

Company Registration No. 07165283 (England and Wales)

GENERAC MOBILE PRODUCTS UK LTD
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



GENERAC MOBILE PRODUCTS UK LTD

COMPANY INFORMATION

Directors

D Oates
N Pagliai
A Rossi

Company number

07165283

Registered office

Office 116, The Innovation Centre
Festival Drive
Victoria Business Park
Ebbw Vale
Blaenau Gwent
NP23 8XA

Auditor

Smith Hodge & Baxter Audit Services
Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

GENERAC MOBILE PRODUCTS UK LTD

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GENERAC MOBILE PRODUCTS UK LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report and financial statements for the year ended 31 December 2018.

Review of the business

The company ceased to trade from April 2018, with the trade being transferred to Pramac-Generac UK Limited, a fellow group undertaking. The remaining assets of the company will be transferred to Pramac-Generac UK Limited from 31 December 2018 and Generac Mobile Products UK Limited will be struck-off the register of companies within the next 12 months.

Turnover has decreased to £1,329,743 from £11,078,363 as a result of the transfer of the trade to Pramac-Generac UK Limited. All employees of the company were made redundant in April 2018 when the trade was transferred, with all of the redundancy costs being recognised in these financial statements.

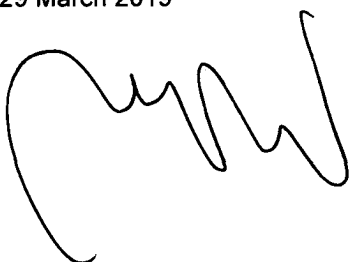
Dilapidations costs of £56,346 have also been incurred during the year to return the premises to their original conditions as required under the lease agreement. It is expected that the lease will either be terminated or novated to Pramac-Generac UK Limited before the company is struck-off.

On behalf of the board

N Pagliai

Director

29 March 2019



GENERAC MOBILE PRODUCTS UK LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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

Principal activities

The principal activity of the company in the year under review was that of the import and distribution of lighting towers for use in the construction industry.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £2,011,834.

No preference dividends were paid.

Directors

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

D Oates
N Pagliai
A Rossi

Post reporting date events

The company ceased to trade with effect from 30 April 2018 and is to be hived-up into Pramac-Generac UK Limited, a fellow group undertaking, from 31 December 2018.

Auditor

The auditor, Smith Hodge & Baxter Audit Services, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

GENERAC MOBILE PRODUCTS UK LTD

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of disclosure to auditor

So far as each person who was a 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 directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

N Pagliai

Director

29 March 2019



GENERAC MOBILE PRODUCTS UK LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENERAC MOBILE PRODUCTS UK LTD

Opinion

We have audited the financial statements of Generac Mobile Products UK Ltd (the 'company') for the year ended 31 December 2018 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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

As explained in notes 1, 9 and 21, the entity ceased to trade during the year and transferred its trade, assets and liabilities to a fellow group undertaking. As required by IAS 1, management has prepared the financial statements on the basis that the entity is no longer a going concern. No material adjustments arose as a result of ceasing to apply the going concern basis and all assets and liabilities were transferred to the fellow group undertaking at their carrying amounts. Our opinion is not modified in respect of this matter.

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.

GENERAC MOBILE PRODUCTS UK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GENERAC MOBILE PRODUCTS UK LTD

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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.

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

GENERAC MOBILE PRODUCTS UK LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GENERAC MOBILE PRODUCTS UK LTD

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 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.

Mrs Caroline Armstrong (Senior Statutory Auditor)
for and on behalf of Smith Hodge & Baxter Audit Services

29th March 2019

Accountants
Statutory Auditor

Thorpe House
93 Headlands
Kettering
Northamptonshire
NN15 6BL

GENERAC MOBILE PRODUCTS UK LTD

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Revenue	2	1,329,743	11,078,363
Cost of sales		(1,030,112)	(9,945,308)
Gross profit		299,631	1,133,055
Administrative expenses		(360,617)	(934,963)
Exceptional items	3	(56,346)	-
Operating (loss)/profit	4	(117,332)	198,092
Investment revenues	7	32,292	7,892
(Loss)/profit before taxation		(85,040)	205,984
Income tax expense	8	-	(43,458)
(Loss)/profit and total comprehensive income for the year	18	(85,040)	162,526

The income statement has been prepared on the basis that all operations were discontinued during the year.

