

Hypergraph Laboratory Supplies Limited

Annual report and financial statements

Registered number 05755677

31 March 2017

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Strategic Report

Principal activities

The principal activity of the company continued to be that of a supplier of laboratory supplies.

Business model

The company provides a regional and national total laboratory supplies service to meet customers' purchasing requirements. Products are sourced from a variety of suppliers to provide the best value proposition in a timely manner combined with a personal service. The company provides a procurement service for the wider ALS Limited group.

Business review and results

The profit and loss account for the financial period is set out on page 7. The company traded in line with expectations.

The director does not recommend the payment of a dividend in respect of the year ended 31 March 2017 (2016: £nil).

Key performance indicators

| | 2016/17 | 2015/16 |
|---|---------|---------|
| Gross margin (as a percentage of sales) | 25.8% | 29.7% |
| Overheads (as a percentage of sales) | 16.3% | 16.6% |
| Operating margin (as a percentage of sales) | 9.5% | 13.1% |

Gross margin reduced due to sales mix. Overheads were similar to the previous period and decreased as a percentage of sales. Operating margin saw a slight decline due to the reduced gross margin. These KPI's are selected to provide a benchmark to performance.

Principal risks and uncertainties

The Board is constantly reviewing the risks faced by the company and has appropriate strategies in place for managing identified risks. Key risks and uncertainties that the company faces include, but are not limited to, reputational risk (the failure to meet clients' expectations), business continuity risk, market pressures from competitors, and the risk of failing to comply with regulatory standards for the environment, or health and safety.

Financial risk management

The Company's objective regarding financial risk management is to keep exposure of price risk, credit risk, liquidity risk and cash flow risk to a minimum. Financial risk management, including the use of financial instruments and the related currency, liquidity, credit and interest rate risks, is dealt with by the central functions of the ALS group on behalf of the Company. Many of the company's balances are with other members of the ALS group, and assessments are made by management as to the recoverability of these balances in the overall context of the group.

Strategic Report *(continued)*

Future development

At the opening of business on the 31st March 2017 the whole trade and assets were transferred to Eclipse Scientific Limited, Registered in England, Company number 02391955.

By order of the board



M Masters
Director

Date: 19th December 2017

Sands Mill
Huddersfield Road
Mirfield
West Yorkshire
WF14 9DQ

Director's report

The director presents their annual report and the audited financial statements for the year ended 31 March 2017.

Proposed dividend

The director does not recommend the payment of a dividend.

Directors

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

G Kilminster (resigned 20 July 2017)

M Masters

Political contributions

The Company made no political donations nor incurred any political expenditure during the year.

Disclosure of information to auditor

The director who held office at the date of approval of this director's report confirm that, so far as he is aware, there is no relevant audit information of which the company's auditor is unaware; and the director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Other information

An indication of likely future developments in the business and particulars of significant events which have occurred since the end of the financial year have been included in the Strategic Report on page 2.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the board



M Masters
Director

Date: 19th December 2017

Sands Mill
Huddersfield Road
Mirfield
West Yorkshire
WF14 9DQ

Statement of director's responsibilities in respect of the annual report and the financial statements

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law he has elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He has general responsibility for taking such steps as are reasonably open to him to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Independent auditor's report to the members of Hypergraph Laboratory Supplies Limited

We have audited the financial statements of Hypergraph Laboratory Supplies Limited for the year ended 31 March 2017 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 4, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit, and express an opinion on, the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Director's report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Hypergraph Laboratory Supplies Limited *(continued)*

Matters on which we are required to report by exception

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

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



Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
8 Princes Parade
Liverpool
L3 1QH

Date: 19th December 2017.

