

Company Registration No. 04189305 (England and Wales)

BARUCH INVESTMENTS LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 APRIL 2018**

BARUCH INVESTMENTS LIMITED

COMPANY INFORMATION

| | |
|--------------------------|--|
| Directors | Mr. E. Baruch Mr. R. Baruch |
| Secretary | Mr. E Baruch |
| Company number | 04189305 |
| Registered office | York House Empire Way Wembley Middlesex HA9 0FQ |
| Auditor | Landau Morley LLP York House Empire Way Wembley Middlesex HA9 0FQ |

BARUCH INVESTMENTS LIMITED

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BARUCH INVESTMENTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present the strategic report for the year ended 30 April 2018.

The principal activities of the group during the year was that of wholesale distribution of batteries and property investment, unchanged since the previous year.

During the year the group has maintained its position within the current economic climate. The group is long established within its market and maintains strong relationships with customers and suppliers.

Fair review of the business

At the year end the group is in a good financial position. It continues to have strong operating profits.

Principal risks and uncertainties

The group's operations expose it to a variety of financial risks including price risk, credit risk, liquidity risk and exchange rate risk. There are a number of controls in place to limit the adverse effects of these risks on the financial performance of the group:

Price Risk

The group is exposed to general price risk as a result of its operations. Management keep this aspect of the group's affairs under constant review.

Credit Risk

Credit is only offered to companies after references have been taken up and an appropriate level reached depending on the customers trading history.

Liquidity Risk

The group ensure there are sufficient funds available to operate. Cash flow forecasts are prepared, monitored and adjusted when necessary as part of this process.

Exchange Rate Risk

The group is exposed to exchange rate risks in respect of sales and purchases. The effect is mitigated by good planning and timing of transactions.

The group is also faced with uncertainty in the wake of the UK referendum result in June 2016 for the UK to leave the European Union (EU). This may effect trade with EU customers and suppliers as well as any potential losses due to fluctuations in exchange rates.

Financial key performance indicators

Financial key performance indicators are turnover and profit.

At the year-end the group's financial position improved when compared to 2017 increasing its Shareholders Funds from £9,771,624 to £10,163,017.

This report was approved by the board of directors and signed on behalf of the board by:

Mr. E. Baruch

Director

28 January 2019

Mr. R. Baruch

Director

28 January 2019

BARUCH INVESTMENTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2018

The directors present their annual report and financial statements for the year ended 30 April 2018.

Principal activities

The principal activity of the company continued to be that of the provision of Management Services to its subsidiaries. Its subsidiaries, Baruch Enterprises Limited, carried on business as wholesale battery distributors and Baruch Holdings Limited held investment properties.

Directors

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

Mr. E. Baruch

Mr. R. Baruch

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £150,000. The directors do not recommend payment of a further dividend.

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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and 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 auditor of the company 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 auditor of the company is aware of that information.

Mr. E. Baruch

Director

28 January 2019

Mr. R. Baruch

Director

28 January 2019

BARUCH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BARUCH INVESTMENTS LIMITED

Opinion

We have audited the financial statements of Baruch Investments Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 April 2018 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company 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 group's and the parent company's affairs as at 30 April 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

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.

BARUCH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) **TO THE MEMBERS OF BARUCH INVESTMENTS LIMITED**

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

BARUCH INVESTMENTS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF BARUCH INVESTMENTS LIMITED

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.

