

COMPANY REGISTRATION NUMBER: 05863306

8C Investment Limited
Financial Statements
31 October 2017



AEQUITAS
Chartered accountant & statutory auditor
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

8C Investment Limited

Financial Statements

Year ended 31 October 2017

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8C Investment Limited

Officers and Professional Advisers

The board of directors

Mr HC Patel
Mr NA Riley
Mr SP Durack
Mrs AH Patel

Company secretary

Mr SP Durack

Registered office

Unit 21 The IO Centre
Armstrong Road
London
SE18 6RS

Auditor

Aequitas
Chartered accountant & statutory auditor
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

8C Investment Limited

Strategic Report

Year ended 31 October 2017

The principal activity of the company during the year was that of a holding company.

The company controls various subsidiaries and the activities of the subsidiary companies include,

- Property and intermediate holding company
- Procurement, storage, fulfillment and distribution of goods for its customers

Fair review of the business

The group has achieved improved margins and overall profitability by focusing on added value and specialist services. This is reflected in key performance indicators below. Although the Group Turnover has fallen by £671,176, the Gross Profit margin has improved by 4% and Profit Before Tax has increased by £118,272.

Principal risk and uncertainties

The group operates in a highly competitive market which is a continuing risk and could result in losing sales to its key competitors. The group manages this risk by providing flexibility in each service, fast response time and maintaining close relationships with its customers and potential customers.

The Directors consider that the spread of the company's activities shelters the company from any particular threat. The strong financial position enables the company to continue to meet its financial obligations as they fall due, to improve on its activities as required and to invest in opportunities as they arise.

Key performance indicators

	2017	2106
	£	£
Turnover	7,816,952	8,488,688
Gross profit	4,232,421	4,256,903
Gross profit margin %	54	50
Profit before tax	925,300	804,017
Net assets	5,641,810	5,283,870

This report was approved by the board of directors on 20 July 2018 and signed on behalf of the board by:



Mr SP Durack
Director

8C Investment Limited

Directors' Report

Year ended 31 October 2017

The directors present their report and the financial statements of the group for the year ended 31 October 2017.

Directors

The directors who served the company during the year were as follows:

Mr HC Patel	
Mr NA Riley	
Mr SP Durack	(Appointed 21 August 2017)
Mrs AH Patel	(Appointed 21 August 2017)

Dividends

Particulars of recommended dividends are detailed in note 13 to the financial statements.

Disclosure of information in the strategic report

The information required by schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 has been included in the separate Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and the company and 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 judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

8C Investment Limited

Directors' Report *(continued)*

Year ended 31 October 2017

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 20 July 2018 and signed on behalf of the board by:



Mr SP Durack
Director

8C Investment Limited

Independent Auditor's Report to the Members of 8C Investment Limited

Year ended 31 October 2017

Opinion

We have audited the financial statements of 8C Investment Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the consolidated statement of comprehensive income, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, 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).

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.

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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.

8C Investment Limited

Independent Auditor's Report to the Members of 8C Investment Limited *(continued)*

Year ended 31 October 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

8C Investment Limited

Independent Auditor's Report to the Members of 8C Investment Limited *(continued)*

Year ended 31 October 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

8C Investment Limited

Independent Auditor's Report to the Members of 8C Investment Limited *(continued)*

Year ended 31 October 2017

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Mr Pankaj Patel (Senior Statutory Auditor)

For and on behalf of
Aequitas
Chartered accountant & statutory auditor
Elthorne Gate
64 High Street
Pinner
Middlesex
HA5 5QA

20 July 2018

8C Investment Limited

Consolidated Statement of Comprehensive Income

Year ended 31 October 2017

	Note	2017 £	2016 £
Turnover	4	7,816,952	8,488,688
Cost of sales		3,584,531	4,231,785
Gross profit		4,232,421	4,256,903
Administrative expenses		3,565,141	3,544,920
Other operating income	5	114,094	39,015
Redress payment		(122,365)	(56,030)
Operating profit	6	903,739	807,028
Other interest receivable and similar income	10	44,282	30,246
Interest payable and similar expenses	11	22,721	33,257
Profit before taxation		925,300	804,017
Tax on profit	12	212,922	135,842
Profit for the financial year and total comprehensive income		712,378	668,175
Profit for the financial year attributable to:			
The owners of the parent company		(691,837)	(642,209)
Non-controlling interest		20,541	25,966
		712,378	668,175

All the activities of the group are from continuing operations.

