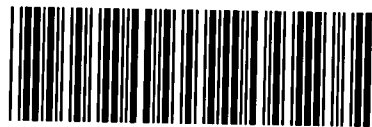


**REGISTRAR OF
COMPANIES**

Company Registration No. 03689080 (England and Wales)

BOLTON GATE SERVICES LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017

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BOLTON GATE SERVICES LIMITED

COMPANY INFORMATION

Directors	Mr I North Mr G Humphrey Mr J Baker
Company number	03689080
Registered office	Units 5-9 North Luton Industrial Estate Sedgewick Road Luton LU4 9DT
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Business address	Waterloo Street Bolton Lancashire United Kingdom BL1 2SP
Bankers	Natwest Bank Plc PO Box 2 24 Deansgate Bolton Lancashire BL1 1BN
Solicitors	Weightmans LLP Pall Mall Court 61-67 King Street Manchester M2 4PD

BOLTON GATE SERVICES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

Turnover has increased by 19.4% in the current year to £12,445k (2016: £10,425k) and returned a gross profit margin of 38.6% (2016: 39.6%). Operating profit before non-recurring items was £1,032k (2016: £931k). Non-recurring items were in relation to redundancy and restructuring costs totalling £67k (2016: £79k).

The increase in turnover is attributable to the continued expansion in service depots and personnel. The number of service engineers increased over the course of the year, with a similar increase in support staff which resulted in a higher level of administrative costs.

Whilst turnover increased, there was a small reduction in gross margin. There will be many contributing factors, including the mix of repairs and maintenances and the introduction of less experienced engineers. The pricing of maintenance work is under constant review, whilst the impact of new personnel will diminish over time.

The increase in net assets reflects the impact of the profit in the year. The composition of the balance sheet remained broadly consistent, with increased debtor and creditor levels (excluding group balances) reflecting normal working capital movements.

Principal risks and uncertainties

The principal risk to the business is a reduction in demand following the global downturn and uncertainty following the decision to leave the EU. The company has a high personnel retention rate, achieved through maintaining a positive working environment and a realistic remuneration strategy. The directors remain pleased with the performance of the company and feel that due to the strong balance sheet and market position it is in a very good state to weather the expected continued difficult trading conditions in 2018.

Future developments

The company is well established in its chosen markets and expects to continue to provide quality services. The company will work closely with other associated companies to broaden and enhance the services offered. Where circumstances allow, the company will expect to take advantage of its financial and trading strength to increase geographical coverage and market share. The directors are confident that this strategy will ensure the long-term prosperity of the business.

Financial risk management objectives and policies

The company is exposed to a moderate level of price risk, credit risk, liquidity risk and cash flow risk. The company manages these risks by financing its operations through retained profits, supplemented by bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements.

The company makes little use of financial instruments other than an operational bank account and so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

BOLTON GATE SERVICES LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

Key performance indicators

	<u>2017</u>	<u>2016</u>
Turnover	£12.4m	£10.4m
Gross profit margin	38.6%	39.6%
Net profit before tax	£966k	£850k

Position at the end of the period

The balance sheet at the end of the year shows that the company's financial position remains strong. It is expected that 2018 will see a consolidation of the new depots opened in 2016, with possible further expansion if the right opportunities arise. There will be continued efforts by the National Sales team to identify and pursue new customers and areas of business.

On behalf of the board



.....
Mr J Baker

Director

19.11.2018

BOLTON GATE SERVICES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Principal activities

The principal activity of the company continued to be that of repairing and servicing metal doors.

Directors

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

Mr Andrew Lloyd	(Resigned 2 January 2018)
Mr Alan Revell	(Resigned 2 January 2018)
Mr David Shepherd	(Resigned 2 January 2018)
Mr John McGrady	(Resigned 2 January 2018)
Mr I North	(Appointed 2 January 2018)
Mr G Humphrey	(Appointed 2 January 2018)
Mr J Baker	(Appointed 2 January 2018)

Results and dividends

The results for the year are set out on page 8.

