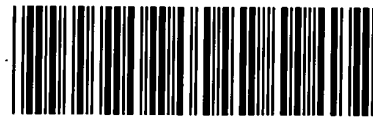


REGISTERED NUMBER: 06792266 (England and Wales)

**STRATEGIC REPORT, DIRECTORS' REPORT AND
FINANCIAL STATEMENTS FOR THE PERIOD 3 JULY 2016 TO 1 JULY 2017
FOR
COOK DEFENCE SYSTEMS LIMITED**

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for the Period 3 July 2016 to 1 July 2017**

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COOK DEFENCE SYSTEMS LIMITED

COMPANY INFORMATION
for the Period 3 July 2016 to 1 July 2017

DIRECTORS:

W J Cook
C D Seymour

SECRETARY:

M K Hodgson FCA

REGISTERED OFFICE:

Parkway Avenue
Sheffield
South Yorkshire
S9 4UL

REGISTERED NUMBER:

06792266 (England and Wales)

INDEPENDENT AUDITOR:

KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

BANKERS:

The Royal Bank of Scotland plc
2 Whitehall Quay
Leeds
LS1 4HR

SOLICITORS:

Gordons LLP
Riverside West
Whitehall Road
Leeds
LS1 4AW

STRATEGIC REPORT
for the Period 3 July 2016 to 1 July 2017

The directors present their strategic report for the period 3 July 2016 to 1 July 2017.

REVIEW OF BUSINESS

The operating performance during the period has been good, although turnover was lower during the past year as one-off contracts in the year ended 2 July 2016 did not repeat. Despite the reduced volumes the company continues to operate profitably.

Turnover decreased to £13,482,672 in the year ended 1 July 2017 from £22,839,331 in the year ended 2 July 2016.

Gross profit was £4,743,238 in 2017 against £8,747,132 in 2016. Normal operating expenses were £2,828,237 compared with £4,706,170 in the prior period.

The profit for the financial year amounted to £1,502,287 (2016: £3,198,277).

Balance sheet

The directors present financial statements showing shareholder's funds of £13,218,126 as at 1 July 2017 compared to £11,715,839 as at 2 July 2016.

PRINCIPAL RISKS AND UNCERTAINTIES

The most significant risks to the company's profitability are:

- Increased costs of raw materials and energy
- Increased statutory regulation, e.g. health and safety, environment
- Reduced demand from the company's main markets
- Any impediments to access to the Single European Market

The board has strategies to manage these risks and remains confident of the continued success of the company.

ON BEHALF OF THE BOARD:



M K Hodgson FCA - Secretary

Date: 29 March 2018

DIRECTORS' REPORT
for the Period 3 July 2016 to 1 July 2017

The directors present their report with the financial statements of the company for the period 3 July 2016 to 1 July 2017.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the design, sale and distribution of military vehicle track systems.

DIVIDENDS

No dividends will be paid for the year ended 1 July 2017 (period ended 2 July 2016: £nil).

FUTURE DEVELOPMENTS

Despite setbacks in other economic areas, the global defence sector has shown significant improvement recently and the position of the Company as the only independent designer and supplier of armoured vehicle tracks in the world positions it perfectly to take full advantage of this.

Careful investment continues to be made where necessary to support or improve the company's operating efficiency.

DIRECTORS

W J Cook has held office during the whole of the period from 3 July 2016 to the date of this report.

Other changes in directors holding office are as follows:

Sir Andrew Cook CBE - resigned 3 April 2017

C D Seymour - appointed 15 July 2016

DIRECTORS' INDEMNITY PROVISIONS

The directors benefit from qualifying third party indemnity provisions in place during the financial period and at the date of this report.

EMPLOYEES

It is the policy of the Group to employ disabled persons wherever circumstances permit and provide normal opportunities for their training, promotion and career developments.

The company considers it important that employees are well informed on all aspects of its affairs as far as the needs of communication and financial confidentiality will allow.

DIRECTORS' REPORT
for the Period 3 July 2016 to 1 July 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law they have 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 directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

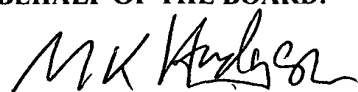
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITOR

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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.