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Consolidated Statement of Financial Position

31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	14	11,829	14,248
Tangible assets	15	5,350,857	5,405,756
		<u>5,362,686</u>	<u>5,420,004</u>
Current assets			
Stocks	17	2,579	2,880
Debtors	18	1,940,103	2,585,051
Cash at bank and in hand		512,692	224,883
		<u>2,455,374</u>	<u>2,812,814</u>
Creditors: amounts falling due within one year	20	<u>1,892,265</u>	<u>2,433,910</u>
Net current assets		<u>563,109</u>	<u>378,904</u>
Total assets less current liabilities		<u>5,925,795</u>	<u>5,798,908</u>
Creditors: amounts falling due after more than one year	21	(241,148)	(469,038)
Provisions			
Other provisions	23	42,837	46,000
Net assets		<u>5,641,810</u>	<u>5,283,870</u>
Capital and reserves			
Called up share capital	26	1,504,000	1,504,000
Other reserves, including the fair value reserve	27	(1,920,614)	(1,920,614)
Profit and loss account	27	5,993,198	5,655,799
Equity attributable to the owners of the parent company		<u>5,576,584</u>	<u>5,239,185</u>
Non-controlling interest		<u>65,226</u>	<u>44,685</u>
		<u>5,641,810</u>	<u>5,283,870</u>

The consolidated statement of financial position
continues on the following page.

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Consolidated Statement of Financial Position *(continued)*

31 October 2017

These financial statements were approved by the board of directors and authorised for issue on 20 July 2018, and are signed on behalf of the board by:



Mr HC Patel
Director

Company registration number: 05863306

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Company Statement of Financial Position

31 October 2017

	Note	2017 £	2016 £
Fixed assets			
Investments	16	1,704,000	1,704,000
Current assets			
Debtors	18	587,809	587,809
Cash at bank and in hand		<u>2,783</u>	<u>1,922</u>
		590,592	589,731
Creditors: amounts falling due within one year	20	<u>634,747</u>	513,886
Net current (liabilities)/assets		<u>(44,155)</u>	<u>75,845</u>
Total assets less current liabilities		<u>1,659,845</u>	<u>1,779,845</u>
Net assets		<u>1,659,845</u>	<u>1,779,845</u>
Capital and reserves			
Called up share capital	26	1,504,000	1,504,000
Profit and loss account	27	<u>155,845</u>	<u>275,845</u>
Shareholders funds		<u>1,659,845</u>	<u>1,779,845</u>

The profit for the financial year of the parent company was £234,438 (2016: £120,000).

These financial statements were approved by the board of directors and authorised for issue on 20 July 2018, and are signed on behalf of the board by:



Mr HC Patel
Director

Company registration number: 05863306

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Consolidated Statement of Changes in Equity

Year ended 31 October 2017

	Called up share capital £	Other reserves, including the fair value reserve £	Profit and loss account £	Equity attributable to the owners of the parent company £	Non- controlling interest £	Total £
At 1 November 2015	1,504,000	(1,920,614)	5,013,590	4,596,976	–	4,596,976
Profit for the year			642,209	642,209	25,966	668,175
Total comprehensive income for the year	–	–	642,209	642,209	25,966	668,175
Acquisition of subsidiary with minority interest	–	–	–	–	18,719	18,719
Total investments by and distributions to owners	–	–	–	–	18,719	18,719
At 31 October 2016	1,504,000	(1,920,614)	5,655,799	5,239,185	44,685	5,283,870
Profit for the year			691,837	691,837	20,541	712,378
Total comprehensive income for the year	–	–	691,837	691,837	20,541	712,378
Dividends paid and payable 13	–	–	(354,438)	(354,438)	–	(354,438)
Total investments by and distributions to owners	–	–	(354,438)	(354,438)	–	(354,438)
At 31 October 2017	<u>1,504,000</u>	<u>(1,920,614)</u>	<u>5,993,198</u>	<u>5,576,584</u>	<u>65,226</u>	<u>5,641,810</u>

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Company Statement of Changes in Equity

Year ended 31 October 2017

	Called up share capital £	Profit and loss account £	Total £
At 1 November 2015	1,504,000	155,845	1,659,845
Profit for the year		120,000	120,000
Total comprehensive income for the year	—	120,000	120,000
At 31 October 2016	1,504,000	275,845	1,779,845
Profit for the year		234,438	234,438
Total comprehensive income for the year	—	234,438	234,438
Dividends paid and payable	13	(354,438)	(354,438)
Total investments by and distributions to owners	—	(354,438)	(354,438)
At 31 October 2017	1,504,000	155,845	1,659,845

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Consolidated Statement of Cash Flows

