

# **PSI Global Limited**

## **Directors' report and financial statements**

**2 May 2017**

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# PSI Global Limited

## Company Information

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<b>Directors</b>	D S Hunter J S Hunter S P Hunter H G A Waltl D M Hunter (resigned 29 September 2015) R Theodoulou (resigned 29 September 2015) I Davis (appointed 28 April 2016)
<b>Company secretary</b>	D S Hunter
<b>Registered number</b>	01252181
<b>Registered office</b>	Tees Valley Court Glenarm Road Wynyard Business Park, Wynyard Billingham Cleveland TS22 5FE
<b>Independent auditor</b>	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle upon Tyne NE1 4JE
<b>Bankers</b>	Barclays Bank plc PO Box 245 27-31 High Row Darlington
<b>Solicitors</b>	Muckle LLP Time Central 32 Gallowgate Newcastle upon Tyne NE1 4BF

# PSI Global Limited

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# PSI Global Limited

## Group strategic report Year ended 2 May 2017

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### Director's report

The directors present their annual report and the audited financial statements for the year ended 2 May 2017.

### Business review and principal activities

The company's principal activity is the development and manufacture of filters, separators, automatic closure systems and injection moulding. There have not been any significant changes in the company's principal activities in the year under review.

### Performance

This is the first qualifying year that the group has exceeded the thresholds that require the preparation of consolidated accounts.

PSI Global Limited has had a consistent year in terms of turnover and gross profit during the year when compared to 2016. Our injection moulding company delivered a 41% increase in turnover and a notable turn around in profitability for the company. Our engineering services company, which is used for research and development purposes, suffered reduced turnover and profits.

The group as a whole has recorded an 8% increase in turnover and a 180% increase in EBITDA as reflected in the results below. Overall the group has performed well during the last twelve months, turning a loss of over £200,000 into a small profit and decreasing our net current liabilities by over £280,000

	2017	2016	Movement
Turnover	5,457,454	5,041,542	8%
GP	2,372,544	2,283,714	4%
GP %	43%	45%	(2%)
Net profit/(loss)	10,443	(207,901)	105%
EBITDA	430,672	151,850	184%
EBITDA %	8%	3%	5%

# **PSI Global Limited**

## **Group strategic report (continued)** **Year ended 2 May 2017**

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### **Principal risks and uncertainties**

The group operates in a highly competitive global market which is a continuing risk to the group and could result in losing sales to key competitors. The group manages this risk by providing value added services to its customers and maintaining good trading relationships with clients and suppliers. These risks are regularly monitored throughout the year by senior management in accordance with mitigation strategies developed by the board

#### ***BREXIT***

On 23 June 2016 the UK voted to exit from the EU. This has produced a period of uncertainty into the markets. Until a negotiated settlement is reached between the 2 trading blocks the group is taking a flexible approach to the risks involved in BREXIT and has plans in place for various outcomes.

#### ***Price risk***

Monitor movements in input and output pricing that provides management with information to manage the risk to the group.

#### ***Currency risk***

The group operates in three currencies and where possible reduces it's exposure to currency fluctuations by utilising a mix of forward contracts and overseas buying. The group is seeking to reduce its risk further by increasing it's purchasing abroad.

#### ***Credit risk***

The group reduces the risk by a robust credit checking system before accepting any contracts.

#### ***Liquidity risk***

The group has access to increased liquidity if required and operates cash flow planning to negate the risk.

### **Market and customers**

We operate internationally and have a core set of Gold Star customers whom we have strategic relationships with, resulting in increased trading opportunities. At present the belief of the board is that this good relationship exists with our customers and we continue to add to our customer base and market share.

### **People**

As a family owned group with over 40 years trading, we value our employees and recognise the fact the people we employ are our strongest asset, hence we strive to create an environment and culture which promotes employee engagement and a supportive environment to protect our heritage and brand.

### **Future developments**

Our forecasts for the financial year 2017/18 reflect an increase in turnover and an improvement in net profit based on operational efficiencies and continuous improvement. We will continue to serve our existing customers and markets, grow organically with them whilst seeking to establish new customers in our existing markets and locations.