ON BEHALF OF THE BOARD:



M K Hodgson FCA - Secretary

Date: 29 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COOK DEFENCE SYSTEMS LIMITED

Opinion

We have audited the financial statements of Cook Defence Systems Limited ("the company") for the year ended 1 July 2017 which comprise the Income Statement, Statement of Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and the related notes, including accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 1 July 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
COOK DEFENCE SYSTEMS LIMITED**

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Director's responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.

MD Wilcox

Matthew Wilcox (Senior Statutory Auditor)
for and on behalf of KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Date: 29 March 2018

COOK DEFENCE SYSTEMS LIMITED (REGISTERED NUMBER: 06792266)

**INCOME STATEMENT
for the Period 3 July 2016 to 1 July 2017**

	Notes	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
TURNOVER	3	13,482,672	22,839,331
Cost of sales		<u>(8,739,434)</u>	<u>(14,092,199)</u>
GROSS PROFIT		4,743,238	8,747,132
Distribution costs		-	(2,300)
Administrative expenses		<u>(2,828,237)</u>	<u>(4,703,870)</u>
OPERATING PROFIT and PROFIT BEFORE TAXATION	6	1,915,001	4,040,962
Tax on profit	7	<u>(412,714)</u>	<u>(842,685)</u>
PROFIT FOR THE FINANCIAL PERIOD		<u><u>1,502,287</u></u>	<u><u>3,198,277</u></u>

The notes on pages 11 to 18 form part of these financial statements

COOK DEFENCE SYSTEMS LIMITED (REGISTERED NUMBER: 06792266)

OTHER COMPREHENSIVE INCOME
for the Period 3 July 2016 to 1 July 2017

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
Notes		
PROFIT FOR THE PERIOD	1,502,287	3,198,277
OTHER COMPREHENSIVE INCOME	-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>1,502,287</u>	<u>3,198,277</u>

The notes on pages 11 to 18 form part of these financial statements

COOK DEFENCE SYSTEMS LIMITED (REGISTERED NUMBER: 06792266)

BALANCE SHEET
1 July 2017

	Notes	1.7.17 £	2.7.16 £
FIXED ASSETS			
Intangible assets	8	8,151,000	8,379,000
Tangible assets	9	<u>273,902</u>	<u>210,345</u>
		<u>8,424,902</u>	<u>8,589,345</u>
CURRENT ASSETS			
Stocks	10	-	1,700
Debtors	11	2,862,614	3,223,987
Cash at bank		<u>13,398,127</u>	<u>13,526,297</u>
		16,260,741	16,751,984
CREDITORS			
Amounts falling due within one year	12	<u>(11,431,369)</u>	<u>(13,573,089)</u>
NET CURRENT ASSETS		<u>4,829,372</u>	<u>3,178,895</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		13,254,274	11,768,240
PROVISIONS FOR LIABILITIES	14	<u>(36,148)</u>	<u>(52,401)</u>
NET ASSETS		<u>13,218,126</u>	<u>11,715,839</u>
CAPITAL AND RESERVES			
Called up share capital	15	9,120,001	9,120,001
Retained earnings	16	<u>4,098,125</u>	<u>2,595,838</u>
SHAREHOLDER'S FUNDS		<u>13,218,126</u>	<u>11,715,839</u>

The financial statements were approved by the Board of Directors on 29 March 2018 and were signed on its behalf by:



C D Seymour - Director

The notes on pages 11 to 18 form part of these financial statements

COOK DEFENCE SYSTEMS LIMITED (REGISTERED NUMBER: 06792266)

STATEMENT OF CHANGES IN EQUITY
for the Period 3 July 2016 to 1 July 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 28 June 2015	9,120,001	(602,439)	8,517,562
Changes in equity			
Total comprehensive income	-	3,198,277	3,198,277
Balance at 2 July 2016	<u>9,120,001</u>	<u>2,595,838</u>	<u>11,715,839</u>
Changes in equity			
Total comprehensive income	-	1,502,287	1,502,287
Balance at 1 July 2017	<u>9,120,001</u>	<u>4,098,125</u>	<u>13,218,126</u>

The notes on pages 11 to 18 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Period 3 July 2016 to 1 July 2017

1. STATUTORY INFORMATION

Cook Defence Systems Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain tangible fixed assets, and in accordance with applicable accounting standards. Under Company law, the Directors are required to consider whether it is appropriate to prepare financial statements on the basis that the Company is a going concern. As part of its normal business practice, budgets, cash flow forecasts and longer term financial projections are prepared and in reviewing this information, the Directors are satisfied that the Company have adequate resources to enable them to continue in business for the foreseeable future. The Directors have therefore adopted the going concern basis in the preparation of the financial statements.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Turnover

Turnover is the net invoiced value of goods sold and services rendered excluding value added tax.