In June 2017 a reorganisation took place which resulted in the creation of a new holding company, Bolton Gate Services Holdings Limited. The newly created holding company was owned by the original BGC Holdings Limited shareholders in the same proportions.

Ordinary dividends were paid amounting to £nil (2016: £900,000). The directors do not recommend payment of a further dividend.

Post reporting date events

On 2 January 2018 the parent company, Bolton Gate Services Holdings Limited was acquired by Novoferm UK Holdings Limited.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

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, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

BOLTON GATE SERVICES LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

On behalf of the board



.....
Mr J Baker
Director

Date: 19.11.2018
.....

BOLTON GATE SERVICES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED

Opinion

We have audited the financial statements of Bolton Gate Services Limited (the 'company') for the year ended 31 December 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOLTON GATE SERVICES LIMITED (CONTINUED)

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 set out on page 5, 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.

RSM UK Audit LLP

Anthony Steiner FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
20.11.18

BOLTON GATE SERVICES LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	12,445,331	10,424,612
Cost of sales		(7,637,797)	(6,298,976)
Gross profit		4,807,534	4,125,636
Administrative expenses		(3,774,696)	(3,194,745)
Redundancy costs	4	(21,550)	(26,453)
Restructuring costs	4	(45,379)	(52,776)
Operating profit	6	965,909	851,662
Interest payable and similar expenses	7	(20)	(1,166)
Profit before taxation		965,889	850,496
Tax on profit	8	(209,848)	(168,296)
Profit for the financial year		756,041	682,200
Other comprehensive income net of taxation			
Tax relating to other comprehensive income		-	1,022
Total comprehensive income for the year		756,041	683,222

BOLTON GATE SERVICES LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
Fixed assets					
Goodwill	10		4,500		5,625
Tangible assets	11		105,593		338,507
			<u>110,093</u>		<u>344,132</u>
Current assets					
Stocks	12	346,608		256,856	
Debtors	13	2,491,705		2,396,977	
Cash at bank and in hand		1,044,646		258,312	
		<u>3,882,959</u>		<u>2,912,145</u>	
Creditors: amounts falling due within one year	14	(2,386,721)		(2,387,226)	
Net current assets			<u>1,496,238</u>		<u>524,919</u>
Total assets less current liabilities			<u>1,606,331</u>		<u>869,051</u>
Provisions for liabilities	16		(9,034)		(27,795)
Net assets			<u><u>1,597,297</u></u>		<u><u>841,256</u></u>
Capital and reserves					
Called up share capital	19		10,000		10,000
Revaluation reserve	20		-		83,807
Profit and loss reserves	20		1,587,297		747,449
Total equity			<u><u>1,597,297</u></u>		<u><u>841,256</u></u>

The financial statements were approved by the board of directors and authorised for issue on 19.11.2018
and are signed on its behalf by:



Mr J Baker
Director

BOLTON GATE SERVICES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2016		10,000	83,789	964,245	1,058,034
Year ended 31 December 2016:					
Profit for the year		-	-	682,200	682,200
Other comprehensive income net of taxation:					
Tax relating to other comprehensive income		-	1,022	-	1,022
Total comprehensive income for the year		-	1,022	682,200	683,222
Dividends	9	-	-	(900,000)	(900,000)
Transfers		-	(1,004)	1,004	-
Balance at 31 December 2016		10,000	83,807	747,449	841,256
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	756,041	756,041
Transfers		-	(83,807)	83,807	-
Balance at 31 December 2017		10,000	-	1,587,297	1,597,297

BOLTON GATE SERVICES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	21	769,040		930,279	
Interest paid		(20)		(1,166)	
Income taxes paid		(156,500)		(209,417)	
Net cash inflow from operating activities		<u>612,520</u>		<u>719,696</u>	
Investing activities					
Purchase of tangible fixed assets		(42,708)		(81,764)	
Proceeds on disposal of tangible fixed assets		<u>216,522</u>		<u>4</u>	
Net cash generated from/(used in) investing activities		<u>173,814</u>		<u>(81,760)</u>	
Financing activities					
Dividends paid		-		(900,000)	
Net cash used in financing activities		<u>-</u>		<u>(900,000)</u>	
Net increase/(decrease) in cash and cash equivalents		<u>786,334</u>		<u>(262,064)</u>	
Cash and cash equivalents at beginning of year		258,312		520,376	
Cash and cash equivalents at end of year		<u><u>1,044,646</u></u>		<u><u>258,312</u></u>	

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Bolton Gate Services Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 5-9 North Luton Industrial Estate, Sedgewick Road, Luton, LU4 9DT.