## **PSI Global Limited**

**Group strategic report (continued)**  
**Year ended 2 May 2017**

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This report was approved by the board on 13 November 2017 and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'D S Hunter', written in a cursive style.

**D S Hunter**  
Director

# **PSI Global Limited**

## **Directors' report Year ended 2 May 2017**

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The directors present their report and the financial statements for the year ended 2 May 2017.

### **Results and dividends**

The profit for the year, after taxation, amounted to £10,443 (2016 - loss £207,901).

The directors do not recommend the payment of a final dividend (2016 - £nil).

### **Directors**

The directors who served during the year were:

D S Hunter  
J S Hunter  
S P Hunter  
H G A Walti  
D M Hunter (resigned 29 September 2015)  
R Theodoulou (resigned 29 September 2015)  
I Davis (appointed 28 April 2016)

### **Matters covered in the strategic report**

The following information, which would otherwise be disclosed in the directors' report, is instead disclosed in the strategic report, as permitted by section 414C(11) of the Companies Act 2006:

- financial risk management objectives and policies
- future developments

### **Disclosure of information to auditor**

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

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

### **Post balance sheet events**

There have been no significant events affecting the group since the year end.

### **Auditor**

The auditor, UNW LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 13 November 2017 and signed on its behalf by:



**D S Hunter**  
Director

# **PSI Global Limited**

## **Directors' responsibilities statement Year ended 2 May 2017**

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The directors are responsible for preparing the group strategic report, the directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they 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 for the group's financial statements and then apply them consistently;
- make judgments 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.





## **Independent auditor's report to the members of PSI Global Limited**

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We have audited the financial statements of PSI Global Limited for the year ended 2 May 2017, set out on pages 8 to 37. The relevant financial reporting framework that has been applied in their preparation is applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

### **Respective responsibilities of directors and auditor**

As explained more fully in the directors' responsibilities statement on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the group strategic report and the directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 2 May 2017 and of the group's loss 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.



## **Independent auditor's report to the members of PSI Global Limited (continued)**

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### **Opinion on other matter 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 group strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements and such reports have been prepared in accordance with applicable legal requirements.

In the light of our 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.

### **Matters on which we are required to report by exception**

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

A handwritten signature in black ink, appearing to read 'Michael Morris'.

**Michael Morris ACA FCCA (Senior Statutory Auditor)**  
**for and on behalf of UNW LLP, Statutory Auditor**  
Chartered Accountants  
Newcastle upon Tyne

13 November 2017

# PSI Global Limited

## Consolidated profit and loss account Year ended 2 May 2017

	Note	2017 £	2016 £
Turnover	4	5,457,454	5,041,542
Cost of sales		(3,084,910)	(2,757,828)
<b>Gross profit</b>		<b>2,372,544</b>	<b>2,283,714</b>
Distribution costs		(16,706)	(9,442)
Administrative expenses		(2,291,194)	(2,363,029)
Exceptional administrative expenses	11	(35,929)	(26,897)
Other operating income	5	65,846	-
<b>Operating profit/(loss)</b>	6	<b>94,561</b>	<b>(115,654)</b>
Interest payable and similar expenses	9	(148,769)	(109,331)
<b>Loss before tax</b>		<b>(54,208)</b>	<b>(224,985)</b>
Tax on loss	10	64,651	17,084
<b>Profit/(loss) for the year</b>		<b>10,443</b>	<b>(207,901)</b>
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the parent		10,443	(207,901)

The notes on pages 16 to 37 form part of these financial statements.

# PSI Global Limited

## Consolidated statement of comprehensive income Year ended 2 May 2017

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	Note	2017 £	2016 £
Loss for the financial year		<b>10,443</b>	(207,901)
<b>Other comprehensive income</b>			
Change in value of cash flow hedge		<b>1,287</b>	(13,460)
<b>Other comprehensive income for the year</b>		<b>1,287</b>	(13,460)
<b>Total comprehensive income for the year</b>		<b>11,730</b>	(221,361)
<b>Profit/(loss) for the year attributable to:</b>			
Owners of the parent company		<b>10,443</b>	(207,901)

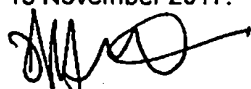
The notes on pages 16 to 37 form part of these financial statements.