Paul Kutner FCA (Senior Statutory Auditor)
for and on behalf of Landau Morley LLP

28 January 2019

Chartered Accountants
Statutory Auditor

York House
Empire Way
Wembley
Middlesex
HA9 0FQ

BARUCH INVESTMENTS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 APRIL 2018

| | Notes | 2018 £ | 2017 £ |
|--|-----------|-----------------------|-----------------------|
| Turnover | 3 | 13,175,376 | 12,971,281 |
| Cost of sales | | (10,609,385) | (10,347,717) |
| Gross profit | | <u>2,565,991</u> | <u>2,623,564</u> |
| Distribution costs | | (780,923) | (825,583) |
| Administrative expenses | | (1,136,611) | (1,301,449) |
| Operating profit | 4 | <u>648,457</u> | <u>496,532</u> |
| Interest receivable and similar income | 8 | 66,963 | 73,876 |
| Interest payable and similar expenses | 9 | (77,618) | (81,990) |
| Profit before taxation | | <u>637,802</u> | <u>488,418</u> |
| Tax on profit | 10 | (96,409) | (50,343) |
| Profit for the financial year | 25 | <u><u>541,393</u></u> | <u><u>438,075</u></u> |

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

BARUCH INVESTMENTS LIMITED

GROUP BALANCE SHEET

AS AT 30 APRIL 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|--|-------|-------------|---|-------------|---|
| Fixed assets | | | | | |
| Tangible assets | 12 | 841,850 | | 861,039 | |
| Investment properties | 13 | 5,487,383 | | 5,697,383 | |
| Investments | 14 | 42,000 | | 30,000 | |
| | | | | | |
| | | 6,371,233 | | 6,588,422 | |
| Current assets | | | | | |
| Stocks | 17 | 1,814,442 | | 2,100,146 | |
| Debtors | 18 | 5,249,784 | | 5,408,157 | |
| Cash at bank and in hand | | 449,122 | | 562,277 | |
| | | | | | |
| | | 7,513,348 | | 8,070,580 | |
| Creditors: amounts falling due within one year | 19 | (2,151,745) | | (2,723,732) | |
| | | | | | |
| Net current assets | | 5,361,603 | | 5,346,848 | |
| | | | | | |
| Total assets less current liabilities | | 11,732,836 | | 11,935,270 | |
| | | | | | |
| Creditors: amounts falling due after more than one year | 20 | (1,337,367) | | (1,923,823) | |
| | | | | | |
| Provisions for liabilities | 21 | (232,452) | | (239,823) | |
| | | | | | |
| Net assets | | 10,163,017 | | 9,771,624 | |
| | | | | | |
| Capital and reserves | | | | | |
| Called up share capital | 23 | 100 | | 100 | |
| Non-distributable profits reserve | 24 | 1,704,513 | | 1,705,502 | |
| Distributable profit and loss reserves | 25 | 8,458,404 | | 8,066,022 | |
| | | | | | |
| Total equity | | 10,163,017 | | 9,771,624 | |

The financial statements were approved by the board of directors and authorised for issue on 28 January 2019 and are signed on its behalf by:

Mr. E. Baruch
Director

Mr. R. Baruch
Director

BARUCH INVESTMENTS LIMITED

COMPANY BALANCE SHEET

AS AT 30 APRIL 2018

| | Notes | 2018 £ | £ | 2017 £ | £ |
|---|-------|------------------|-------------------------|------------------|-------------------------|
| Fixed assets | | | | | |
| Investments | 14 | | 202 | | 202 |
| Current assets | | | | | |
| Debtors | 18 | 6,371,885 | | 6,402,337 | |
| Cash at bank and in hand | | 1,037 | | 1,103 | |
| | | <u>6,372,922</u> | | <u>6,403,440</u> | |
| Creditors: amounts falling due within one year | 19 | - | | (30,518) | |
| Net current assets | | | <u>6,372,922</u> | | <u>6,372,922</u> |
| Total assets less current liabilities | | | <u><u>6,373,124</u></u> | | <u><u>6,373,124</u></u> |
| Capital and reserves | | | | | |
| Called up share capital | 23 | | 100 | | 100 |
| Distributable profit and loss reserves | 25 | | <u>6,373,024</u> | | <u>6,373,024</u> |
| Total equity | | | <u><u>6,373,124</u></u> | | <u><u>6,373,124</u></u> |

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £150,000 (2017 - £2,815,967 profit).