The company's principal activities are disclosed in the Directors' Report.

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, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties.

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

The principal accounting policies adopted are set out below.

Going concern

In determining whether the company's annual financial statements can be prepared on a going concern basis, the directors have considered the business activities, together with the factors likely to affect its future development, performance and position. The review also includes the financial position of the company, their cash flows, liquidity position and borrowing facilities.

The directors confirm that, after due consideration they have a reasonable expectation that the company has adequate resources to continue in business for at least 12 months from the date of signing the financial statements. Accordingly, the Annual report and financial statements for the period ended 31 December 2017 have been prepared on the going concern basis.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and 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.

Intangible fixed assets - goodwill

Goodwill arising on the acquisition of a business represents the excess of the cost of acquisition (being the cash paid and the fair value of other consideration given) over the fair value of the separable net assets acquired. The fair value of the acquired assets and liabilities are assessed in the year of acquisition and the subsequent year, which may impact on the goodwill recognised. Goodwill is capitalised and written off on a straight line basis over its useful economic life of 10 years.

Provision is made for any impairment in its value. The useful economic life is the expected period over which the company expects to derive an economic benefit, and is reviewed on annual basis.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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:

Freehold land and buildings	2% straight line
Leasehold improvements	20% straight line
Plant and machinery	10-33% straight line
Fixtures, fittings and equipment	20% and 33% straight line
Motor vehicles	33% straight line

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.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Cost is calculated using the first-in-first-out method and includes the normal cost of transporting stock to its present location and condition. Cost includes material and direct labour costs together with an appropriate proportion of production overheads.

Reversals of impairment losses are also recognised in profit or loss.

Work in progress

Work in progress is valued on the basis of direct material and labour costs plus attributable overheads based on a normal level of activity appropriate to the stage of manufacture.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

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 when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other 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 unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets 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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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 and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate 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 where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

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.

Retirement benefits

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

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 leased asset are consumed.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies (Continued)

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

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.

Recoverability of trade debtors

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

3 Turnover and other revenue

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

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	863,808	933,540
Sale of services	11,581,523	9,491,072
	<u>12,445,331</u>	<u>10,424,612</u>

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

4 Exceptional costs

	2017 £	2016 £
Redundancy costs	21,550	26,453
Restructuring costs	45,379	52,776
	<u>66,929</u>	<u>79,229</u>

Exceptional costs have been incurred as a result of the company's continuing policy of restructuring the company and supporting the costs of introducing new personnel into hitherto unsupported areas. Costs were made up of redundancy costs of £21,550 (2016: £26,453), costs associated with sale of properties of £26,366 (2016: £nil) and reorganisation costs of £19,013 (2016: £52,776).

5 Employees

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

	2017 Number	2016 Number
Number of production staff	75	68
Number of administrative staff	57	53
	<u>132</u>	<u>121</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	4,466,292	3,948,421
Social security costs	478,341	428,307
Pension costs	45,611	39,740
	<u>4,990,244</u>	<u>4,416,468</u>

During the year, no directors received any emoluments from this company (2016: £Nil). Directors' emoluments were paid by Bolton Gate Company Limited, a member of the BGC Holdings Limited group. The emoluments form part of the Bolton Gate Company Limited management charge (note 24).

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

6 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging:		
Exchange losses	2,487	2,483
Fees payable to the company's auditor for the audit of the company's financial statements	15,000	10,204
Depreciation of owned tangible fixed assets	59,100	52,941
Amortisation of intangible assets	1,125	1,125
Cost of stocks recognised as an expense	3,180,579	2,514,754
Operating lease charges	688,609	593,804

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £2,487 (2016 - a loss of £2,483).