GENERAC MOBILE PRODUCTS UK LTD

STATEMENT OF FINANCIAL POSITION

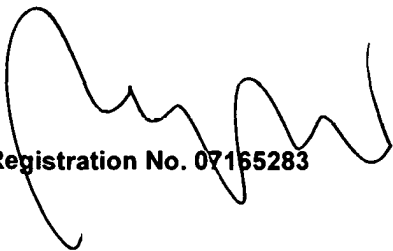
AS AT 31 DECEMBER 2018

	Notes	2018 £	2017 £
Non-current assets			
Property, plant and equipment	11	-	21,048
Current assets			
Inventories	12	-	747,513
Trade and other receivables	13	1	3,723,633
Cash and cash equivalents		-	2,129,315
		1	6,600,461
Total assets		1	6,621,509
Current liabilities			
Trade and other payables	15	-	4,480,534
Current tax liabilities		-	44,100
		-	4,524,634
Net current assets		1	2,075,827
Total liabilities		-	4,524,634
Net assets		1	2,096,875
Equity			
Called up share capital	17	1	1
Retained earnings	18	-	2,096,874
Total equity		1	2,096,875

The financial statements were approved by the board of directors and authorised for issue on 29 March 2019 and are signed on its behalf by:

N Pagliai
Director

Company Registration No. 07165283



GENERAC MOBILE PRODUCTS UK LTD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2017		1	1,934,348	1,934,349
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	162,526	162,526
Balance at 31 December 2017		1	2,096,874	2,096,875
Year ended 31 December 2018:				
Loss and total comprehensive income for the year		-	(85,040)	(85,040)
Dividends	10	-	(2,011,834)	(2,011,834)
Balance at 31 December 2018		1	-	1

GENERAC MOBILE PRODUCTS UK LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	24		(97,923)		693,884
Tax (paid)/refunded			(44,100)		185
Net cash (outflow)/inflow from operating activities			(142,023)		694,069
Investing activities					
Purchase of property, plant and equipment		(10,574)		(2,264)	
Proceeds on disposal of property, plant and equipment		2,824		-	
Interest received		32,292		7,892	
Net cash generated from investing activities			24,542		5,628
Financing activities					
Dividends paid		(2,011,834)		-	
Net cash used in financing activities			(2,011,834)		-
Net (decrease)/increase in cash and cash equivalents			(2,129,315)		699,697
Cash and cash equivalents at beginning of year			2,129,315		1,429,618
Cash and cash equivalents at end of year			-		2,129,315

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

Company information

Generac Mobile Products UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Office 116, The Innovation Centre, Festival Drive, Victoria Business Park, Ebbw Vale, Blaenau Gwent, NP23 8XA.

The nature of the company's operations and principal activities are detailed on page 2 of the financial statements.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, (except as otherwise stated).

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

1.2 Going concern

The company is due to be hived-up into Pramac-Generac UK Limited from 31 December 2018 and will be struck-off the register of companies within the next 12 months. As a result of this, the going concern basis is not considered to be appropriate and the accounts have been prepared on a basis other than that of a going concern.

All remaining assets and liabilities are to be transferred to Pramac-Generac UK Limited at their carrying amounts and as such no material adjustments arose on ceasing to apply the going concern basis. The financial statements do not include any future costs of closing the business except to the extent that such costs were committed at the end of the reporting period.

1.3 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a product or service to a customer.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of servicing and repairs is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.4 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:

Fixtures and fittings	10% on cost
Plant and equipment	25% on reducing balance
Computers	25% on reducing balance
Motor vehicles	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.5 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Cost is calculated using the first-in, first-out (FIFO) method.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.7 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial assets

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

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Financial assets are initially measured at fair value plus transaction costs, other than those classified as fair value through profit and loss, which are measured at fair value.

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at each reporting end 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 of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.10 Financial liabilities

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

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 income statement 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.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

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 the cost of inventories 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

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Rentals payable under operating leases, less 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.

