

IPL Union Limited

Registered number: 07250317

Annual Report

For the year ended 30 September 2019

IPL UNION LIMITED

COMPANY INFORMATION

Directors	N K Macaulay F C Kritzinger M N Latona
Company secretary	F C Kritzinger
Registered number	07250317
Registered office	Tower Bridge House St Katharine's Way London E1W 1DD
Independent auditors	SBM Associates Limited Chartered Accountants & Statutory Auditor 24 Wandsworth Road London SW8 2JW

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**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

The directors present their report and the audited financial statements for the year ended 30 September 2019.

Directors' responsibilities statement

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the audited financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the audited 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 audited financial statements, the directors are required to:

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the audited 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 to enable them to ensure that the audited 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.

Principal activity

The principal activity of the company is marketing for its parent company, Intercontinental Procurement Limited.

Directors

The directors who served during the year and to the date of this report were:

N K Macaulay
F C Fouche (resigned 2 September 2019)
F C Kritzinger
M N Latona

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

Going concern

The COVID-19 outbreak has not materially adversely affected the demand for the primary products of our clients. On the production side the company has seen some disruptions to the supply chain and products are taking longer to get released at ports. However, we don't expect this to have a significant change in our profit estimates for the upcoming financial year. It is clear that the present operating environment is extremely challenging, however, it is expected that the current crisis will not last forever.

In light of this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

Impact of the United Kingdom exit from the European Union on the company

At an operational level, the impact on the company's businesses from the current uncertainty over the terms of the United Kingdom exit from the European Union is not expected to be significant in terms of the company's overall profitability.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Post balance sheet events

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 September 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods.

Auditors

During the year SBM Associates Limited were appointed as auditor.

The auditor, SBM Associates Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

IPL UNION LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 SEPTEMBER 2019

This report was approved by the board and signed on its behalf.

F C Kritzing
Director

Date: 23 June 2020

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPL UNION LIMITED

Opinion

We have audited the financial statements of IPL Union Limited (the 'company') for the year ended 30 September 2019 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Emphasis of matter – Impact of the outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 1, and the consideration in the going concern basis of preparation on note 2.2 and non-adjusting post balance sheet events on note 15.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19, The potential impact of COVID-19 became significant in March 2020 and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPL UNION LIMITED

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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, 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF IPL UNION LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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

Other information

Without qualifying our opinion we draw attention to the accounting policies on pages 10 to 16 of the financial statements and the fact that the comparative information in the financial statements was unaudited.

Stephen McAlpine (Senior statutory auditor)

for and on behalf of SBM Associates Limited
Chartered Accountants and Statutory Auditor

24 Wandsworth Road

London
SW8 2JW

29 June 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Note	2019 £	Unaudited 2018 £
Turnover		635,404	615,599
Cost of sales		(107,635)	(96,260)
Gross profit		<u>527,769</u>	<u>519,339</u>
Administrative expenses		(517,968)	(497,017)
Operating profit		<u>9,801</u>	<u>22,322</u>
Tax on profit	6	(2,883)	(4,990)
Profit for the financial year		<u><u>6,918</u></u>	<u><u>17,332</u></u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>6,918</u></u>	<u><u>17,332</u></u>

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of comprehensive income.

The notes on pages 11 to 21 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2019

	Note	2019 £	Unaudited 2018 £
Fixed assets			
Tangible assets	7	3,843	5,255
		<u>3,843</u>	<u>5,255</u>
Current assets			
Debtors: amounts falling due after more than one year	8	4,826	4,826
Debtors: amounts falling due within one year	8	250,686	219,583
Cash at bank and in hand	9	3,538	9,393
		<u>259,050</u>	<u>233,802</u>
Creditors: amounts falling due within one year	10	(152,778)	(135,357)
Net current assets		<u>106,272</u>	<u>98,445</u>
Total assets less current liabilities		<u>110,115</u>	<u>103,700</u>
Provisions for liabilities			
Deferred tax		(390)	(893)
		<u>(390)</u>	<u>(893)</u>
Net assets		<u><u>109,725</u></u>	<u><u>102,807</u></u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		109,723	102,805
		<u><u>109,725</u></u>	<u><u>102,807</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

IPL UNION LIMITED
REGISTERED NUMBER: 07250317

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 SEPTEMBER 2019

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

M N Latona
Director

Date: 23 June 2020

F C Kritzing
Director

Date: 23 June 2020

The notes on pages 11 to 21 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2017	2	85,473	85,475
Comprehensive income for the year			
Profit for the year	-	17,332	17,332
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	17,332	17,332
Total transactions with owners	-	-	-
At 1 October 2018	2	102,805	102,807
Comprehensive income for the year			
Profit for the year	-	6,918	6,918
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	6,918	6,918
Total transactions with owners	-	-	-
At 30 September 2019	<u>2</u>	<u>109,723</u>	<u>109,725</u>

The notes on pages 11 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

1. General information

IPL Union Limited is a private company limited by shares incorporated in England and Wales. The company registration number is 07250317. The address of its registered office is Tower Bridge House, St Katharine's Way, London, E1W 1DD.

The principal activity of the company is marketing for its parent company, Intercontinental Procurement Limited.

The financial statements have been presented in Pound Sterling as this is the currency of the primary economic environment in which the company operates and is rounded to the nearest pound.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The COVID-19 outbreak has not materially adversely affected the demand for the primary products of our clients. On the production side the company has seen some disruptions to the supply chain and products are taking longer to get released at ports. However, we don't expect this to have a significant change in our profit estimates for the upcoming financial year. It is clear that the present operating environment is extremely challenging, however, it is expected that the current crisis will not last forever.