Year ended 31 October 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the financial year		712,378	668,175
<i>Adjustments for:</i>			
Depreciation of tangible assets		153,204	65,001
Amortisation of intangible assets		2,419	2,419
Other interest receivable and similar income		(44,282)	(30,246)
Interest payable and similar expenses		22,721	33,257
Loss/(gains) on disposal of tangible assets		1,175	(112)
Tax on profit		212,922	135,842
Accrued expenses		123,115	32,329
<i>Changes in:</i>			
Stocks		301	5,329
Trade and other debtors		637,236	(9,698)
Trade and other creditors		(215,197)	(31,794)
Provisions and employee benefits		(3,163)	6,000
Cash generated from operations		1,602,829	876,502
Interest paid		(22,721)	(33,257)
Interest received		44,282	30,246
Tax paid		(173,292)	(107,378)
Net cash from operating activities		<u>1,451,098</u>	<u>766,113</u>
Cash flows from investing activities			
Purchase of tangible assets		(105,314)	(31,277)
Proceeds from sale of tangible assets		5,834	1,298
Net cash used in investing activities		<u>(99,480)</u>	<u>(29,979)</u>
Cash flows from financing activities			
Proceeds from borrowings		(517,122)	(506,194)
Payments of finance lease liabilities		(1,716)	(19,278)
Dividends paid		(354,438)	(120,000)
Other financing cash flow adjustment		–	18,719
Net cash used in financing activities		<u>(873,276)</u>	<u>(626,753)</u>
Net increase in cash and cash equivalents		478,342	109,381
Cash and cash equivalents at beginning of year		(146,499)	(255,880)
Cash and cash equivalents at end of year	19	<u>331,843</u>	<u>(146,499)</u>

The notes on pages 16 to 31 form part of these financial statements.

8C Investment Limited

Notes to the Financial Statements

Year ended 31 October 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Unit 21 The IO Centre, Armstrong Road, London, SE18 6RS.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Consolidation

The financial statements consolidate the financial statements of the Group and all of its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included from or to the date that control passes. The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not included its individual statement of comprehensive income.

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

The results of subsidiaries acquired or disposed of during the year are included in the profit and loss accounts from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the group.

The purchase method of accounting is used to accounts for business combinations that result in the acquisition of subsidiaries by the group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full. Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

Non-controlling interests

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination.

The proportions of profit or loss and changes in equity allocated to the owners of the parent and to the minority interests are determined on the basis of existing ownership interests and do not reflect the possible exercise or conversion of options or convertible instruments.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

There are no judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. There are no key assumptions and other sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for services rendered, stated net of discounts and of Value Added Tax.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill - 2% to 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold property	-	Over the lease term
Plant & machinery	-	4-33% straight line
Fixtures & fittings	-	5-33% Straight line
Motor vehicles	-	33% straight line
Equipment	-	33% straight line

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Investments in associates

Investments in associates are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Investments in joint ventures

Investments in joint ventures are accounted for using the equity method of accounting, whereby the investment is initially recognised at the transaction price and subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the joint venture.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

3. Accounting policies *(continued)*

Provisions *(continued)*

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial liabilities and equity instruments are classified and accounted for according to the substance of the contractual arrangements, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Turnover

Turnover arises from:

	2017 £	2016 £
Rendering of services	<u>7,816,952</u>	<u>8,488,688</u>

The turnover is attributable to the one principal activity of the group. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2017 £	2016 £
United Kingdom	(7,197,062)	(8,164,860)
Overseas sales	<u>619,890</u>	<u>323,828</u>
	<u>(7,816,952)</u>	<u>(8,488,688)</u>

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

5. Other operating income

	2017	2016
	£	£
Rental income	—	1,213
Other operating income	114,094	37,802
	<u>114,094</u>	<u>39,015</u>

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2017	2016
	£	£
Amortisation of intangible assets	2,419	2,419
Depreciation of tangible assets	153,204	65,001
Loss/(gains) on disposal of tangible assets	1,175	(112)
Impairment of trade debtors	35,387	23,587
Foreign exchange differences	<u>16,195</u>	<u>(16,696)</u>

7. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>23,324</u>	<u>22,483</u>

8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2017	2016
	No.	No.
Distribution staff	55	72
Administrative staff	28	32
	<u>83</u>	<u>104</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017	2016
	£	£
Wages and salaries	2,166,192	2,400,112
Social security costs	176,167	193,928
Other pension costs	69,193	93,967
	<u>2,411,552</u>	<u>2,688,007</u>

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017	2016
	£	£
Remuneration	307,599	153,818
Company contributions to defined contribution pension plans	5,167	5,000
	<u>312,766</u>	<u>158,818</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017	2016
	No.	No.
Defined contribution plans	<u>1</u>	<u>1</u>