The financial statements were approved by the board of directors and authorised for issue on 28 January 2019 and are signed on its behalf by:

Mr. E. Baruch
Director

Mr. R. Baruch
Director

Company Registration No. 04189305

BARUCH INVESTMENTS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

| | | Share capital | Retained profits | Profit and loss reserves | Total |
|--|-------|---------------|------------------|--------------------------|------------|
| | Notes | £ | £ | £ | £ |
| Balance at 1 May 2016 | | 100 | 1,739,434 | 7,794,015 | 9,533,549 |
| Year ended 30 April 2017: | | | | | |
| Profit and total comprehensive income for the year | | - | (33,932) | 472,007 | 438,075 |
| Dividends | 11 | - | - | (200,000) | (200,000) |
| Balance at 30 April 2017 | | 100 | 1,705,502 | 8,066,022 | 9,771,624 |
| Year ended 30 April 2018: | | | | | |
| Profit and total comprehensive income for the year | | - | (989) | 542,382 | 541,393 |
| Dividends | 11 | - | - | (150,000) | (150,000) |
| Balance at 30 April 2018 | | 100 | 1,704,513 | 8,458,404 | 10,163,017 |

BARUCH INVESTMENTS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 APRIL 2018

| | | Share capital | Profit and loss reserves | Total |
|--|-------|---------------|-----------------------------|-----------|
| | Notes | £ | £ | £ |
| Balance at 1 May 2016 | | 100 | 3,757,057 | 3,757,157 |
| Year ended 30 April 2017: | | | | |
| Profit and total comprehensive income for the year | | - | 2,815,967 | 2,815,967 |
| Dividends | 11 | - | (200,000) | (200,000) |
| Balance at 30 April 2017 | | 100 | 6,373,024 | 6,373,124 |
| Year ended 30 April 2018: | | | | |
| Profit and total comprehensive income for the year | | - | 150,000 | 150,000 |
| Dividends | 11 | - | (150,000) | (150,000) |
| Balance at 30 April 2018 | | 100 | 6,373,024 | 6,373,124 |

BARUCH INVESTMENTS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

| | | 2018 | 2017 |
|---|-------|-----------|-------------|
| | Notes | £ | £ |
| Cash flows from operating activities | | | |
| Cash generated from operations | 28 | 552,021 | 3,823,711 |
| Interest paid | | (77,618) | (81,990) |
| Income taxes paid | | (104,800) | (117,565) |
| Net cash inflow from operating activities | | 369,603 | 3,624,156 |
| Investing activities | | | |
| Purchase of tangible fixed assets | | - | (3,441) |
| Proceeds on disposal of investment property | | 198,735 | - |
| Purchase of fixed asset investments | | (12,000) | - |
| Interest received | | 66,963 | 73,876 |
| Net cash generated from investing activities | | 253,698 | 70,435 |
| Financing activities | | | |
| Repayment of borrowings | | (586,456) | (2,455,714) |
| Repayment of bank loans | | - | (963,542) |
| Dividends paid to equity shareholders | | (150,000) | (200,000) |
| Net cash used in financing activities | | (736,456) | (3,619,256) |
| Net (decrease)/increase in cash and cash equivalents | | (113,155) | 75,335 |
| Cash and cash equivalents at beginning of year | | 562,277 | 486,942 |
| Cash and cash equivalents at end of year | | 449,122 | 562,277 |

BARUCH INVESTMENTS LIMITED

COMPANY STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 APRIL 2018

| | | 2018 | | 2017 | |
|---|-------|-----------|-----------|-----------|-------------|
| | Notes | £ | £ | £ | £ |
| Cash flows from operating activities | | | | | |
| Cash generated from/(absorbed by) operations | 29 | | 28,777 | | (2,463,149) |
| Income taxes paid | | | (28,843) | | (36,976) |
| Net cash outflow from operating activities | | | (66) | | (2,500,125) |
| Investing activities | | | | | |
| Dividends received | | 150,000 | | 2,699,999 | |
| Net cash generated from investing activities | | | 150,000 | | 2,699,999 |
| Financing activities | | | | | |
| Dividends paid to equity shareholders | | (150,000) | | (200,000) | |
| Net cash used in financing activities | | | (150,000) | | (200,000) |
| Net decrease in cash and cash equivalents | | | (66) | | (126) |
| Cash and cash equivalents at beginning of year | | | 1,103 | | 1,229 |
| Cash and cash equivalents at end of year | | | 1,037 | | 1,103 |