7 Interest payable and similar expenses

	2017 £	2016 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	20	1,166

8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	227,151	163,185
Adjustments in respect of prior periods	1,458	865
Total current tax	228,609	164,050
Deferred tax		
Origination and reversal of timing differences	(18,383)	5,498
Changes in tax rates	-	(1,252)
Adjustment in respect of prior periods	(378)	-
Total deferred tax	(18,761)	4,246
Total tax charge	209,848	168,296

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	965,889	850,496
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	185,934	170,099
Tax effect of expenses that are not deductible in determining taxable profit	1,341	157
Adjustments in respect of prior years	1,458	865
Effect of change in corporation tax rate	2,397	(2,402)
Depreciation on assets not qualifying for tax allowances	37,916	599
Deferred tax adjustments in respect of prior years	(378)	-
Chargeable gains	(18,820)	-
Deferred tax directly charged to equity	-	(1,022)
Taxation charge for the year	209,848	168,296

In addition to the amount charged to profit or loss, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017 £	2016 £
Deferred tax arising on:		
Revaluation of property	-	(1,022)

Factors affecting future tax charges

The rate of UK corporation tax was reduced from 20% to 19% from 1 April 2017 and will reduce to 17% from April 2020. These changes have been reflected in the deferred tax provisions.

9 Dividends

	2017 £	2016 £
Final paid	-	900,000

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	11,250
Amortisation and impairment	
At 1 January 2017	5,625
Amortisation charged for the year	1,125
At 31 December 2017	6,750
Carrying amount	
At 31 December 2017	4,500
At 31 December 2016	5,625

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2017**

11 Tangible fixed assets

	Freehold land and buildings	Leasehold improvements	Plant and machinery	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2017	222,996	27,734	60,459	121,882	4,500	437,571
Additions	-	4,516	1,725	36,467	-	42,708
Disposals	(222,996)	(4,822)	(4,979)	(40,277)	-	(273,074)
At 31 December 2017	-	27,428	57,205	118,072	4,500	207,205
Depreciation and impairment						
At 1 January 2017	5,992	13,975	16,260	58,553	4,284	99,064
Depreciation charged in the year	478	6,332	13,655	38,635	-	59,100
Eliminated in respect of disposals	(6,470)	(4,822)	(4,983)	(40,277)	-	(56,552)
At 31 December 2017	-	15,485	24,932	56,911	4,284	101,612
Carrying amount						
At 31 December 2017	-	11,943	32,273	61,161	216	105,593
At 31 December 2016	217,004	13,759	44,199	63,329	216	338,507

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

12 Stocks

	2017 £	2016 £
Raw materials and consumables	165,487	110,766
Finished goods and goods for resale	181,121	146,090
	<u>346,608</u>	<u>256,856</u>

There is a stock provision of £17,132 (2016: £17,106). The increase in the provision has reflected in the cost of sales in the statement of comprehensive income.

13 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,277,006	2,160,349
Other debtors	10,823	41,981
Prepayments and accrued income	203,876	194,647
	<u>2,491,705</u>	<u>2,396,977</u>

There is a provision for bad debts of £117,382 (2016 - £65,347). The directors have considered these debts to be doubtful and have provided accordingly for what they consider the company's exposure to be.

14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	757,437	538,291
Amounts due to group undertakings	18,038	764,232
Corporation tax	85,160	13,051
Other taxation and social security	521,679	443,131
Other creditors	44,445	49,565
Accruals and deferred income	959,962	578,956
	<u>2,386,721</u>	<u>2,387,226</u>

15 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>2,287,829</u>	<u>2,202,330</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>1,779,882</u>	<u>1,931,044</u>

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	9,034	27,795

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Balances:	Liabilities 2017 £	Liabilities 2016 £
ACAs	11,695	14,008
Revaluations	-	17,371
Short term timing differences	(2,661)	(3,584)
	<u>9,034</u>	<u>27,795</u>
Movements in the year:		2017 £
Liability at 1 January 2017		27,795
Credit to profit or loss		(18,761)
Liability at 31 December 2017		<u>9,034</u>

The deferred tax liability set out above in relation to capital allowances is not expected to fully reverse within 12 months as it relates to accelerated capital allowances that are not expected to mature within the same period.

