canal House  
98 King Street  
Manchester  
M2 4WU

# MOMENTUM INSTORE LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS (INCLUDING A PROFIT AND LOSS ACCOUNT)

FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £'000	2017 £'000
Turnover	3	17,454	15,197
Cost of sales		(12,493)	(10,013)
<b>Gross profit</b>		<b>4,961</b>	<b>5,184</b>
Administrative expenses		(4,569)	(4,395)
<b>Operating profit</b>	4	<b>392</b>	<b>789</b>
Interest payable and similar expenses	7	(34)	(37)
<b>Profit before taxation</b>		<b>358</b>	<b>752</b>
Tax on profit	8	(81)	(158)
<b>Profit for the financial year</b>		<b>277</b>	<b>594</b>
Retained earnings brought forward		1,217	941
Dividends		(377)	(318)
<b>Retained earnings carried forward</b>		<b>1,117</b>	<b>1,217</b>

There are no recognised gains and losses other than those passing through the profit and loss account.

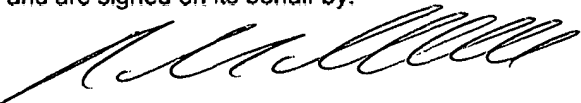
# MOMENTUM INSTORE LIMITED

## BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £'000	2017 £'000
<b>Fixed assets</b>			
Tangible assets	9	539	589
Investments	10	59	59
		<u>598</u>	<u>648</u>
<b>Current assets</b>			
Stocks	12	16	39
Debtors	13	7,188	5,235
Cash at bank and in hand		43	82
		<u>7,247</u>	<u>5,356</u>
<b>Creditors: amounts falling due within one year</b>	14	(3,478)	(2,546)
<b>Net current assets</b>		<u>3,769</u>	<u>2,810</u>
<b>Total assets less current liabilities</b>		<u>4,367</u>	<u>3,458</u>
<b>Creditors: amounts falling due after more than one year</b>	15	(59)	(59)
<b>Provisions for liabilities</b>			
Accruals and deferred income		1,975	966
Deferred tax liability	16	40	40
		<u>(2,015)</u>	<u>(1,006)</u>
<b>Net assets</b>		<u>2,293</u>	<u>2,393</u>
<b>Capital and reserves</b>			
Called up share capital	18	1,176	1,176
Profit and loss reserves		1,117	1,217
<b>Total equity</b>		<u>2,293</u>	<u>2,393</u>

The financial statements were approved by the board of directors and authorised for issue on 30 January 2019 and are signed on its behalf by:



R M Gleave  
Director

Company Registration No. 02875057

# **MOMENTUM INSTORE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MAY 2018**

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### **1 Accounting policies**

#### **Company information**

Momentum Instore Limited is a private company limited by shares incorporated in England and Wales. The registered office is Beechwood Court, Springwood Way, Tytherington Business Park, Macclesfield, Cheshire, SK10 2XG.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of the Reduced Financial Reporting Regime, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" regarding the disclosure requirements of Sections 3, 4, 7, 11, 12 and 33 of the standard.

The financial statements of the company are consolidated in the financial statements of Gleaventures Limited. The consolidated financial statements of Gleaventures Limited as at 31 May 2018 may be obtained from the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 1 Accounting policies

(Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	straight line over term of the lease
Equipment, fixtures and fittings	straight line between 3-7 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Fixed asset investments

Investments in subsidiaries are measured at cost less accumulated impairment.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Stocks

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

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and represent cash in hand and deposits held at call with banks.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

#### Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including trade creditors and hire purchase agreements, are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

# **MOMENTUM INSTORE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 MAY 2018**

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#### **1 Accounting policies**

**(Continued)**

##### **1.10 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of income and retained earnings, except that a charge 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 balance sheet date in the countries where the company operates and generates income.

Deferred tax 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.13 Leases**

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

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

##### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 1 Accounting policies

(Continued)

#### 1.15 Finance costs

Finance costs are charged to the statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

#### 1.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Job cost accrual

Ongoing projects at the year end are evaluated using costs incurred to date, turnover to date and expected job margins to calculate whether extra costs need to be accrued or whether some costs need to be deferred. Deferred costs are all shown within work in progress and accrued costs are shown within accruals.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £'000	2017 £'000
Turnover analysed by class of business	17,454	15,197



# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 3 Turnover and other revenue (Continued)

	2018 £'000	2017 £'000
<b>Turnover analysed by geographical market</b>		
United Kingdom	16,965	15,197
Rest of Europe	489	-
	<u>17,454</u>	<u>15,197</u>

### 4 Operating profit

	2018 £'000	2017 £'000
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(3)	(4)
Fees payable to the company's auditor for the audit of the company's financial statements	23	23
Depreciation of owned tangible fixed assets	140	130
Depreciation of tangible fixed assets held under hire purchase	-	3
Operating lease charges	204	244
	<u>204</u>	<u>244</u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Directors	2	2
Management staff	11	9
Field staff	30	25
Office staff	77	86
	<u>120</u>	<u>122</u>

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 5 Employees

(Continued)

In addition to the note above, the company hired intermittent workers through out the year. The average number of such workers for the year was 237 (2017: 232).