# PSI Global Limited

## Consolidated balance sheet At 2 May 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	12	57,158	69,988
Tangible assets	13	3,464,746	3,440,184
Investments	14	60,072	56,673
		<u>3,581,976</u>	<u>3,566,845</u>
<b>Current assets</b>			
Stocks	15	595,580	622,616
Debtors	16	1,276,607	1,090,874
Cash at bank and in hand	17	89,172	78,664
		<u>1,961,359</u>	<u>1,792,154</u>
Creditors: amounts falling due within one year	18	(2,142,509)	(2,255,769)
<b>Net current liabilities</b>		<u>(181,150)</u>	<u>(463,615)</u>
<b>Total assets less current liabilities</b>		<u>3,400,826</u>	<u>3,103,230</u>
Creditors: amounts falling due after more than one year	19	(1,938,890)	(1,651,692)
<b>Provisions for liabilities</b>			
Deferred tax	23	(94,745)	(96,077)
Other provisions		(61,000)	(61,000)
<b>Net assets</b>		<u>1,306,191</u>	<u>1,294,461</u>
<b>Capital and reserves</b>			
Called up share capital	25	341,151	341,151
Share premium account	26	160,349	160,349
Capital Redemption Reserve	26	72,900	72,900
Cash flow hedge reserve	26	(31,713)	(33,000)
Profit and loss account	26	763,504	753,061
<b>Total equity</b>		<u>1,306,191</u>	<u>1,294,461</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 November 2017.



D S Hunter  
Director

# PSI Global Limited

## Company balance sheet At 2 May 2017

	Note	2017 £	As restated 2016 £
<b>Fixed assets</b>			
Intangible assets	12	57,158	69,988
Tangible assets	13	3,355,956	3,350,072
Investments	14	652,581	649,182
		<u>4,065,695</u>	<u>4,069,242</u>
<b>Current assets</b>			
Stocks	15	509,358	530,268
Debtors: amounts falling due after more than one year	16	344,123	-
Debtors: amounts falling due within one year	16	1,115,653	1,061,904
Cash at bank and in hand	17	53,758	58,690
		<u>2,022,892</u>	<u>1,650,862</u>
Creditors: amounts falling due within one year	18	(1,809,053)	(1,944,220)
<b>Net current assets/(liabilities)</b>		<u>213,839</u>	<u>(293,358)</u>
<b>Total assets less current liabilities</b>		<u>4,279,534</u>	<u>3,775,884</u>
Creditors: amounts falling due after more than one year	19	(1,914,575)	(1,645,073)
<b>Provisions for liabilities</b>			
Deferred taxation	23	(94,745)	(96,077)
Other provisions		(61,000)	(61,000)
<b>Net assets</b>		<u><u>2,209,214</u></u>	<u><u>1,973,734</u></u>

# PSI Global Limited

## Company balance sheet (continued) At 2 May 2017

	Note	2 May 2017 £	As restated 2 May 2016 £
<b>Capital and reserves</b>			
Called up share capital	25	341,151	341,151
Share premium account	26	160,349	160,349
Capital redemption reserve	26	72,900	72,900
Foreign exchange reserve	26	(31,713)	(33,000)
Profit and loss account brought forward		1,432,334	1,634,910
Profit/(loss) for the year		234,193	(96,394)
Other changes in the profit and loss account		-	(106,182)
Profit and loss account carried forward		<u>1,666,527</u>	<u>1,432,334</u>
<b>Total equity</b>		<u><u>2,209,214</u></u>	<u><u>1,973,734</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 November 2017.



