

Annual Report and Financial Statements Accles and Pollock Limited

For the year ended 31 March 2018



Company Registration No. 09931307 (England and Wales)

Accles and Pollock Limited

Company Information

Director

S K Gupta

Company number

09931307

Registered office

No 7 Hertford Street
London
W1J 7RH

Auditors

MFLA Macintyre Hudson
New Bridge Street House
30-34 New Bridge Street
London
EC4V 6BJ

Business address

Popes Lane
Oldbury
West Midlands
B69 4PJ

Bankers

Barclays Bank Plc
Newport Commercial Street
Leicestershire
LE87 2BB

Leumi ABL Limited
126 Dyke Road
Brighton
BN1 3TE

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Director's Report For the year ended 31 March 2018

The director presents his annual report and the financial statements for the year ended 31 March 2018.

Director

The director who held office during the year and up to the date of signature of the financial statements was as follows:

S K Gupta

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Auditor

MHA MacIntyre Hudson were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put to the members.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414B to take advantage of the small companies exemption in relation to the preparation of a strategic report (Accounts and Reports) Regulations 2013.

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.

Statement of disclosure to auditor

So far as the sole director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the director has taken all the necessary steps that he ought to have taken as director in order to make himself aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

S K Gupta
Director

Date: 26.01.2019

Director's Responsibilities Statement

For the year ended 31 March 2018

The director is responsible for preparing the annual report in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these financial statements, the director is 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He is 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.

Independent Auditors' Report

To the members of Accles and Pollock Limited

OPINION

We have audited the financial statements of Accles and Pollock Limited (the 'company') for the year ended 31 March 2018, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 March 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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.

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

Independent Auditors' Report

To the members of Accles and Pollock Limited

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in or the Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the director was not entitled to take advantage of the small companies' exemption in preparing the director's report and from the requirement to prepare a Strategic Report.

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Director's Responsibilities Statement on page 2, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

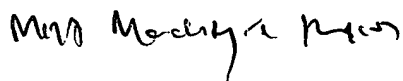
Independent Auditors' Report To the members of Accles and Pollock Limited

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. 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.



YOGAN PATEL FCA (Senior Statutory Auditor)

for and on behalf of

MHA MacIntyre Hudson

Chartered Accountants

Statutory Auditors

New Bridge Street House

30-34 New Bridge Street

London

EC4V 6BJ

Date:

8/4/15

Statement of Comprehensive Income

For the year ended 31 March 2018

		Year ended 31 March 2018	Year ended 31 March 2017
	Note	£	£
Revenue	3	8,363,474	6,845,984
Cost of sales		(6,322,852)	(4,259,594)
Gross profit		<u>2,040,622</u>	<u>2,586,390</u>
Distribution costs		(95,725)	(71,742)
Administration expenses		(719,769)	(493,420)
Other operating income		-	-
Operating profit	4	<u>1,225,128</u>	<u>2,021,228</u>
Interest payable	5	(72,526)	(49,090)
Profit on ordinary activities before taxation		<u>1,152,602</u>	<u>1,972,138</u>
Taxation	7	8,808	(55,510)
Profit for the financial year		<u>1,161,410</u>	<u>1,916,628</u>
Total comprehensive income for the year		<u>1,161,410</u>	<u>1,916,628</u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

Statement of Financial Position

For the year ended 31 March 2018

	Note	2018 £	2017 £
Fixed assets			
Negative goodwill	8	(1,922,234)	(2,616,524)
Other intangible asset	8	1,740,115	2,392,658
Property, plant and equipment	9	2,153,882	947,660
		<u>1,971,763</u>	<u>723,794</u>
Current assets			
Inventories	11	893,262	827,021
Trade and other receivable	12	5,088,792	3,073,636
Cash at bank and in hand		24,943	730,554
		<u>6,006,997</u>	<u>4,631,211</u>
Current Liabilities	13	<u>(3,397,993)</u>	<u>(2,621,215)</u>
Net current assets		<u>2,609,004</u>	<u>2,009,996</u>
Total assets less current liabilities		<u>4,580,767</u>	<u>2,733,790</u>
Non-current liabilities	14	<u>(1,105,339)</u>	<u>(410,964)</u>
Provisions for liabilities	17	<u>(46,702)</u>	<u>(55,510)</u>
Net assets		<u>3,428,726</u>	<u>2,267,316</u>
Equity			
Called up share capital	19	198,050	198,050
Retained earnings		3,230,676	2,069,266
Total equity		<u>3,428,726</u>	<u>2,267,316</u>