Profit and Loss Account and other Comprehensive Income
for year ended 31 March 2017

| | <i>Note</i> | 2017 £ | 2016 £ |
|--|-------------|-------------------------|-------------------------|
| Turnover | | 1,316,866 | 1,215,808 |
| Cost of sales | | (976,857) | (854,773) |
| Gross profit | | 340,009 | 361,035 |
| Administrative expenses | | (215,218) | (202,213) |
| Operating profit | 2 | 124,791 | 158,822 |
| Interest receivable | 5 | 139 | - |
| Profit on ordinary activities before taxation | | 124,930 | 158,822 |
| Tax on profit on ordinary activities | 6 | - | 22,583 |
| Profit for the financial year | | 124,930 | 181,405 |

Other Comprehensive Income

The Company had no other comprehensive income in the current or prior year.

The notes on pages 10 to 23 form part of these financial statements.

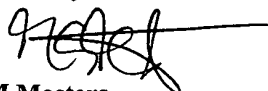
Balance Sheet

at 31 March 2017

| | Note | 2017 £ | £ | 2016 £ | £ |
|--|------|-----------|-----------|-----------|-----------|
| Fixed assets | | | | | |
| <i>Intangible assets</i> | | | | | |
| Goodwill | 7 | - | | 2,540 | |
| | | | - | | 2,540 |
| Tangible assets | 8 | - | | 13,521 | |
| | | | - | | 13,521 |
| Current assets | | | | | |
| Stocks | 9 | - | | 12,187 | |
| Debtors (including £nil (2016: £nil) due after more than one year) | 10 | 1,288,735 | | 1,398,368 | |
| Cash at bank and in hand | | - | | 19,934 | |
| | | | 1,288,735 | | 1,430,489 |
| Creditors: amounts falling due within one year | 11 | - | - | (282,745) | |
| Net current assets | | | 1,288,735 | | 1,147,744 |
| Total assets less current liabilities | | | 1,288,735 | | 1,163,805 |
| Net assets | | | 1,288,735 | | 1,163,805 |
| Capital and reserves | | | | | |
| Called up share capital | 14 | | 1 | | 1 |
| Profit and loss account | | | 1,288,734 | | 1,163,804 |
| Shareholders' funds | | | 1,288,735 | | 1,163,805 |

The notes on pages 10 to 23 form part of these financial statements.

These financial statements were approved by the board of directors on 19th December 2017 and were signed on its behalf by:



M Masters
Director

Company registered number: 05755677

Statement of Changes in Equity

| | Called up Share capital | Profit and loss account | Total equity |
|--|----------------------------|----------------------------|------------------|
| | £ | £ | £ |
| Balance at 1 April 2015 | 1 | 982,399 | 982,400 |
| Total comprehensive income for the period | | | |
| Profit or loss | - | 181,405 | 181,405 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | 181,405 | 181,405 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2016 | 1 | 1,163,804 | 1,163,805 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| Balance at 1 April 2016 | 1 | 1,163,804 | 1,163,805 |
| Total comprehensive income for the period | | | |
| Profit or loss | - | 124,930 | 124,930 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the period | - | 124,930 | 124,930 |
| | <hr/> | <hr/> | <hr/> |
| Balance at 31 March 2017 | 1 | 1,288,734 | 1,288,735 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The accompanying notes form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Hypergraph Laboratory Supplies Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the UK.

The Company is exempt by virtue of s401 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland (“FRS 102”)* as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling.

The Company’s ultimate parent undertaking, ALS Limited includes the Company in its consolidated financial statements. The consolidated financial statements of ALS Limited are available to the public and may be obtained from the address in note 15. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

Notes

(forming part of the financial statements)

1 Accounting policies *(continued)*

1.2 *Going concern*

The financial statements have been prepared on the going concern basis which the director believes to be appropriate for the following reasons:

The company is dependant for its working capital on funds guaranteed by other group companies. ALS Limited, the ultimate parent company, has provided the company with an undertaking that for at least 12 months from the date of approval of these financial statements, it will continue to make available such funds and guarantees as are needed by the company. This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on other group entities for financial support, the director acknowledges that there can be no certainty that this support will continue although at the date of approval of these financial statements, they have no reason to believe that it will not do so.