Goodwill and intangible assets

Goodwill and intangible assets, being the amount paid for a business in 2012 and comprising goodwill and intellectual property, are capitalised at cost and amortised by equal instalments over their estimated useful economic life of 40 years commencing from the beginning of the year following their acquisition.

The goodwill and intellectual property relates to the business of the sale and marketing of track systems and related products for armoured fighting vehicles. The directors believe that they have a reasonable expectation that the lifespan of these track systems and related products to be at least 40 years based on past experience and expectations of the future development of armoured vehicles and their associated track systems. Accordingly an estimated useful economic life of 40 years has been adopted, and these intangible assets and goodwill are subject to annual impairment reviews.

Tangible fixed assets

Tangible fixed assets are depreciated by equal annual instalments over their estimated useful lives as follows:

Plant and machinery	- 10% on cost
Fixtures and fittings	- 33% on cost
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on cost

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined, which is the higher of its fair value less costs to sell, and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company participates in an active defined contribution group personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The amount charged to the profit and loss account represents the contributions payable to the scheme in respect of the accounting period.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
United Kingdom	12,255,352	18,487,203
Continental Europe	1,227,320	72,439
Rest of world	-	4,279,689
	<u>13,482,672</u>	<u>22,839,331</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

4. EMPLOYEES AND DIRECTORS

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
Wages and salaries	247,595	224,400
Social security costs	20,569	28,131
Other pension costs	<u>6,581</u>	<u>5,923</u>
	<u>274,745</u>	<u>258,454</u>

The average monthly number of employees during the period was as follows:

	Period 3.7.16 to 1.7.17	Period 28.6.15 to 2.7.16
Sales and administration	<u>5</u>	<u>5</u>

5. DIRECTORS' EMOLUMENTS

Total remuneration received by qualifying directors for services to the Company and the Group in the financial year was £321,451. The directors were remunerated through the parent company, William Cook Holdings Limited.

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
Other operating leases	31,273	36,003
Depreciation - owned assets	78,480	20,881
Goodwill and intellectual property amortisation	228,000	228,000
Auditor's remuneration for the audit of the company's financial statements	2,204	2,064
Auditor's remuneration for taxation compliance services	1,140	1,080
Foreign exchange differences	(469)	4
Research and development	<u>391,985</u>	<u>161,822</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the period was as follows:

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
Current tax:		
UK corporation tax	434,711	843,663
Adjustment in respect of prior period	<u>(5,744)</u>	<u>(1,552)</u>
Total current tax	<u>428,967</u>	<u>842,111</u>
Deferred tax:		
Current period	(13,342)	8,976
Adjustments relating to prior period	-	(3,577)
Effect of rate change	<u>(2,911)</u>	<u>(4,825)</u>
Total deferred tax	<u>(16,253)</u>	<u>574</u>
Tax on profit	<u>412,714</u>	<u>842,685</u>

UK corporation tax has been charged at 19.75% (2016 - 20%).

Reconciliation of total tax charge included in profit and loss

The tax assessed for the period is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Period 3.7.16 to 1.7.17 £	Period 28.6.15 to 2.7.16 £
Profit before tax	<u>1,915,001</u>	<u>4,040,962</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.750% (2016 - 20%)	378,213	808,192
Effects of:		
Expenses not deductible for tax purposes	40,985	41,137
Adjustments to tax charge in respect of previous periods	(8,655)	(9,954)
Difference between deferred tax and corporation tax rates	<u>2,171</u>	<u>3,310</u>
Total tax charge	<u>412,714</u>	<u>842,685</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

8. INTANGIBLE FIXED ASSETS

	Goodwill and intellectual property £
COST	
At 3 July 2016 and 1 July 2017	<u>9,120,000</u>
AMORTISATION	
At 3 July 2016	741,000
Amortisation for period	<u>228,000</u>
At 1 July 2017	<u>969,000</u>
NET BOOK VALUE	
At 1 July 2017	<u>8,151,000</u>
At 2 July 2016	<u>8,379,000</u>

Goodwill and intellectual property relate to the acquisition of a business on 30 November 2012. The assets acquired comprise of goodwill of £2,780,000 and intellectual property of £6,340,000, which relates to patents, design rights and know-how.