Staff costs, including directors' remuneration, were as follows:

	2018 £'000	2017 £'000
Wages and salaries	7,559	6,722
Social security costs	549	551
Pension costs	142	103
	<u>8,250</u>	<u>7,376</u>

Included within wages and salaries, social security costs and other pension costs are £3,990,000 (2017: £4,190,000), £287,000 (2017: £292,000) and £21,000 (2017: £18,000) that relate to staff costs in connection to intermittent workers.

### 6 Directors' remuneration

	2018 £'000	2017 £'000
Remuneration for qualifying services	26	25
Company pension contributions to defined contribution schemes	57	40
	<u>83</u>	<u>65</u>

### 7 Interest payable and similar expenses

	2018 £'000	2017 £'000
On invoice discounting and overdrafts	34	37
	<u></u>	<u></u>

### 8 Taxation

	2018 £'000	2017 £'000
<b>Current tax</b>		
UK corporation tax on profits for the current period	68	145
Adjustments in respect of prior periods	13	9
Total current tax	<u>81</u>	<u>154</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	-	4
	<u></u>	<u></u>
Total tax charge	<u>81</u>	<u>158</u>

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £'000	2017 £'000
Profit before taxation	358	752
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.00%)	68	143
Expenses not deductible for tax purposes	-	6
Adjustments in respect of prior years	13	9
Taxation charge for the year	81	158

### 9 Tangible fixed assets

	Leasehold improvements £'000	Equipment, fixtures and fittings £'000	Total £'000
<b>Cost</b>			
At 1 June 2017	517	613	1,130
Additions	6	84	90
At 31 May 2018	523	697	1,220
<b>Depreciation and impairment</b>			
At 1 June 2017	150	391	541
Depreciation charged in the year	53	87	140
At 31 May 2018	203	478	681
<b>Carrying amount</b>			
At 31 May 2018	320	219	539
At 31 May 2017	367	222	589

### 10 Fixed asset investments

	Notes	2018 £'000	2017 £'000
Investments in subsidiaries	11	59	59

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 10 Fixed asset investments

(Continued)

#### Movements in fixed asset investments

	Shares in group undertakings £'000
<b>Cost or valuation</b>	
At 1 June 2017 & 31 May 2018	59
<b>Carrying amount</b>	
At 31 May 2018	59
At 31 May 2017	59

### 11 Subsidiaries

Details of the company's subsidiaries at 31 May 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
NDI Momentum Limited	United Kingdom	Dormant company	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £'000	Capital and Reserves £'000
NDI Momentum Limited	-	59

### 12 Stocks

	2018 £'000	2017 £'000
Work in progress	14	34
Finished goods and goods for resale	2	5
	16	39

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 13 Debtors

	2018 £'000	2017 £'000
<b>Amounts falling due within one year:</b>		
Trade debtors	4,934	3,208
Amounts owed by group undertakings	1,762	1,762
Other debtors	88	31
Prepayments and accrued income	404	234
	<u>7,188</u>	<u>5,235</u>

Amounts owed by group undertakings are repayable on demand, however the directors do not anticipate the balance to be fully repayable within 12 months of the balance sheet date.

### 14 Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Invoice discounting	1,994	1,485
Obligations under finance leases	-	1
Trade creditors	463	318
Corporation tax	68	145
Other taxation and social security	866	535
Other creditors	87	62
	<u>3,478</u>	<u>2,546</u>

Invoice discounting balances are secured by a fixed and floating charge against all assets of Momentum Instore Limited.

### 15 Creditors: amounts falling due after more than one year

	2018 £'000	2017 £'000
Amounts due to group undertakings	<u>59</u>	<u>59</u>

# MOMENTUM INSTORE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2018 £'000	Liabilities 2017 £'000
<b>Balances:</b>		
Accelerated capital allowances	40	40

There were no deferred tax movements in the year.

### 17 Retirement benefit schemes

	2018 £'000	2017 £'000
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	142	103

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Included within other creditors is £16,000 (2017: £15,000) in respect of contributions to the company's defined contribution pension scheme, paid monthly in arrears.

### 18 Share capital

	2018 £'000	2017 £'000
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,176,286 ordinary shares of £1 each	1,176	1,176
	<u>1,176</u>	<u>1,176</u>

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £'000	2017 £'000
Within one year	243	204
Between two and five years	182	281
	<u>425</u>	<u>485</u>

# **MOMENTUM INSTORE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)** **FOR THE YEAR ENDED 31 MAY 2018**

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### **20 Related party transactions**

The company has taken full advantage of the exemption under section 33 of FRS 102 from disclosing transactions with other members of the group headed by Gleaventures Limited provided that consolidated financial statements in which the company is included, are publicly available. At the balance sheet date the net amount owed from Gleaventures Limited was £1,762,000 (2017: £1,762,000). In addition the company owed £59,000 (2017: £59,000) to NDI Momentum Limited.

### **21 Controlling party**

The immediate and ultimate parent undertaking is Gleaventures Limited, a company incorporated in England and Wales. Gleaventures Limited, was under the control of R M Gleave due to his majority shareholding through out the current and preceding year.