The financial statements were approved and signed by the director and authorised for issue on

26.01.18

S K 
Director

Company Registration No. 09931307

Statement of Changes in Equity

For the year ended 31 March 2018

	Share capital £	Retained earnings £	Total equity £
At 1 April 2016	50	152,638	152,688
Issue of share capital	198,000	-	198,000
Profit for the year	-	1,916,628	1,916,628
Balance at 31 March 2017	198,050	2,069,266	2,267,316
At 1 April 2017	198,050	2,069,266	2,267,316
Profit for the year	-	1,161,410	1,161,410
Balance at 31 March 2018	198,050	3,230,676	3,428,726

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies

Company information

Accles and Pollock Limited (Company No. 09931307) is a company limited by shares incorporated in England and Wales. The registered office is No 7 Hertford Street, London, W1J 7RH. Principal place of business is Popes Lane, Oldbury, West Midlands, B69 4PJ.

1.1 Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £ sterling.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the disclosure exemptions permitted by paragraph 1.12 of FRS 102 in relation to the presentation of a statement of cash flows and the supporting notes, on the basis that the company is consolidated into the financial statements of Liberty Global Holdings Pte Limited, the ultimate parent company, which presents a consolidated statement of cash flows.

1.2 Going concern

At the time of approving the financial statements, the company has adequate resources to continue in operational existence for the foreseeable future on the understanding that the company has the ongoing support of group entities which have lent money to the company, and its bankers who are providing facilities to the company. Thus the director has adopted the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods supplied in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies (continued)

1.4 Intangible fixed assets – goodwill

Negative goodwill represents the excess of the net fair values of assets acquired over the cost of the acquisition. This is largely attributable to plant and equipment and intangible fixed assets and the negative goodwill is accordingly credited to income over the following basis:

Negative goodwill relating to fixed assets:	3-10 years
Negative goodwill relating to long term customer relationships:	5 years

being the period over which the corresponding fixed assets are depreciated.

1.5 Intangible fixed assets – other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Intangible fixed assets are considered to have finite useful lives and are amortised on a systematic basis over their expected lives as follows:

Long term customer relationships:	5 years
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1.6 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment:	3-10 years
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1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies (continued)

1.8 Inventories

Inventories are stated at the lower of cost and net realisable value. For work in progress and finished goods manufactured by the company, cost is taken as a production cost, which includes an appropriate proportion of attributable overheads. Cost is based on the cost of purchase on a weighted average basis.

Net realisable value is based on estimated selling price less further costs to completion and sale.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in the statement of comprehensive income. Reversals of impairment losses are also recognised in the statement of comprehensive income.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks.

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies (continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including payables, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies (continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

The pension costs for defined contribution schemes are the contributions payable in the year.

1.15 Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. Depreciation on the relevant asset is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the statement of comprehensive income over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

1.16 Operating leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Notes to the Financial Statements

For the year ended 31 March 2018

1 Accounting policies (continued)

1.17 Foreign exchange

Foreign currency transactions are translated at the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. All differences are taken to the statement of comprehensive income.

1.18 Financial risk management

The company is exposed to financial risk arising from its financial assets and liabilities. The key financial risk is that the proceeds from financial assets may not be sufficient to fund the obligations arising from liabilities as they fall due. The most important components of financial risk are credit risk and liquidity risk.

Exposure to credit risk is mitigated by rigorous credit control checks.

Liquidity risk is managed by regular monitoring of working capital requirements.

Notes to the Financial Statements

For the year ended 31 March 2018

2 Judgements and key sources of estimation and uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in that period of the revision and future periods.

Critical judgements

The following judgements (apart from those involving estimations) have had the most significant effect on amounts recognised in the financial statements.

Inventories impairments and provisions

Inventories are valued at the lower of cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete inventories. Calculation of these estimates require judgements to be made, which include forecasting consumer demand, competitive and economic environment and inventory loss trends. This is regularly reviewed by the management on a regular basis. WIP is applied based on material cost and assessed % of completion based on individual works orders.

A provision for stock loss is made to ensure the accounts reflect the lowest of net realisable value or cost.