1.16 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

2 Revenue

	2018 £	2017 £
Revenue analysed by class of business		
Sales of goods	1,317,386	11,025,982
Servicing	12,357	52,381
	<u>1,329,743</u>	<u>11,078,363</u>
	2018 £	2017 £
Other significant revenue		
Interest income	<u>32,292</u>	<u>7,892</u>

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

3	Exceptional items	2018 £	2017 £
	Restructuring costs	(56,346)	-

As the company ceased to trade in April 2018 and the premises are to be vacated or sub-let, dilapidations works were carried out during the year to return the premises to their original condition as required under the lease agreement.

4	Operating (loss)/profit	2018 £	2017 £
	Operating (loss)/profit for the year is stated after charging/(crediting):		
	Exchange gains	(1,021)	(4,735)
	Fees payable to the company's auditor for the audit of the company's financial statements	11,747	10,585
	Depreciation of property, plant and equipment	10,427	11,371
	Loss on disposal of property, plant and equipment	18,371	-
	Cost of inventories recognised as an expense	1,022,575	9,938,865

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Office and management	3	8
Warehouse and distribution	1	2
	4	10

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	118,088	439,109
Social security costs	17,414	48,954
Pension costs	2,991	12,272
	138,493	500,335

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	-	72,000
Company pension contributions to defined contribution schemes	-	1,300
	<u>-</u>	<u>73,300</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2017 - 1).

7 Investment income

	2018 £	2017 £
Interest income		
Bank deposits	32,292	7,892
	<u>32,292</u>	<u>7,892</u>

Total interest income for financial assets that are not held at fair value through profit or loss is £32,292 (2017 - £7,892).

8 Income tax expense

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	-	43,458
	<u>-</u>	<u>43,458</u>

The rate of corporation tax in the UK was reduced to 19% from 20% with effect from 1 April 2017. As a result, the effective rate of tax for the year ended 31 December 2017 was 19.247% and 19% for the year ended 31 December 2018.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

8 Income tax expense (Continued)

The charge for the year can be reconciled to the (loss)/profit per the income statement as follows:

	2018 £	2017 £
(Loss)/profit before taxation	(85,040)	205,984
Expected tax (credit)/charge based on a corporation tax rate of 19.00%	(16,158)	39,646
Effect of expenses not deductible in determining taxable profit	1,553	2,101
Unutilised tax losses carried forward	15,868	-
Change in unrecognised deferred tax assets	(5,076)	-
Permanent capital allowances in excess of depreciation	3,813	1,711
Taxation charge for the year	-	43,458

9 Discontinued operations

The company ceased to trade with effect from 30 April 2018 and is to be hived-up into Pramac-Generac UK Limited, a fellow group undertaking. This was effected as part of a group restructuring programme to reduce the number of sites in the UK to a more efficient number.

10 Dividends

	2018 per share	2017 per share	2018 £	2017 £
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Amounts recognised as distributions to equity holders:

Ordinary share

Interim dividend paid	2,011,834.00	-	2,011,834	-
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11 Property, plant and equipment

	Fixtures and fittings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
Cost					
At 1 January 2017	24,089	6,247	25,344	22,670	78,350
Additions	302	995	967	-	2,264
Disposals	-	-	(1,978)	-	(1,978)
At 31 December 2017	24,391	7,242	24,333	22,670	78,636
Additions	-	-	10,574	-	10,574
Disposals	(24,391)	(7,242)	(34,907)	(22,670)	(89,210)
At 31 December 2018	-	-	-	-	-

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Property, plant and equipment

(Continued)

	Fixtures and fittings £	Plant and equipment £	Computers £	Motor vehicles £	Total £
Accumulated depreciation and impairment					
At 1 January 2017	12,025	4,646	16,320	15,204	48,195
Charge for the year	2,440	718	5,791	2,422	11,371
Eliminated on disposal	-	-	(1,978)	-	(1,978)
At 31 December 2017	14,465	5,364	20,133	17,626	57,588
Charge for the year	2,234	660	5,312	2,221	10,427
Eliminated on disposal	(16,699)	(6,024)	(25,445)	(19,847)	(68,015)
At 31 December 2018	-	-	-	-	-
Carrying amount					
At 31 December 2018	-	-	-	-	-
At 31 December 2017	9,926	1,878	4,200	5,044	21,048
At 31 December 2016	12,064	1,601	9,023	7,466	30,154

12 Inventories

2018
£

2017
£

Raw materials	-	747,513
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13 Trade and other receivables

Current
2018
£

2017
£

Trade receivables	-	3,683,139
Amount owed by parent undertaking	1	6,022
Prepayments	-	34,472
	1	3,723,633

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

14 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

14 Trade receivables - credit risk

(Continued)

No significant receivable balances are impaired at the reporting end date.

