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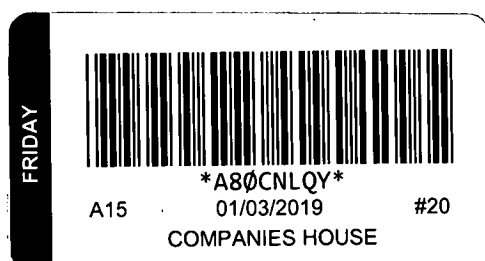
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## H & S TOOL HOLDINGS LTD

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### ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018



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**H & S TOOL HOLDINGS LTD**

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**COMPANY INFORMATION**

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<b>Directors</b>	T Cunningham J Hazlett
<b>Registered number</b>	09760620
<b>Registered office</b>	Unit 7 Castlehill Industrial Estate Horsfield Way Bredbury Stockport SK6 2SU
<b>Independent auditors</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB
<b>Bankers</b>	Natwest 1 Spinningfields Square Manchester M3 3AP

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**H & S TOOL HOLDINGS LTD**

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## H & S TOOL HOLDINGS LTD

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY 2018

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The directors present their report and the financial statements for the year ended 31 May 2018.

#### Principal activity

The principal activity of the Company is provision of business support service activities through the sale and rental of portable machining tools.

#### Directors

The directors who served during the year were:

T Cunningham

M Love (resigned 16 March 2018)

J Hazlett (appointed 16 March 2018)

#### Directors' responsibilities statement

The directors are responsible for preparing 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 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, 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 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 to 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' Reports may differ from legislation in other jurisdictions.

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**H & S TOOL HOLDINGS LTD**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MAY 2018**

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**Conclusions relating to going concern**

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The Company currently meets its day to day working capital requirements through intercompany funding. The continuation of the Company's activities is dependent upon the continuing support of its ultimate parent company, CPMT Holdings Corp.

The directors have concluded, after making enquiries, that they have a reasonable expectation that the Company has access to adequate resources, and the support from its ultimate parent company, to enable it to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

**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 they are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

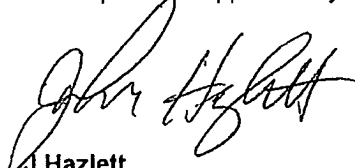
**Auditors**

The auditors, Grant Thornton UK LLP, 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.

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



**J Hazlett**  
Director

Date: 27 February 2019



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H & S TOOL HOLDINGS LTD

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### Opinion

We have audited the financial statements of H & S Tool Holdings Ltd (the 'Company') for the year ended 31 May 2018, which comprise the Statement of Income and Retained Earnings, the Statement of Financial Position 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 Financial Reporting Standard 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 31 May 2018 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 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 Auditors' 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.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H & S TOOL HOLDINGS LTD (CONTINUED)**

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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.

### **Opinion 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.

### **Matter on which we are required to report under the Companies Act 2006**

In the 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.



## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF H & S TOOL HOLDINGS LTD (CONTINUED)

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### Auditors' 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 Auditors' 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditors' Report.

### Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' 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.

*Grant Thornton UK LLP*

Joanne Love  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
**Grant Thornton UK LLP**  
Statutory Auditor, Chartered Accountants  
Statutory Auditor  
Manchester

27 February 2019

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**H & S TOOL HOLDINGS LTD**

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**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MAY 2018**

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	Note	2018 £	2017 £
Turnover		2,193,650	1,836,661
Cost of sales		(1,149,295)	(850,164)
<b>Gross profit</b>		<u>1,044,355</u>	<u>986,497</u>
Distribution costs		(69,130)	(56,445)
Administrative expenses		(838,365)	(1,044,938)
<b>Operating profit/(loss)</b>	3	<u>136,860</u>	<u>(114,886)</u>
Interest payable and expenses	7	(59,125)	(68,826)
<b>Profit/(loss) before tax</b>		<u>77,735</u>	<u>(183,712)</u>
Tax on profit/(loss)		-	-
<b>Profit/(loss) after tax</b>		<u><u>77,735</u></u>	<u><u>(183,712)</u></u>
 Retained earnings at the beginning of the year		 (221,120)	 (37,408)
		<u>(221,120)</u>	<u>(37,408)</u>
Profit/(loss) for the year		77,735	(183,712)
<b>Retained earnings at the end of the year</b>		<u><u>(143,385)</u></u>	<u><u>(221,120)</u></u>

The notes on pages 8 to 19 form part of these financial statements.