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

Company information

Baruch Investments Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is York House, Empire Way, Wembley, Middlesex, HA6 0FQ.

The group consists of Baruch Investments Limited and all of its subsidiaries.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

Consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual statement of comprehensive income.

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 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 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.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

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 | Over 50 years |
| Fixtures and fittings | 25% reducing balance |
| Motor vehicles | 25% reducing balance |

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 recognised in the profit and loss account.

1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1.6 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.7 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets 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.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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.

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 group 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.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

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 group after deducting all of its liabilities.

Basic financial liabilities, including 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. 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

1 Accounting policies

(Continued)

1.13 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.

1.14 Retirement benefits

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

1.15 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.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

3 Turnover

| | 2018 £ | 2017 £ |
|------------------------------|-------------------|-------------------|
| Turnover arises from: | | |
| Sale of goods | 12,823,472 | 12,625,027 |
| Rendering of services | 351,904 | 346,254 |
| | <u>13,175,376</u> | <u>12,971,281</u> |

The turnover and profit before tax were derived from the group's principal activities.

No geographical analysis of turnover is given as in the view of the directors such a disclosure would be seriously prejudicial to the interests of the company.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

4 Operating profit

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Operating profit for the year is stated after charging: | | |
| Depreciation of owned tangible fixed assets | 19,189 | 20,715 |
| Loss on disposal of tangible fixed assets | 11,265 | - |
| | <u> </u> | <u> </u> |

5 Auditor's remuneration

| | 2018 £ | 2017 £ |
|---|-------------------|-------------------|
| Fees payable to the company's auditor and associates: | | |
| For audit services | | |
| Audit of the financial statements of the group and company | - | 1,675 |
| Audit of the financial statements of the company's subsidiaries | 15,110 | 13,110 |
| | <u> </u> | <u> </u> |
| | 15,110 | 14,785 |
| | <u> </u> | <u> </u> |

6 Employees

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

| | Group 2018 Number | 2017 Number | Company 2018 Number | 2017 Number |
|----------------------|-------------------------|-------------------|---------------------------|-------------------|
| Distribution staff | 22 | 23 | - | - |
| Administrative staff | 12 | 14 | - | - |
| Management staff | 2 | 2 | - | 2 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 36 | 39 | - | 2 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

Their aggregate remuneration comprised:

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|-----------------------|--------------------|-------------------|----------------------|-------------------|
| Wages and salaries | 874,881 | 922,181 | - | 70,000 |
| Social security costs | 63,245 | 67,456 | - | 8,387 |
| Pension costs | 5,156 | 218,163 | - | - |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| | 943,282 | 1,207,800 | - | 78,387 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

7 Directors' remuneration

| | 2018 £ | 2017 £ |
|--------------------------------------|-----------|-----------|
| Remuneration for qualifying services | 84,667 | 110,500 |

8 Interest receivable and similar income

| | 2018 £ | 2017 £ |
|---------------------------|-----------|-----------|
| Interest income | | |
| Interest on bank deposits | 1,411 | 1,253 |
| Other interest income | 65,552 | 72,623 |
| Total income | 66,963 | 73,876 |

Investment income includes the following:

| | | |
|--|-------|-------|
| Interest on financial assets not measured at fair value through profit or loss | 1,411 | 1,253 |
|--|-------|-------|