1.3 *Foreign currency*

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

1.4 *Basic financial instruments*

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Notes (continued)

1 Accounting policies (continued)

1.5 Tangible fixed assets

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the Company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease. Lease payments are accounted for as described at 1.12 below.

The company assesses at each reporting date whether tangible fixed assets (including those leased under a finance lease) are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Leased assets are depreciated over the shorter of the lease term and their useful lives. Land is not depreciated. The estimated useful lives are as follows:

- | | |
|--------------------------------|----------------------------------|
| • Leasehold land and buildings | Straight line over 7 years |
| • Computer equipment | Straight line over 3 to 10 years |
| • Plant and Machinery | Straight line over 5 years |
| • Motor vehicles | Straight line over 4 years |

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Intangible assets and goodwill

Goodwill

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or group of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

Research and development

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads and capitalised borrowing costs. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

Other intangible assets

Expenditure on internally generated goodwill and brands is recognised in the profit and loss account as an expense as incurred.

Notes (continued)

1 Accounting policies (continued)

1.6 Intangible assets and goodwill (continued)

Amortisation

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 10 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of assets when there is an indication that goodwill or an intangible asset may be impaired.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition. In the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

1.8 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. 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 the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a *pro rata* basis.

Notes (continued)

1 Accounting policies (continued)

1.9 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.10 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

1.11 Turnover

Turnover represents amounts receivable for laboratory supplies net of VAT and trade discounts. Turnover is recognised on completion of the transaction. All turnover is derived in the UK.

1.12 Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Finance lease

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred.

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Notes (continued)

1 Accounting policies (continued)

1.13 Taxation

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

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, [associates, branch, joint ventures] to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is provided in respect of the additional tax that will be paid or avoided on differences between the amount at which an asset (other than goodwill) or liability is recognised in a business combination and the corresponding amount that can be deducted or assessed for tax. Goodwill is adjusted by the amount of such deferred tax.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes (continued)

2 Expenses and auditor's remuneration

Included in profit/loss are the following:

| | 2017 | 2016 |
|--------------------------|--------------|----------|
| | £ | £ |
| Depreciation | 5,256 | 4,704 |
| Amortisation of goodwill | 2,540 | 8,179 |
| | <hr/> | <hr/> |

Auditor's remuneration:

| | 2017 | 2016 |
|---|--------------|----------|
| | £ | £ |
| Audit of these financial statements | 6,000 | 8,972 |
| Amounts receivable by the company's auditor and its associates in respect of: | | |
| Other services | - | 1,214 |
| | <hr/> | <hr/> |

Notes (continued)

3 Staff numbers and costs

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

| | Number of employees | |
|----------------|---------------------|-------|
| | 2017 | 2016 |
| Administration | 6 | 6 |
| | <hr/> | <hr/> |
| | 6 | 6 |
| | <hr/> | <hr/> |

The aggregate payroll costs of these persons were as follows:

| | 2017 | 2016 |
|---|---------|---------|
| | £ | £ |
| Wages and salaries | 133,101 | 118,557 |
| Social security costs | 4,642 | 10,423 |
| Contributions to defined contribution plans | 3,201 | 2,347 |
| | <hr/> | <hr/> |
| | 140,944 | 131,327 |
| | <hr/> | <hr/> |

4 Directors' remuneration

During the period no directors received any remuneration in respect of services to this company.