The provision comprises two elements

1. The loss between calculated production weight and actual weight of stock dispatched to customers as it crosses the weighbridge.
2. The loss due to ageing of finished goods.

In both instances historic costs are used to calculate the provision.

Fair value of assets acquired

On acquisition of the trade and assets, in accordance with accounting standards, the company has valued its identifiable assets and liabilities at fair value. In deriving the valuation of plant and machinery, which is judgemental, the director has sought the expertise of external valuers. The fair value of other intangibles has been derived based on the director's best estimate.

The key sources of estimation and uncertainty which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are:

Useful lives of property, plant and equipment, long term customer relationships & negative goodwill

Management reviews the useful lives of property, plant and equipment, long term customer relationships on a regular basis. Any changes in estimates may affect the carrying amounts of the respective property, plant and equipment with a corresponding effect on the related depreciation charge. This will also have an impact on the amortisation of the negative goodwill which is in relation to the useful life of the assets.

Dilapidations and environmental provision

An estimate for costs associated with rented building dilapidation costs and environmental charges has been made that reflects potential costs and likelihood of incurring such cost.

Notes to the Financial Statements

For the year ended 31 March 2018

2 Judgements and key sources of estimation and uncertainty (continued)

Impairment Review

In performing their impairment tests the director has determined that the business unit represents the smallest identifiable group of assets that generate independent cash flows. In determining the Value in Use for comparison with the carrying amount of these assets management have estimated the future cash flows over the remaining useful life of these assets. In determining these cash flows the director has used an implicit average growth rate which represents their best estimate of the expected future performance of the business. Expected future cash flows have been discounted using the company's estimated incremental borrowing rate. The result of these impairment tests have yielded a surplus of 2.7 times the carrying value of the assets. Accordingly, no impairment charge has been recognised in these financial statements. As part of their ongoing review of the carrying amounts and useful lives of these assets management will continue to monitor these assets and the Value In Use to determine whether an impairment charge will be required in the future.

3 Revenue

An analysis of the company's revenue for the year is as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Revenue		
Sale of goods	8,363,474	6,845,984
	<hr/>	<hr/>
Revenue analysed by geographical market	Year ended 31 March 2018 £	Year ended 31 March 2017 £
United Kingdom	4,529,869	4,428,245
Rest of Europe	662,175	450,887
North America (Canada, USA, Mexico)	1,976,528	1,902,939
Rest of the world	1,194,902	63,913
	<hr/>	<hr/>
	8,363,474	6,845,984
	<hr/>	<hr/>

Notes to the Financial Statements

For the year ended 31 March 2018

4 Operating profit

Operating profit for the year is stated after charging/(crediting):

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Foreign exchange (gain)/loss	57,191	(31,568)
Fees paid to the auditors for the audit of the Company's Financial Statements	39,258	16,000
Depreciation of property, plant & equipment	85,904	159,634
Depreciation of finance lease assets	88,906	33,000
Release of negative goodwill	(694,290)	(783,508)
Long term customer relationship amortisation	652,543	652,542
Cost of inventory recognised as an expense	4,216,295	3,388,423
Operating lease charges	565	436

5 Interest Payable

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Finance lease interest	24,612	14,443
Other loans	15,631	12,753
Receivables finance facility	32,283	21,894
	72,526	49,090

Notes to the Financial Statements

For the year ended 31 March 2018

6 Employees

The average number of persons employed by the company during the year was:

	2018 Number	2017 Number
Production & Sales	40	35
Administration	2	2
	<u>42</u>	<u>37</u>

Their aggregate remuneration comprised:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Wages and salaries	1,402,757	1,181,684
Social security costs	117,901	90,381
Pension costs	55,097	27,849
	<u>1,553,755</u>	<u>1,299,914</u>

Key management personnel were remunerated in the year through a related company, Liberty Tube Components Limited.