In light of this, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before turnover is recognised:

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Fixtures and fittings	-	20%	straight line
Computer equipment	-	33%	straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.7 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

2.10 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.11 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and future years, if the revision affects both current and future years.

3.1 Critical judgements in applying the company's accounting policies

The preparation of financial statements in conformity with FRS 102 requires management to exercise judgement in the process of applying the company's accounting policies. Management do not consider there to be any areas of significant judgement or accounting complexity.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key 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 are discussed below.

(i) Recoverability of debtors

The directors establish a provision for debts that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the aging of the debts, past experience of recoverability, and the credit profile of individual or groups of customers.

4. Cost of sales

	2019 £	Unaudited 2018 £
Profit share	107,635	96,260
	<u>107,635</u>	<u>96,260</u>

5. Employees

The average monthly number of employees, including directors, during the year was 5 (2018 - 5).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

6. Taxation

	2019	Unaudited
	£	2018
		£
Corporation tax		
Current tax on profits for the year	3,488	4,644
Adjustments in respect of previous periods	(102)	294
	<u>3,386</u>	<u>4,938</u>
Deferred tax		
Origination and reversal of timing differences	(503)	52
	<u>(503)</u>	<u>52</u>
Taxation on profit on ordinary activities	<u>2,883</u>	<u>4,990</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019	Unaudited
	£	2018
		£
Profit on ordinary activities before tax	<u>9,801</u>	<u>22,322</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	1,886	4,344
Effects of:		
Expenses not deductible for tax purposes	1,039	358
Adjustment to tax charge in respect of prior periods	(102)	294
Adjust deferred tax to average rate of 19%	60	(6)
Total tax charge for the year	<u>2,883</u>	<u>4,990</u>

Factors that may affect future tax charges

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019

6. Taxation (continued)

A reduction in the UK corporation tax rate from 19% to 17% was substantively enacted in September 2016 to be effective from 1 April 2020. It is expected that in the foreseeable future following the date of this report, this reduction from 19% to 17% will be cancelled via a subsequent Act of Parliament. Future deferred tax balances are therefore likely to be measured using a rate of 19%, however prior to the passing of such an Act, the applicable rate remains 17%. Deferred tax amounts at the balance sheet date have therefore been measured and reflected in these financial statements using a rate of 17%.

7. Tangible fixed assets

	Fixtures and fittings	Computer equipment	Total
	£	£	£
Cost or valuation			
At 1 October 2018	5,955	11,733	17,688
Additions	-	2,862	2,862
Disposals	(2,862)	-	(2,862)
	<hr/>	<hr/>	<hr/>
At 30 September 2019	3,093	14,595	17,688
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 October 2018	3,481	8,952	12,433
Charge for the year on owned assets	494	3,780	4,274
Disposals	(2,862)	-	(2,862)
	<hr/>	<hr/>	<hr/>
At 30 September 2019	1,113	12,732	13,845
	<hr/>	<hr/>	<hr/>
Net book value			
At 30 September 2019	<u>1,980</u>	<u>1,863</u>	<u>3,843</u>
At 30 September 2018	<u>2,474</u>	<u>2,781</u>	<u>5,255</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

8. Debtors

	2019	Unaudited
	£	2018
		£
Due after more than one year		
Other debtors	4,826	4,826
	<u>4,826</u>	<u>4,826</u>
	2019	Unaudited
	£	2018
		£
Due within one year		
Amounts owed by group undertakings	244,903	215,462
Other debtors	2,210	-
Prepayments and accrued income	3,573	4,121
	<u>250,686</u>	<u>219,583</u>

Amounts owed by group undertakings are unsecured, interest free and payable on demand.

9. Cash and cash equivalents

	2019	Unaudited
	£	2018
		£
Cash at bank and in hand	3,538	9,393
	<u>3,538</u>	<u>9,393</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

10. Creditors: Amounts falling due within one year

	2019 £	Unaudited 2018 £
Trade creditors	1,742	17,070
Corporation tax	3,488	4,644
Other taxation and social security	9,498	-
Other creditors	2,301	13,956
Accruals and deferred income	135,749	99,687
	<u>152,778</u>	<u>135,357</u>

11. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £19,993 (2018: £16,112). Contributions totalling £1,951 (2018: £nil) were payable to the fund at the balance sheet date.

12. Commitments under operating leases

At 30 September 2019 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	11,464	11,464
Later than 1 year and not later than 5 years	9,554	21,018
	<u>21,018</u>	<u>32,482</u>

13. Related party transactions

The company is a wholly owned member of Intercontinental Procurement Limited, and as such has taken advantage of the exemption permitted by FRS 102 section 33 related party disclosure, not to provide disclosures of transaction entered into with other wholly owned members of the group.

At the year end, the company was owed £244,903 (2018: £215,462) by Intercontinental Procurement Limited, the immediate parent company. The amount is shown in amounts owed by group undertakings.

At the year end, the company owed £93,832 (2018: £13,956) to N K Macaulay, a director of the company. This amount is shown in accruals and deferred income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2019**

14. Post balance sheet events

The company has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 30 September 2019 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the company for future periods

15. Controlling party

The immediate parent company is Intercontinental Procurement Limited, a company incorporated in Hong Kong. There registered address is Room 14th Floor, World Commerce, Harbour City, 7-11 Canton Road Centre, Kowloon, Hong Kong, 523508. The ultimate parent company is UVL Global Trading Limited, a company incorporated in Mauritius.

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