In the opinion of the directors, following a review there were no indicators of impairment at 1 July 2017.

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 3 July 2016	264,559	5,685	12,715	7,627	290,586
Additions	<u>142,037</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>142,037</u>
At 1 July 2017	<u>406,596</u>	<u>5,685</u>	<u>12,715</u>	<u>7,627</u>	<u>432,623</u>
DEPRECIATION					
At 3 July 2016	54,214	5,685	12,715	7,627	80,241
Charge for period	<u>78,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,480</u>
At 1 July 2017	<u>132,694</u>	<u>5,685</u>	<u>12,715</u>	<u>7,627</u>	<u>158,721</u>
NET BOOK VALUE					
At 1 July 2017	<u>273,902</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>273,902</u>
At 2 July 2016	<u>210,345</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,345</u>

10. STOCKS

	1.7.17 £	2.7.16 £
Raw materials and consumables	<u>-</u>	<u>1,700</u>

COOK DEFENCE SYSTEMS LIMITED (REGISTERED NUMBER: 06792266)

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1.7.17	2.7.16
	£	£
Trade debtors	2,815,753	3,221,108
Prepayments	<u>46,861</u>	<u>2,879</u>
	<u>2,862,614</u>	<u>3,223,987</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1.7.17	2.7.16
	£	£
Trade creditors	50,150	52,197
Amounts owed to group undertakings	1,891,661	3,731,893
Corporation tax	273,284	247,721
Social security and other taxes	6,872	9,817
VAT	104,641	24,037
Other creditors	-	2,111
Accrued expenses	<u>9,104,761</u>	<u>9,505,313</u>
	<u>11,431,369</u>	<u>13,573,089</u>

Amounts owed to group undertakings are repayable on demand and are interest free.

13. LEASING AGREEMENTS

There were no annual commitments under non-cancellable operating leases (2016: £nil).

14. PROVISIONS FOR LIABILITIES

	1.7.17	2.7.16
	£	£
Deferred tax	<u>36,148</u>	<u>52,401</u>
		Deferred tax
		£
Balance at 3 July 2016		52,401
Credit to Income Statement during period		<u>(16,253)</u>
Balance at 1 July 2017		<u>36,148</u>

The elements of deferred taxation are as follows:

	1.7.17	2.7.16
	£	£
Difference between accumulated depreciation and capital allowances	<u>36,148</u>	<u>52,401</u>

15. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	1.7.17	2.7.16
			£	£
9,120,001	Ordinary	£1	<u>9,120,001</u>	<u>9,120,001</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
for the Period 3 July 2016 to 1 July 2017

16. RESERVES

	Retained earnings £
At 3 July 2016	2,595,838
Profit for the period	<u>1,502,287</u>
At 1 July 2017	<u>4,098,125</u>

17. PENSION COMMITMENTS

The company makes contributions to a group personal pension scheme.

The assets of the defined contribution pension scheme are held separately from those of the company, in an independently administered fund. The company's contribution to the scheme for the period was £6,581 (2016: £5,923).

There were no outstanding or prepaid contributions at either the beginning or end of the financial period.

18. ULTIMATE PARENT COMPANY

The ultimate holding company is William Cook Holdings Limited a company registered in England and Wales.

19. CONTINGENT LIABILITIES

Group contingent liabilities relating to guarantees, performance bonds and other items of a normal trading nature amounted to £1,127,000 (2016: £899,000).

Business name has given guarantees in respect of bank indebtedness of fellow group undertakings, which amounted to £7,017,000 (2016: £4,411,000).

20. CAPITAL COMMITMENTS

There were no contracted capital commitments at the period end (2016: £nil).

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

NOTES TO THE FINANCIAL STATEMENTS - continued
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22. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATE UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Critical judgements in applying the Group and Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Useful economic life of goodwill

The directors have assessed that the goodwill related to historic acquisitions has a useful economic life of 40 years.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of stock

The company is exposed to risk of stock being valued above its net realisable value. Provisions are recorded to reduce the value of stocks to their net realisable value as determined by estimates of selling prices.