Notes to the Financial Statements

For the year ended 31 March 2018

7 Taxation

a) Tax charged in the statement of comprehensive income

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Current tax		
UK corporation tax on profits for the current year		
Total current tax charge		
Deferred tax		
Origination and reversal of timing differences	8,808	55,510
Tax expense in the statement of comprehensive income	8,808	55,510

b) Reconciliation of the total tax charge

The actual tax charge for the year can be reconciled to the expected charge based on the profit or loss and the standard rate of tax as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Profit before taxation	1,152,602	1,972,138
Expected tax charge based on standard rate of corporation tax in the UK of 19% (2017: 20%)	218,994	394,428
Tax effect of expenses not deductible in determining taxable profit	(5,697)	130,508
Tax effect of income not taxable in determining taxable profit	-	(156,702)
Other adjustments	-	(388,524)
Fixed asset differences	(35,898)	20,290
Group Relief (claimed)/surrendered	(177,399)	-
Deferred tax movement	8,808	55,510
Tax expense for the year	8,808	55,510

Notes to the Financial Statements

For the year ended 31 March 2018

7 Taxation (continued)

c) Deferred tax

The deferred tax liability is as follows:

	Year ended 31 March 2018 £	Year ended 31 March 2017 £
Retirement/Employee benefits	(6,314)	-
Fixed asset timing differences	53,016	55,510
Provision for deferred tax (note 17)	<u>46,702</u>	<u>55,510</u>

8 Intangible fixed assets

	Negative goodwill £	Long-term customer relationships £	Total £
Cost			
At 1 April 2017	(3,629,782)	3,262,715	(367,067)
At 31 March 2018	<u>(3,629,782)</u>	<u>3,262,715</u>	<u>(367,067)</u>
Amortisation and impairment			
At 1 April 2017	(1,013,258)	870,057	(143,201)
Charge for the year	<u>(694,290)</u>	<u>652,543</u>	<u>(41,747)</u>
At 31 March 2018	<u>(1,707,548)</u>	<u>1,522,600</u>	<u>(184,948)</u>
Net book value			
At 31 March 2018	<u>(1,922,234)</u>	<u>1,740,115</u>	<u>(182,119)</u>
At 31 March 2017	<u>(2,616,524)</u>	<u>2,392,658</u>	<u>(223,866)</u>

Notes to the Financial Statements For the year ended 31 March 2018

9 Property, plant and equipment

	Plant and equipment £
Cost or valuation	
At 1 April 2017	1,165,616
Additions	1,381,032
At 31 March 2018	<u>2,546,648</u>
Depreciation and impairment	
At 1 April 2017	217,956
Charge for the year	174,810
At 31 March 2018	<u>392,766</u>
Net book value	
At 31 March 2018	<u>2,153,882</u>
At 31 March 2017	<u>947,660</u>

Included in plant and equipment are assets held under finance leases with a net book value of £1,398,602 (2017: £286,000).

10 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>5,067,301</u>	<u>3,000,522</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>3,280,250</u>	<u>2,786,534</u>

Financial assets measured at amortised cost include trade receivables, amounts owed by group undertakings, amounts owed by related parties and other receivables.

Financial liabilities measured at amortised cost include trade payables, amounts owed to group undertakings, amounts owed to related parties, other payables, receivables finance facility, other loans and deferred income.

Notes to the Financial Statements

For the year ended 31 March 2018

11 Inventories

	2018	2017
	£	£
Raw materials and consumables	371,419	261,046
Work In Progress	513,530	561,733
Finished goods and good for resale	8,313	4,242
	<u>893,262</u>	<u>827,021</u>

An impairment loss of £47,227 (2017: £223,672) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

12 Trade and other receivables

	2018	2017
	£	£
Trade receivables	2,601,709	1,384,376
Amounts owed by group undertakings	2,212,613	1,580,217
Amounts owed by related parties (note 20)	53,326	35,929
Other receivables	199,653	36,966
Prepayments and accrued income	<u>21,491</u>	<u>36,148</u>
	<u>5,088,792</u>	<u>3,073,636</u>

An impairment loss/(gain) of (£14,520) (2017: £14,520) was recognised in administrative expenses against trade receivables during the year due to bad and doubtful debts.

13 Current Liabilities

	2018	2017
	£	£
Receivables finance facility	1,171,471	871,824
Other loans (note 16)	71,401	166,290
Obligations under finance lease (note 15)	261,707	58,617
Trade payables	1,045,524	774,835
Amounts due to group undertakings	97,375	11,935
Amounts due to related parties (note 20)	282,008	282,008
Other taxation and social security	35,927	27,356
Other payables	137,141	195,307
Accruals and deferred income	<u>295,439</u>	<u>233,043</u>
	<u>3,397,993</u>	<u>2,621,215</u>

Amounts owed to group undertakings and related parties have no fixed repayment date and are non-interest-bearing. The receivables finance facility is guaranteed by a fixed and floating charge over the assets of the company.