Notes (continued)

5 Interest receivable

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Interest receivable on financial assets | 139 | - |
| Total other interest payable and similar charges | 139 | - |

Interest receivable includes interest received on overdue debtor amounts £139 (2016: £nil)

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

| | 2017 £ | £ | 2016 £ | £ |
|--|-----------|---|-----------|----------|
| <i>Current tax</i> | | | | |
| Current tax on income for the period | - | | - | |
| Adjustments in respect of prior periods | - | | (23,482) | |
| Total current tax | | - | | (23,482) |
| <i>Deferred tax (see note 12)</i> | | | | |
| Origination and reversal of timing differences | (197) | | 454 | |
| Change in tax rate | 197 | | 445 | |
| Total deferred tax | | - | | 899 |
| Total tax | | - | | (22,583) |

| | £ | 2017 £ | £ | £ | 2016 £ | £ |
|---------------------------------------|-------------|--------------|-----------|-------------|--------------|-----------|
| | Current tax | Deferred tax | Total tax | Current tax | Deferred tax | Total tax |
| Recognised in Profit and loss account | - | - | - | (23,482) | 899 | (22,583) |
| Total tax | - | - | - | (23,482) | 899 | (22,583) |

Notes (continued)

6 Taxation (continued)

Reconciliation of effective tax rate

| | 2017 £ | 2016 £ |
|--|-----------|-----------|
| Profit for the year | 124,930 | 181,405 |
| Total tax (credit)/expense | - | (22,583) |
| | <hr/> | <hr/> |
| Profit excluding taxation | 124,930 | 158,822 |
| Tax using the UK corporation tax rate of 20% (2016: 20%) | 24,986 | 31,765 |
| Reduction in tax rate on deferred tax balances | (394) | 394 |
| Fixed asset differences | 622 | - |
| Other tax adjustments, reliefs and transfers | 2,919 | - |
| Non-deductible expenses | - | 69 |
| Transfer of deferred tax to Eclipse Scientific Limited | (3,550) | - |
| Under / (over) provided in prior years | - | (23,482) |
| Group relief claimed for no consideration | (24,583) | (31,329) |
| | <hr/> | <hr/> |
| Total tax expense included in profit or loss | - | (22,583) |
| | <hr/> | <hr/> |

Reductions in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2019) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31 March 2017 has been calculated based on these rates.

7 Intangible assets and goodwill

| | Goodwill £ |
|---|---------------|
| Cost | |
| Balance at 1 April 2016 and 31 March 2017 | 81,796 |
| | <hr/> |
| Amortisation | |
| Balance at 1 April 2016 | 79,256 |
| Amortisation for the year | 2,540 |
| | <hr/> |
| Balance at 31 March 2017 | 81,796 |
| | <hr/> |
| Net book value | |
| At 1 April 2016 | 2,540 |
| | <hr/> |
| At 31 March 2017 | - |
| | <hr/> |

Notes (continued)

7 Intangible assets and goodwill (continued)

Amortisation

The amortisation charge is recognised in the following line items in the profit and loss account:

| | 2017 £ | 2016 £ |
|-------------------------|--------------|--------------|
| Administrative expenses | 2,540 | 8,179 |
| | <u>2,540</u> | <u>8,179</u> |

8 Tangible fixed assets

| | Leasehold Land and buildings £ | Computer Equipment £ | Plant and Machinery £ | Motor Vehicles £ | Total £ |
|--|---|----------------------------|-----------------------------|------------------------|---------------|
| Cost | | | | | |
| Balance at 1 April 2016 | 2,421 | 31,733 | 9,850 | 24,872 | 68,876 |
| Transfer to Eclipse Scientific Limited | (2,421) | (31,733) | (9,850) | (24,872) | (68,876) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at 31 March 2017 | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Depreciation and impairment | | | | | |
| Balance at 1 April 2016 | 522 | 28,976 | 9,849 | 16,008 | 55,355 |
| Depreciation charge for the year | 348 | 1,104 | - | 3,804 | 5,256 |
| Transfer to Eclipse Scientific Limited | (870) | (30,080) | (9,849) | (19,812) | (60,611) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Balance at 31 March 2017 | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net book value | | | | | |
| At 1 April 2016 | 1,899 | 2,757 | 1 | 8,864 | 13,521 |
| | <u>1,899</u> | <u>2,757</u> | <u>1</u> | <u>8,864</u> | <u>13,521</u> |
| At 31 March 2017 | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |

Notes (continued)

8 Tangible fixed assets (continued)

Leased plant and machinery

The net book value of land and buildings comprises:

| | 2017 £ | 2016 £ |
|-----------------|-----------|--------------|
| Short leasehold | - | 1,889 |
| | <u>-</u> | <u>1,889</u> |
| | <u>-</u> | <u>1,889</u> |

9 Stocks

| | 2017 £ | 2016 £ |
|---------------------------|-----------|---------------|
| Finished goods for resale | - | 12,187 |
| | <u>-</u> | <u>12,187</u> |
| | <u>-</u> | <u>12,187</u> |

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £696,627 (2016: £700,084). The write-down of stocks to net realisable value amounted to £nil (2016: £4,449).

10 Debtors

| | 2017 £ | 2016 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | - | 166,185 |
| Amounts owed by group undertakings | 1,288,735 | 1,194,399 |
| Other debtors | - | 34,302 |
| Deferred tax (see Note 12) | - | 3,482 |
| | <u>1,288,735</u> | <u>1,398,368</u> |
| | <u>1,288,735</u> | <u>1,398,368</u> |
| Due within one year | 1,288,735 | 1,398,368 |
| Due after more than one year | - | - |
| | <u>1,288,735</u> | <u>1,398,368</u> |
| | <u>1,288,735</u> | <u>1,398,368</u> |

Notes (continued)

11 Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|--|-----------|----------------|
| Trade creditors | - | 115,523 |
| Amounts owed to group undertakings | - | 126,559 |
| Other creditors including taxation and social security | - | 40,663 |
| | <u>-</u> | <u>282,745</u> |
| | <u>-</u> | <u>282,745</u> |

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Assets 2017 £ | 2016 £ | Liabilities 2017 £ | 2016 £ | Net 2017 £ | 2016 £ |
|---|---------------------|----------------|--------------------------|-----------|------------------|----------------|
| Accelerated capital allowances | (19,721) | (19,344) | - | - | (3,550) | (19,344) |
| Tax (assets) / liabilities | (19,721) | (19,344) | - | - | (3,550) | (19,344) |
| Net of tax liabilities/(assets) | 16,171 | 15,862 | - | - | - | 15,862 |
| Deferred tax transfer to Eclipse Scientific Limited | 3,550 | - | - | - | 3,550 | - |
| | <u>-</u> | <u>(3,482)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,482)</u> |
| Net tax (assets) / liabilities | <u>-</u> | <u>(3,482)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(3,482)</u> |

13 Employee benefits

Defined contribution plans

The Company operates a number of defined contribution pension plans.

The total expense relating to these plans in the current year was £3,201 (2016: £2,347).

Notes (continued)

14 Capital and reserves

Share capital

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| <i>Authorised</i> | | |
| 1,000 ordinary share of £1 each | 1,000 | 1,000 |
| | <hr/> | <hr/> |
| | 1,000 | 1,000 |
| | <hr/> | <hr/> |
| | | |
| | 2017 £ | 2016 £ |
| <i>Allotted, called up and fully paid</i> | | |
| 1 ordinary share of £1 each | 1 | 1 |
| | <hr/> | <hr/> |
| | 1 | 1 |
| | <hr/> | <hr/> |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Ultimate parent company and parent company of larger group

The Company is a subsidiary undertaking of Eclipse Acquisitions Limited, which is registered in the United Kingdom. The ultimate parent company and controlling party is ALS Limited, a company registered in Australia.

The largest and smallest group in which the results of the Company are consolidated is that headed by ALS Limited, incorporated in Australia. No other group financial statements include the results of the Company. The consolidated financial statements of ALS Limited are available to the public and can be accessed from the company's website at www.alsglobal.com.