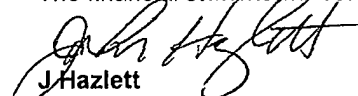
**H & S TOOL HOLDINGS LTD**  
**REGISTERED NUMBER:09760620**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 MAY 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	8	(148,640)	(165,156)
Tangible assets	9	1,234,479	1,536,656
Investments	10	216,809	216,809
		<u>1,302,648</u>	<u>1,588,309</u>
<b>Current assets</b>			
Stocks	11	103,394	133,218
Debtors: amounts falling due within one year	12	918,710	871,832
Cash at bank and in hand	13	183,661	159,557
		<u>1,205,765</u>	<u>1,164,607</u>
Creditors: amounts falling due within one year	14	(1,002,084)	(1,288,477)
<b>Net current assets/(liabilities)</b>		<u>203,681</u>	<u>(123,870)</u>
<b>Total assets less current liabilities</b>		<u>1,506,329</u>	<u>1,464,439</u>
Creditors: amounts falling due after more than one year	15	(989,714)	(1,025,559)
<b>Net assets</b>		<u><u>516,615</u></u>	<u><u>438,880</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	625,000	625,000
Share premium account	17	35,000	35,000
Profit and loss account	17	(143,385)	(221,120)
		<u><u>516,615</u></u>	<u><u>438,880</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.

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

  
**J. Hazlett**  
 Director

Date: 27 February 2019

The notes on pages 8 to 19 form part of these financial statements.

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 1. General information

H & S Tools Holdings Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at Unit 7 Castlehill Industrial Estate, Horsfield Way, Bredbury, Stockport, SK6 2SU.

The principal activity of the Company is the provision of business support service activities through the sale and rental of portable machining tools.

#### 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 Company is a parent undertaking of a small group, and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The Company currently meets its day to day working capital requirements through intercompany funding. The continuation of the Company's activities is dependent upon the continuing support of its ultimate parent company, CPMT Holdings Corp.

The directors have concluded, after making enquiries, that they have a reasonable expectation that the Company has access to adequate resources, and the support from its ultimate parent company, to enable it to continue in operational existence for the foreseeable future being a period of not less than 12 months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

##### 2.3 Revenue

Turnover comprises revenue recognised by the Company in respect of sale and rental of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. Revenue is recognised upon the despatch of goods relating to sales and rental and service revenue in the period which it relates.

##### 2.4 Intangible assets

Negative goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, negative goodwill is measured at cost less accumulated amortisation. Negative goodwill is amortised on a straight line basis to the Statement of total comprehensive Income over its useful economic life of 8 years.

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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## 2. Accounting policies (continued)

### 2.5 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.

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.

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:

Leasehold property improvements	- 20%
Rental equipment	- 33%
Motor vehicles	- 33%

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 total Comprehensive Income.

### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

### 2.8 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.

### 2.9 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.

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 2. Accounting policies (continued)

##### 2.10 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 and loans from related parties.

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 income and retained earnings.

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.

##### 2.11 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.

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## **H & S TOOL HOLDINGS LTD**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018**

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#### **2. Accounting policies (continued)**

##### **2.12 Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is sterling (£).

###### **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 Income and Retained Earnings 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 Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

##### **2.13 Finance costs**

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **2.14 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of total comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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**H & S TOOL HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**2. Accounting policies (continued)**

**2.15 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 Income and Retained Earnings 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.

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 3. Operating profit/(loss)

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

	2018 £	2017 £
Depreciation of tangible fixed assets	352,326	338,502
Amortisation of negative goodwill	(16,516)	(28,135)
	<u>335,810</u>	<u>310,367</u>

#### 4. Auditors' remuneration

Fees payable to the Company's auditor for the audit of the Company's annual financial statements totalled £9,000 (2017 - £8,500).

Fees payable to the Company's auditor and its associates in respect of Accounting Services totalled £500 (2017: £500)

#### 5. Employees

The average monthly number of employees, including directors, during the year was 6 (2017 - 6).

#### 6. Directors' remuneration

During the current and prior year, no director received any emoluments.

#### 7. Interest payable and similar expenses

	2018 £	2017 £
On loans from group undertakings	59,125	68,826
	<u>59,125</u>	<u>68,826</u>

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H & S TOOL HOLDINGS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018

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8. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 June 2017	(213,119)
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At 31 May 2018	(213,119)
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<b>Amortisation</b>	
At 1 June 2017	(47,963)
Charge for the year	(16,516)
	<hr/>
At 31 May 2018	(64,479)
	<hr/>
<b>Net book value</b>	
At 31 May 2018	(148,640)
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At 31 May 2017	(165,156)
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**H & S TOOL HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**9. Tangible fixed assets**

	Leasehold property improvements £	Rental equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 June 2017	42,630	1,974,128	19,853	2,036,611
Additions	850	98,858	-	99,708
Disposals	-	(90,718)	-	(90,718)
At 31 May 2018	<u>43,480</u>	<u>1,982,268</u>	<u>19,853</u>	<u>2,045,601</u>
<b>Depreciation</b>				
At 1 June 2017	8,482	488,578	2,895	499,955
Charge for the year on owned assets	9,560	337,802	4,964	352,326
Disposals	-	(41,159)	-	(41,159)
At 31 May 2018	<u>18,042</u>	<u>785,221</u>	<u>7,859</u>	<u>811,122</u>
<b>Net book value</b>				
At 31 May 2018	<u><u>25,438</u></u>	<u><u>1,197,047</u></u>	<u><u>11,994</u></u>	<u><u>1,234,479</u></u>
At 31 May 2017	<u><u>34,148</u></u>	<u><u>1,485,550</u></u>	<u><u>16,958</u></u>	<u><u>1,536,656</u></u>