Remuneration of the highest paid director in respect of qualifying services:

	2017	2016
	£	£
Aggregate remuneration	<u>139,266</u>	<u>137,605</u>

10. Other interest receivable and similar income

	2017	2016
	£	£
Interest on loans and receivables	346	765
Interest on cash and cash equivalents	43,936	29,481
	<u>44,282</u>	<u>30,246</u>

11. Interest payable and similar expenses

	2017	2016
	£	£
Interest on banks loans and overdrafts	12,355	23,691
Interest on obligations under finance leases and hire purchase contracts	1,479	1,535
Other interest payable and similar charges	8,887	8,031
	<u>22,721</u>	<u>33,257</u>

12. Tax on profit

Major components of tax income

	2017	2016
	£	£
Current tax:		
UK current tax income	205,210	149,941
Adjustments in respect of prior periods	—	(17,209)
Total current tax	<u>205,210</u>	<u>132,732</u>

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

12. Tax on profit *(continued)*

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	<u>7,712</u>	<u>3,110</u>
Tax on profit	<u>212,922</u>	<u>135,842</u>

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19.41% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	<u>925,300</u>	<u>804,017</u>
Profit on ordinary activities by rate of tax	<u>179,601</u>	<u>160,804</u>
Adjustment to tax charge in respect of prior periods	–	(17,209)
Effect of expenses not deductible for tax purposes	<u>4,720</u>	<u>(1,908)</u>
Effect of capital allowances and depreciation	<u>7,470</u>	<u>(2,345)</u>
Deferred tax	<u>7,712</u>	<u>(3,500)</u>
Tax on foreign subsidiary	<u>13,419</u>	<u>–</u>
Tax on profit	<u>212,922</u>	<u>135,842</u>

13. Dividends

	2017 £	2016 £
Dividends paid during the year (excluding those for which a liability existed at the end of the prior year)	<u>354,438</u>	<u>–</u>

14. Intangible assets

Group	Goodwill £
Cost	
At 1 November 2016 and 31 October 2017	<u>39,856</u>
Amortisation	
At 1 November 2016	<u>25,608</u>
Charge for the year	<u>2,419</u>
At 31 October 2017	<u>28,027</u>
Carrying amount	
At 31 October 2017	<u>11,829</u>
At 31 October 2016	<u>14,248</u>

The company has no intangible assets.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

15. Tangible assets

Group	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Nov 2016	5,355,382	111,246	175,639	87,243	176,369	5,905,879
Additions	15,100	19,437	16,600	25,100	29,077	105,314
Disposals	(15,000)	(8,900)	–	(9,805)	(6,701)	(40,406)
At 31 Oct 2017	5,355,482	121,783	192,239	102,538	198,745	5,970,787
Depreciation						
At 1 Nov 2016	64,043	68,047	139,218	70,850	157,965	500,123
Charge for the year	68,377	15,085	19,046	22,051	28,645	153,204
Disposals	(14,999)	(1,892)	–	(9,805)	(6,701)	(33,397)
At 31 Oct 2017	117,421	81,240	158,264	83,096	179,909	619,930
Carrying amount						
At 31 Oct 2017	5,238,061	40,543	33,975	19,442	18,836	5,350,857
At 31 Oct 2016	5,291,339	43,199	36,421	16,393	18,404	5,405,756

The company has no tangible assets.

Finance leases and hire purchase contracts

Included within the carrying value of tangible assets are the following amounts relating to assets held under finance leases or hire purchase agreements:

Group	Motor vehicles £
At 31 October 2017	16,734
At 31 October 2016	13,330

16. Investments

The group has no investments.

Company	Shares in group undertakings £
Cost	
At 1 November 2016 and 31 October 2017	1,704,000
Impairment	
At 1 November 2016 and 31 October 2017	–

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

16. Investments *(continued)*

Company	Shares in group undertakings £
Carrying amount	
At 1 November 2016 and 31 October 2017	<u>1,704,000</u>
At 31 October 2016	<u>1,704,000</u>

	Country of incorporation	Holding	Proportion of voting rights and shares held	Nature of business
Subsidiary undertakings				
The following were the subsidiary undertakings of the company:				
Conora Limited	Isle of Man	Ordinary shares	100%	Dormant
CDL Business Services Group Limited ('CDLBSG')	England	Ordinary shares	100%	Property and intermediate holding company
CDL Logistics LLC	USA	Partnership	60%	Procurement, storage, fulfilment and distribution

The following were the subsidiary undertakings of CDLBSG:

CDL London Limited	England	Ordinary shares	100%	Procurement, storage, fulfilment and distribution
Fairway PSD Limited	England	Ordinary shares	100%	Procurement, storage, fulfilment and distribution

17. Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Raw materials and consumables	<u>2,579</u>	<u>2,880</u>	<u>—</u>	<u>—</u>

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

18. Debtors

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,512,625	1,929,979	–	–
Amounts owed by group undertakings	–	–	587,809	587,809
Deferred tax asset	20,415	28,127	–	–
Prepayments and accrued income	286,830	449,216	–	–
Directors loan account	20,346	37,848	–	–
Other debtors	99,887	139,881	–	–
	<u>1,940,103</u>	<u>2,585,051</u>	<u>587,809</u>	<u>587,809</u>

Included within trade debtors are factored debt of £1,399,699 (2016: £1,768,260) which remains outstanding at the balance sheet date.

19. Cash and cash equivalents

Cash and cash equivalents comprise the following:

	2017	2016
	£	£
Cash at bank and in hand	512,692	224,883
Bank overdrafts	(180,849)	(371,382)
	<u>331,843</u>	<u>(146,499)</u>

20. Creditors: amounts falling due within one year

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	429,139	902,067	–	–
Trade creditors	617,177	745,622	–	–
Amounts owed to group undertakings	–	–	513,770	512,909
Accruals and deferred income	319,968	196,853	120,000	–
Corporation tax	181,863	149,945	–	–
Social security and other taxes	197,749	215,512	–	–
Obligations under finance leases and hire purchase contracts	5,980	14,533	–	–
Other creditors	140,389	209,378	977	977
	<u>1,892,265</u>	<u>2,433,910</u>	<u>634,747</u>	<u>513,886</u>

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

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

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts	234,311	469,038	—	—
Obligations under finance leases and hire purchase contracts	6,837	—	—	—
	<u>241,148</u>	<u>469,038</u>	<u>—</u>	<u>—</u>

The bank loans and overdrafts falling due less than 1 year and after more than 1 year are secured by a legal charge over the assets of the CDL Business Services Limited.

22. Finance leases and hire purchase contracts

The total future minimum lease payments under finance leases and hire purchase contracts are as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	5,980	14,533	—	—
Later than 1 year and not later than 5 years	6,837	—	—	—
	<u>12,817</u>	<u>14,533</u>	<u>—</u>	<u>—</u>

23. Provisions

Group	Onerous contracts
	£
At 1 November 2016	46,000
Charge against provision	(3,163)
At 31 October 2017	<u>42,837</u>

The company does not have any provisions.

The dilapidation provision is in respect of the amounts required to restore leased premises to their original condition upon expiry of the lease term together with amounts relating to other dilapidations accruing throughout the period of occupation.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

24. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Included in debtors (note 18)	<u>20,415</u>	<u>28,127</u>	<u>—</u>	<u>—</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Accelerated capital allowances	<u>(20,415)</u>	<u>(28,127)</u>	<u>—</u>	<u>—</u>

25. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £69,193 (2016: £93,967).

26. Called up share capital

Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	4,000	4,000	4,000	4,000
8% Non - Redeemable Preference shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	4,000	4,000	4,000	4,000
8% Non - Redeemable Preference shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>1,500,000</u>
	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>	<u>1,504,000</u>

27. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

Merger reserves - This reserves records the difference between the investments carrying value and the nominal value of shares acquired pursuant to the group reorganisation.

8C Investment Limited

Notes to the Financial Statements *(continued)*

Year ended 31 October 2017

28. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Not later than 1 year	315,480	315,480	–	–
Later than 1 year and not later than 5 years	425,492	740,972	–	–
	740,972	1,056,452	–	–

29. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company and its subsidiary undertakings:

	2017			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr HC Patel	17,848	–	(17,848)	–
Mr NA Riley	20,000	346	–	20,346
	37,848	346	(17,848)	20,346

	2016			
	Balance brought forward	Advances/ (credits) to the directors	Amounts repaid	Balance outstanding
	£	£	£	£
Mr HC Patel	–	17,848	–	17,848
Mr NA Riley	–	20,000	–	20,000
	–	37,848	–	37,848

30. Related party transactions

Group

During the year the Group provided warehousing and distributions services to Libertybelle Marketing Ltd ("LBML") and Libertybelle UK Ltd ("LBMUK"). HC Patel and NA Riley were the directors of LBML. LBMUK is 76% subsidiary of LBML.

	Turnover	Balance
Libertybelle Marketing Ltd	£117,856	£56,005
Libertybelle UK Ltd	£355,811	£68,534

Please see note 9 for the key management remuneration.