9 Interest payable and similar expenses

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Interest on financial liabilities measured at amortised cost: | | |
| Interest on bank overdrafts and loans | 7,850 | 18,114 |
| Other finance costs: | | |
| Other interest | 69,768 | 63,876 |
| Total finance costs | 77,618 | 81,990 |

10 Taxation

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax on profits for the current period | 126,891 | 104,801 |
| Adjustments in respect of prior periods | (23,110) | (20,526) |
| Total current tax | 103,781 | 84,275 |
| Deferred tax | | |
| Origination and reversal of timing differences | (7,372) | (33,932) |
| Total tax charge | 96,409 | 50,343 |

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

10 Taxation

(Continued)

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

| | 2018 £ | 2017 £ |
|--|-----------|-----------|
| Profit before taxation | 637,802 | 488,418 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%) | 121,182 | 97,684 |
| Tax effect of expenses that are not deductible in determining taxable profit | 2,858 | 4,195 |
| Adjustments in respect of prior years | (23,110) | (20,526) |
| Effect of change in corporation tax rate | (717) | (432) |
| Effect of capital allowances and depreciation | 3,568 | 3,355 |
| Deferred tax adjustments | (7,372) | (33,933) |
| Taxation charge | 96,409 | 50,343 |

11 Dividends

| | 2018 £ | 2017 £ |
|------------|-----------|-----------|
| Final paid | 150,000 | 200,000 |

12 Tangible fixed assets

| Group | Freehold land and buildings £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------------------|-------------------------------------|-------------------------------|---------------------|------------|
| Cost | | | | |
| At 1 May 2017 and 30 April 2018 | 1,060,521 | 156,259 | 24,228 | 1,241,008 |
| Depreciation and impairment | | | | |
| At 1 May 2017 | 215,388 | 147,698 | 16,883 | 379,969 |
| Depreciation charged in the year | 15,413 | 1,940 | 1,836 | 19,189 |
| At 30 April 2018 | 230,801 | 149,638 | 18,719 | 399,158 |
| Carrying amount | | | | |
| At 30 April 2018 | 829,720 | 6,621 | 5,509 | 841,850 |
| At 30 April 2017 | 845,133 | 8,560 | 7,346 | 861,039 |

The company had no tangible fixed assets at 30 April 2018 or 30 April 2017.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

12 Tangible fixed assets

(Continued)

Freehold property includes £250,178 being the value of land which has not been depreciated.

13 Investment property

| | Group 2018 £ | Company 2018 £ |
|---------------------------------|--------------------|----------------------|
| Fair value | | |
| At 1 May 2017 and 30 April 2018 | 5,697,383 | - |
| Disposals | (210,000) | - |
| At 30 April 2018 | <u>5,487,383</u> | <u>-</u> |

The 2018 valuations were made by the directors, at fair value for existing use basis.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|--------------------------|--------------------|------------------|----------------------|-----------|
| Cost | 3,605,210 | 3,804,195 | - | - |
| Accumulated depreciation | - | - | - | - |
| Carrying amount | <u>3,605,210</u> | <u>3,804,195</u> | <u>-</u> | <u>-</u> |

14 Fixed asset investments

| | Notes | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|-----------------------------|-------|--------------------|---------------|----------------------|------------|
| Investments in subsidiaries | 15 | - | - | 202 | 202 |
| Listed investments | | 42,000 | 30,000 | - | - |
| | | <u>42,000</u> | <u>30,000</u> | <u>202</u> | <u>202</u> |

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

14 Fixed asset investments (Continued)

Movements in fixed asset investments Group

Investments other than loans

£

Cost or valuation

| | |
|---------------|--------|
| At 1 May 2017 | 30,000 |
| Additions | 12,000 |

| | |
|------------------|--------|
| At 30 April 2018 | 42,000 |
|------------------|--------|

Carrying amount

| | |
|------------------|--------|
| At 30 April 2018 | 42,000 |
| At 30 April 2017 | 30,000 |