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**H & S TOOL HOLDINGS LTD**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018**

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**10. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 June 2017	216,809
At 31 May 2018	<u>216,809</u>
<b>Net book value</b>	
At 31 May 2018	<u><u>216,809</u></u>
At 31 May 2017	<u><u>216,809</u></u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Country of incorporation</b>	<b>Class of shares</b>	<b>Holding</b>	<b>Principal activity</b>
Climax Asia Pacific PTE Ltd	Singapore	Ordinary	100 %	Portable machine tools
Climax Portable Machining & Welding Systems	Dubai	Ordinary	100 %	Portable machine tools

The aggregate of the share capital and reserves as at 31 May 2018 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit £
Climax Asia Pacific PTE Ltd	23,539	26,027
Climax Portable Machining & Welding Systems	196,627	76,659
	<u><u>220,166</u></u>	<u><u>102,686</u></u>

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H & S TOOL HOLDINGS LTD

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2018

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**11. Stocks**

	2018 £	2017 £
Goods for resale	103,394	133,218

**12. Debtors**

	2018 £	2017 £
Trade debtors	797,381	745,265
Amounts owed by group undertakings	88,347	81,502
Other debtors	27,776	45,065
Prepayments and accrued income	5,206	-
	918,710	871,832

**13. Cash and cash equivalents**

	2018 £	2017 £
Cash at bank and in hand	183,661	159,557

**14. Creditors: Amounts falling due within one year**

	2018 £	2017 £
Trade creditors	79,459	17,775
Amounts owed to group undertakings	678,140	931,080
Other taxation and social security	59,716	43,119
Other creditors	5,909	296,503
Accruals and deferred income	178,860	-
	1,002,084	1,288,477

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 15. Creditors: Amounts falling due after more than one year

	2018 £	2017 £
Amounts owed to group undertakings	<u>989,714</u>	<u>1,025,559</u>

Amount owed to group undertakings relate to two loan facilities and are repayable on the 9th anniversary of the issue date. The loans are unsecured and interest is payable at 6.375%.

#### 16. Share capital

	2018 £	2017 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
625,000 (2017 - 625,000) Ordinary shares of £1.00 each	<u>625,000</u>	<u>625,000</u>

#### 17. Reserves

##### Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### Profit and loss account

Includes all current and prior period retained profits and losses.

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## H & S TOOL HOLDINGS LTD

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2018

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#### 18. Related party transactions

During the year the Company purchased goods amounting to £893,042 (2017: £822,403) from Climax Portable Machine Tools Inc., a company registered in the United States of America which is a fellow subsidiary of its parent company. At the balance sheet date, the Company owed amounts to this company amounted to £530,204 (2017: £601,247)

During the year the Company purchased goods amounting to £2,641 (2017: £1,076) and sold goods amounting to £145,359 (2017: £10,553) from Climax GmbH., a company registered in Germany which is a fellow subsidiary of its parent company. At the balance sheet date, the Company owed amounts to this company amounted to £25,219 (2017: £30,586). The company was also owed £81,847 (2017: £66,776) from this company

At the balance sheet date, the Company owed amounts to this company amounting to £678,140 (2017: £601,247). In addition, the Company owed £238,059 (2017: £246,681) in respect of a long term loan. Du At the balance sheet date, the Company owed amounts to this company amounting to £678,140 (2017: £601,247). In addition, the Company owed £238,059 (2017: £246,681) in respect of a long term loan. During the year the Company was charged interest at 6.375% per annum on this long term loan which amounted to £15,176 (2017: £15,726). At the balance sheet date, the Company owed £157,074 (2017: £97,949) in relation to this interest.

During the year the Company purchased goods amounting to £89,525 (2017: £316,341) from H&S Tool Holdings LLC., a company registered in the United States of America which is a subsidiary of Climax Portable Machine Tools Inc. During the year the Company sold goods amounting to £6,500 (2017: £nil)

At the balance sheet date, the Company owed amounts to this company amounted to £150,758 (2017: £299,704). The company was also owed £6,500 (2017: £nil) from this company.

At the balance sheet date, the Company owed an amount to its parent company, CPMT Intermediate Holdings Corp., a company registered in the United States of America, amounting to £751,654 (2017: £778,877) in respect of a long term loan. During the period the Company was charged interest at 6.375% per annum on this long term loan which amounted to £47,981 (2017: £49,653).

The individuals that are considered by the Company to be key management personnel have received remuneration totalling £57,669 (2017: £50,561).

#### 19. Controlling party

The immediate parent undertaking is CPMT Intermediate Holdings Corp by virtue of its ownership of the entire share capital of the Company.

The ultimate parent undertaking and ultimate controlling party is CPMT Holdings Corp.