Notes to the Financial Statements For the year ended 31 March 2018

14 Non-current liabilities

	2018	2017
	£	£
Other loans (note 16)	179,891	251,292
Obligations under finance leases (note 15)	925,448	159,672
	<u>1,105,339</u>	<u>410,964</u>

15 Finance lease obligations

	2018	2017
	£	£
Future minimum payments under finance leases:		
Within one year	309,880	67,745
Within two to five years	998,140	169,364
	<u>1,308,020</u>	<u>237,109</u>
Future finance lease interest	(120,865)	(18,820)
	<u>1,187,155</u>	<u>218,289</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery.

Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease terms is 4.5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. Finance lease obligations are secured against the relevant assets.

16 Other loans

Loan repayable, included in current and non-current liabilities, are as follows:

	2018	2017
	£	£
Within one year	71,401	166,290
Within one to two years	74,818	71,401
Within two to five years	105,073	179,891
	<u>251,292</u>	<u>417,582</u>

Other loans are bearing interest at 4.75% per annum and are over a term of 5 years. The loan is guaranteed by a fixed and floating charge over certain assets of the company.

Notes to the Financial Statements

For the year ended 31 March 2018

17 Provisions for liabilities

	Deferred tax £
At 1 April 2017	55,510
Movement in the period (note 7)	(8,808)
At 31 March 2018	<u>46,702</u>

18 Retirement benefit schemes

Defined contribution schemes	2018 £	2017 £
Charge to statement of comprehensive income in respect of defined contribution schemes	<u>33,097</u>	<u>27,849</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At balance sheet date, the total outstanding within current liabilities was £3,681 (2017: £3,057).

19 Share Capital

Ordinary share capital issued and fully paid	2018 £	2017 £
198,050 Ordinary shares of £1 each	<u>198,050</u>	<u>198,050</u>

20 Related party transactions

The company has taken advantage of the exemption not to disclose balance or transactions with wholly owned members of the Liberty Global Holdings Pte Ltd.

In 2016, Simec International (UK) Limited made a loan to the company to fund the acquisition of the trade and assets of Caparo Accles and Pollock Limited (In Administration) to the amount of £282,008. Simec International (UK) Limited is a company owned by the wider Gupta Family. During the 2017 financial year, this loan was assigned to SKG Global Pte Ltd, a company which is under the common control of S K Gupta. No payments have been made against this loan in this financial year. At the year end date the amount outstanding was £282,008 (2017: £282,008).

Loans were advanced to related parties in the period amounting to £17,397, bringing total related party receivable balances to £53,326 at year end (2017: £35,929)

Notes to the Financial Statements

For the year ended 31 March 2018

21 Financial commitments, guarantees and contingent liabilities

The company secured a receivables finance facility from Leumi ABL Limited, available from 24 March 2016. The facility is capped at the level of receivables and inventories, with a maximum group facility of £25m for receivables and inventories respectively. For the purposes of this facility the group comprises of Accles and Pollock Limited, Liberty Tube Components Limited, Hub le Bas Limited, Liberty Precision Tubes Limited, Liberty Drawn Tubes Limited and Liberty Steel Distribution Limited. The facilities are cross guaranteed across the group and at the balance sheet date amounted to £18.5m.

The facility is guaranteed by a fixed and floating charge over the assets of the company, a personal fraud warranty from S K Gupta, confirmation that Leumi holds a first ranking position over the assets of the entities in the group facility and a cross corporate guarantee from each entity in the group facility and their members.

At 31 March 2018 the company had contracted capital commitments of £28,471 (2017: £ nil).

22 Controlling party

The immediate parent company is Liberty Tubular Solutions Pte Limited, a company incorporated in Singapore. At 31 March 2018 the ultimate holding company was Liberty Global Holdings Pte Limited, a company also registered in Singapore.

The largest and smallest groups in which the results of the company are consolidated are headed by Liberty Global Holdings Pte Limited and Liberty Engineering Group Pte Limited respectively. The financial statements are publicly available by writing to the Company Secretary at 8 Marina View, #40-06 Asia Square Tower 1, Singapore 018960.

The ultimate beneficial owner is S K Gupta.