Movements in fixed asset investments Company

Shares in group undertakings

£

Cost or valuation

| | |
|---------------------------------|-----|
| At 1 May 2017 and 30 April 2018 | 202 |
|---------------------------------|-----|

Carrying amount

| | |
|------------------|-----|
| At 30 April 2018 | 202 |
| At 30 April 2017 | 202 |

15 Subsidiaries

Details of the company's subsidiaries at 30 April 2018 are as follows:

| Name of undertaking | Registered office | Nature of business | Class of shares held | % Held | |
|----------------------------|-------------------|-------------------------------------|----------------------|--------|----------|
| | | | | Direct | Indirect |
| Baruch Enterprises Limited | England & Wales | Wholesale distribution of batteries | Ordinary shares | 100.00 | |
| Baruch Holdings Limited | England & Wales | Property Investment | Ordinary shares | 100.00 | |

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

16 Financial instruments

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|---|--------------------|------------------|----------------------|------------------|
| Carrying amount of financial assets | | | | |
| Debt instruments measured at amortised cost | 5,018,201 | 4,946,027 | 6,371,885 | 6,402,337 |
| Equity instruments measured at cost less impairment | 42,000 | 30,000 | - | - |
| | <u>5,060,201</u> | <u>4,976,027</u> | <u>6,371,885</u> | <u>6,402,337</u> |
| Carrying amount of financial liabilities | | | | |
| Measured at amortised cost | 3,183,344 | 4,531,699 | - | 1,675 |
| | <u>3,183,344</u> | <u>4,531,699</u> | <u>-</u> | <u>1,675</u> |

17 Stocks

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|-------------------------------------|--------------------|------------------|----------------------|-----------|
| Finished goods and goods for resale | 1,814,442 | 2,100,146 | - | - |
| | <u>1,814,442</u> | <u>2,100,146</u> | <u>-</u> | <u>-</u> |

18 Debtors

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|---|--------------------|------------------|----------------------|------------------|
| Amounts falling due within one year: | | | | |
| Trade debtors | 1,728,828 | 1,698,204 | - | - |
| Amounts owed by group undertakings | - | - | 6,371,885 | 6,398,331 |
| Other debtors | 3,342,738 | 3,284,101 | - | 4,006 |
| Prepayments and accrued income | 178,218 | 425,852 | - | - |
| | <u>5,249,784</u> | <u>5,408,157</u> | <u>6,371,885</u> | <u>6,402,337</u> |

19 Creditors: amounts falling due within one year

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|------------------------------------|--------------------|------------------|----------------------|---------------|
| Trade creditors | 841,967 | 1,497,008 | - | - |
| Corporation tax payable | 103,781 | 104,801 | - | 28,843 |
| Other taxation and social security | 201,987 | 11,055 | - | - |
| Other creditors | 952,082 | 1,087,153 | - | - |
| Accruals and deferred income | 51,928 | 23,715 | - | 1,675 |
| | <u>2,151,745</u> | <u>2,723,732</u> | <u>-</u> | <u>30,518</u> |

Other creditors of £675,531 (2017: £675,633) are secured by the group.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

20 Creditors: amounts falling due after more than one year

| | Notes | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|------------------|-------|--------------------|-----------|----------------------|-----------|
| Other borrowings | | 1,337,367 | 1,923,823 | - | - |

Liabilities disclosed under creditors falling due after more than one year are secured by the group.

21 Deferred taxation

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

| | Liabilities 2018 £ | Liabilities 2017 £ |
|--------------|--------------------------|--------------------------|
| Group | | |
| Revaluations | 232,452 | 239,823 |

The company has no deferred tax assets or liabilities.

| | Group 2018 £ | Company 2018 £ |
|-------------------------------|--------------------|----------------------|
| Movements in the year: | | |
| Liability at 1 May 2017 | 239,823 | - |
| Credit to profit or loss | (7,371) | - |
| Liability at 30 April 2018 | 232,452 | - |

22 Retirement benefit schemes

| | 2018 £ | 2017 £ |
|---|-----------|-----------|
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 5,156 | 218,163 |