The period in which the deferred tax liability set out above in relation to the revaluation of the property is expected to reverse is not predictable as the company currently has no intention to dispose of the related asset.

The deferred tax asset set out above relating to short timing differences is not expected to reversed within the next 12 months and therefore the deferred tax is not expected to reverse within the same period.

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

18 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	45,611	39,740

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.

The charge to profit or loss in respect of defined contribution scheme was £45,611 (2016: £39,740). Contributions totalling £4,216 (2016: £4,460) were outstanding at the year end.

19 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	10,000	10,000
	10,000	10,000

20 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Profit and loss reserves

Cumulative profits and losses net of distributions to owners.

21 Cash generated from operations

	2017	2016
	£	£
Profit for the year after tax	756,041	682,200
Adjustments for:		
Taxation charged	209,848	168,296
Finance costs	20	1,166
Amortisation and impairment of intangible assets	1,125	1,125
Depreciation and impairment of tangible fixed assets	59,100	52,941
Movements in working capital:		
(Increase) in stocks	(89,752)	(27,297)
(Increase) in debtors	(94,728)	(549,870)
(Decrease)/increase in creditors	(72,614)	601,718
Cash generated from operations	769,040	930,279

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

22 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:

	2017 £	2016 £
Within one year	497,644	467,645
Between two and five years	474,514	518,933
	<u>972,158</u>	<u>986,578</u>

23 Financial commitments, guarantees and contingent liabilities

The company's bankers, National Westminster Bank Plc, hold a cross guarantee dated 2 April 2009 between Bolton Gate Services and the following group companies: BGC Holdings Limited, Bolton Gate Company Limited and Earlswood Industrial Services Limited.

The potential liability in relation to this cross guarantee at 31 December 2017 is £929,075 (2016: £689,026).

As of 2 January 2018, this company was removed from the National Westminster Bank Plc cross guarantee, subsequent to it being acquired by the Sanwa Holdings Corporation group.

24 Related party transactions

Transactions with related parties

The Company has taken advantage of the exemption under FRS102 section 33.1A from disclosing transactions with group companies which are eliminated on consolidation, where consolidated financial statements are prepared.

25 Related party transactions

In June 2017, as part of a reorganisation, this company exited the BGC Holdings Limited group and thereafter was owned by Bolton Gate Services Holdings Limited until 2 January 2018. As noted in note 26 Bolton Gate Services Holdings Limited and BGC Holdings Limited have common shareholders. Transactions with BGC Holdings Limited group companies prior to June 2017 are group company transactions; transactions subsequent to June 2017 are related party transactions. For clarity, where transactions overlap the reorganisation date and are not readily attributed to either pre or post reorganisation, the total for the whole year is disclosed.

During the year this company was charged £464,004 (2016: £366,000) by Bolton Gate Company Limited, a member of the BGC Holdings Limited group, by way of management charge for shared administrative costs provided centrally for the year. The amount owed to that company at the year end amounted to £18,038 (2016: £764,232).

BOLTON GATE SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

26 Events after the reporting date

On 2 January 2018 the parent company, Bolton Gate Services Holdings Limited was acquired by Novoferm UK Holdings Limited.

27 Controlling party

In June 2017 a reorganisation took place which resulted in the creation of a new holding company, Bolton Gate Services Holdings Limited. At 31 December 2017 the newly created holding company was owned by the original BGC Holdings Limited shareholders in the same proportions.

As noted in note 25, subsequent to the balance sheet date, there has been a change in control. Novoferm UK Holdings Limited is a subsidiary of Sanwa Holdings Corporation who is the ultimate controlling party by virtue of their shareholdings in the company.