15 Trade and other payables

	2017 £
Trade payables	50,246
Amount owed to parent undertaking	3,363,750
Accruals	117,660
Social security and other taxation	947,542
Other payables	1,336
	<u>4,480,534</u>

16 Retirement benefit schemes

Defined contribution schemes

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.

The total costs charged to income in respect of defined contribution plans is £2,991 (2017 - £12,272).

17 Share capital

	2018 £	2017 £
Ordinary share capital		
Authorised		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
Issued and fully paid		
1 Ordinary share of £1 each	<u>1</u>	<u>1</u>
	<u>1</u>	<u>1</u>

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

18 Retained earnings

	2018 £	2017 £
At the beginning of the year	2,096,874	1,934,348
(Loss)/profit for the year	(85,040)	162,526
Dividends	(2,011,834)	-
	<u> </u>	<u> </u>
At the end of the year	<u> </u> -	<u> </u> 2,096,874

Retained earnings represents the cumulative profits and losses, net of dividends and other adjustments, for the current period and all prior periods.

19 Operating lease commitments

Lessee

Amounts recognised in profit or loss as an expense during the period in respect of operating lease arrangements are as follows:

	2018 £	2017 £
Minimum lease payments under operating leases	<u> </u> 61,403	<u> </u> 74,568

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	-	66,130
Between two and five years	-	76,026
	<u> </u> -	<u> </u> 142,156

20 Capital risk management

The company is not subject to any externally imposed capital requirements.

21 Events after the reporting date

The company ceased to trade with effect from April 2018 and the remaining assets are due to be hived-up into Pramac-Generac UK Limited on 31 December 2018, with Generac Mobile Products UK Limited being struck-off the register of companies within the next 12 months. All costs related to the closure of the company have been recognised at the balance sheet date.

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

22 Related party transactions

Remuneration of key management personnel

The remuneration of the directors, who are key management personnel, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2018 £	2017 £
Short-term employee benefits	-	72,000
Post-employment benefits	-	1,300
	<u>-</u>	<u>73,300</u>

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2018 £	2017 £	2018 £	2017 £
Parent company	709,275	-	393,493	6,369,561
Subsidiaries	1,540	9,363	103,562	1,635,889
	<u>710,815</u>	<u>9,363</u>	<u>497,055</u>	<u>8,005,450</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2018 £	2017 £
Parent company	-	3,223,712
Subsidiaries	-	140,038
	<u>-</u>	<u>73,300</u>

GENERAC MOBILE PRODUCTS UK LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

22 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties	
	2018 £	2017 £
Parent company	1	-
Subsidiaries	-	6,022
	<u>1</u>	<u>6,022</u>

No guarantees have been given or received.

23 Controlling party

The directors' regard Pramac-Generac UK Limited (incorporated in UK) as being the intermediate parent company, with its registered office at Room 116, The Innovation Centre, Festival Drive, Victoria Business Park, Ebbw Vale, Blaenau Gwent, Wales, NP23 8XA.

The directors' regard PR Industrial Srl (incorporated in Italy) as being the ultimate parent company, and the smallest group into which the entity is consolidated. Copies of the consolidated accounts are available by writing to PR Industrial Srl at Localita il Piano, 53031 Casole d'Elsa, Siena, Italy.

The directors' regard Generac Power Systems Inc (incorporated in USA) as being the ultimate controlling party, and the largest group into which the entity is consolidated. Copies of the consolidated accounts are available at www.generac.com.

24 Cash generated from operations

	2018 £	2017 £
(Loss)/profit for the year after tax	(85,040)	162,526
Adjustments for:		
Taxation charged	-	43,458
Investment income	(32,292)	(7,892)
Loss on disposal of property, plant and equipment	18,371	-
Depreciation and impairment of property, plant and equipment	10,427	11,371
Movements in working capital:		
Decrease in inventories	747,513	1,743,913
Decrease in trade and other receivables	3,723,632	2,157,603
Decrease in trade and other payables	(4,480,534)	(3,417,095)
Cash (absorbed by)/generated from operations	<u>(97,923)</u>	<u>693,884</u>