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

23 Share capital

| | Group and company | |
|---|-------------------|------|
| | 2018 | 2017 |
| | £ | £ |
| Ordinary share capital Issued and fully paid of £1 each | 100 | 100 |

24 Non-distributable profits reserve

| | Group 2018 £ | 2017 £ | Company 2018 £ | 2017 £ |
|---------------------------------------|--------------------|-----------|----------------------|-----------|
| At the beginning of the year | 1,705,502 | 1,739,434 | - | - |
| Non distributable profits in the year | (989) | (33,932) | - | - |
| At the end of the year | 1,704,513 | 1,705,502 | - | - |

25 Reserves

Profit and loss reserves

This reserve records retained earnings and accumulated losses.

Non-distributable reserve

This reserve records the value of asset revaluations and fair value movements on assets recognised in other comprehensive income.

26 Related party transactions

Group

During the year the group paid donations of £100,000 (2017: £nil) to The Baruch Family Charitable Trust, a registered Charity of which the directors act as trustees of.

During the year, the group paid pension costs of £nil (2017: £209,708) to Baruch Enterprises Pension Trust, a registered pension scheme of which the directors act as trustees of.

During the year the group paid rent of £59,909 (2017: £59,909) and loan interest of £69,768 (2017: £63,876) to Baruch Enterprises Pension Trust.

At the year end, £2,062,229 (2017: £2,624,752) was due to Baruch Enterprises Pension Trust, a scheme in which Mr. E. Baruch and R. Baruch are trustees. Interest is payable at base rate plus 2.5% per annum.

At the year end, £1,670,561 (2017: £1,786,964) was due from Wellingco Limited, a company with common directors.

Company

During the year the company paid dividends to Mr. E. Baruch (a director of the company) and his wife Mrs. S. Baruch of £75,000 and Mr. R. Baruch (a director of the company) and his wife Mrs. A. Baruch of £75,000.

BARUCH INVESTMENTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 APRIL 2018

27 Directors' transactions

| Description | Opening balance £ | Amounts advanced £ | Amounts repaid £ | Closing balance £ |
|-----------------|-------------------------|--------------------------|---------------------|----------------------|
| Mr. E. Baruch - | (20,308) | 59,235 | (95,315) | (56,388) |
| Mr. R. Baruch - | (20,308) | 55,585 | (91,665) | (56,388) |
| | <u>(40,616)</u> | <u>114,820</u> | <u>(186,980)</u> | <u>(112,776)</u> |

28 Cash generated from group operations

| | 2018 £ | 2017 £ |
|--|----------------|------------------|
| Profit for the year after tax | 541,393 | 438,075 |
| Adjustments for: | | |
| Taxation charged | 96,409 | 50,343 |
| Finance costs | 77,618 | 81,990 |
| Investment income | (66,963) | (73,876) |
| Loss on disposal of tangible fixed assets | 11,265 | - |
| Depreciation and impairment of tangible fixed assets | 19,189 | 20,715 |
| Movements in working capital: | | |
| Decrease/(increase) in stocks | 285,704 | (561,722) |
| Decrease/(increase) in debtors | 158,373 | (288,418) |
| (Decrease)/increase in creditors | (570,967) | 4,156,604 |
| Cash generated from operations | <u>552,021</u> | <u>3,823,711</u> |

29 Cash generated from operations - company

| | 2018 £ | 2017 £ |
|---|---------------|--------------------|
| Profit for the year after tax | 150,000 | 2,815,967 |
| Adjustments for: | | |
| Taxation charged | - | 28,844 |
| Investment income | (150,000) | (2,699,999) |
| Movements in working capital: | | |
| Decrease/(increase) in debtors | 30,452 | (2,022,799) |
| (Decrease) in creditors | (1,675) | (585,162) |
| Cash generated from/(absorbed by) operations | <u>28,777</u> | <u>(2,463,149)</u> |

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.