**D S Hunter**  
Director

Company registered number: 01252181

# PSI Global Limited

## Consolidated statement of changes in equity Year ended 2 May 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Cash flow hedge reserve £	Profit and loss account £	Total equity £
<b>At 1 May 2015</b>	<b>375,851</b>	<b>160,349</b>	<b>38,200</b>	<b>(19,540)</b>	<b>1,067,144</b>	<b>1,622,004</b>
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(207,901)	(207,901)
Change in value	-	-	-	(13,460)	-	(13,460)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>-</b>	<b>(13,460)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>(207,901)</b>	<b>(221,361)</b>
Purchase of own shares	-	-	34,700	-	(106,182)	(71,482)
Shares redeemed during the year	(34,700)	-	-	-	-	(34,700)
<b>At 2 May 2016</b>	<b>341,151</b>	<b>160,349</b>	<b>72,900</b>	<b>(33,000)</b>	<b>753,061</b>	<b>1,294,461</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	10,443	10,443
Change in value	-	-	-	1,287	-	1,287
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>-</b>	<b>1,287</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>10,443</b>	<b>11,730</b>
<b>At 2 May 2017</b>	<b>341,151</b>	<b>160,349</b>	<b>72,900</b>	<b>(31,713)</b>	<b>763,504</b>	<b>1,306,191</b>



# PSI Global Limited

## Company statement of changes in equity Year ended 2 May 2017

	Called up share capital £	Share premium account £	Capital redemption reserve £	Cash flow hedge reserve £	Profit and loss account £	Total equity £
<b>At 1 May 2015</b>	<b>375,851</b>	<b>160,349</b>	<b>38,200</b>	<b>(19,540)</b>	<b>1,634,910</b>	<b>2,189,770</b>
<b>Comprehensive income for the year</b>						
Loss for the year	-	-	-	-	(96,394)	(96,394)
Change in value	-	-	-	(13,460)	-	(13,460)
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>-</b>	<b>(13,460)</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(13,460)</b>	<b>(96,394)</b>	<b>(109,854)</b>
Purchase of own shares	-	-	34,700	-	(106,182)	(71,482)
Shares redeemed during the year	(34,700)	-	-	-	-	(34,700)
<b>At 3 May 2016</b>	<b>341,151</b>	<b>160,349</b>	<b>72,900</b>	<b>(33,000)</b>	<b>1,432,334</b>	<b>1,973,734</b>
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	234,194	234,194
Change in value	-	-	-	1,287	-	1,287
<b>Other comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>-</b>	<b>1,287</b>
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,287</b>	<b>234,194</b>	<b>235,481</b>
<b>At 2 May 2017</b>	<b>341,151</b>	<b>160,349</b>	<b>72,900</b>	<b>(31,713)</b>	<b>1,666,528</b>	<b>2,209,215</b>

# PSI Global Limited

## Consolidated statement of cash flows Year ended 2 May 2017

	2017 £	2016 £
<b>Cash flows from operating activities</b>		
Loss for the financial year	10,443	(207,901)
<b>Adjustments for:</b>		
Amortisation of intangible assets	16,199	16,759
Depreciation of tangible assets	319,912	250,745
Loss on disposal of tangible assets	590	(7,000)
Government grants	(65,846)	-
Interest paid	148,769	109,330
Taxation charge	(64,651)	(17,084)
Decrease/(increase) in stocks	27,037	(5,422)
(Increase)/decrease in debtors	(122,415)	169,492
(Decrease)/increase in creditors	(96,781)	419,279
Increase in provisions	-	61,000
Corporation tax received	29,289	12,045
<b>Net cash generated from operating activities</b>	<b>202,546</b>	<b>801,243</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(3,369)	(1,564)
Purchase of tangible fixed assets	(351,598)	(2,462,917)
Sale of tangible fixed assets	6,534	7,072
Purchase of fixed asset investments	(3,399)	-
HP interest paid	(40,284)	(20,294)
<b>Net cash from investing activities</b>	<b>(392,116)</b>	<b>(2,477,703)</b>
<b>Cash flows from financing activities</b>		
Purchase of ordinary shares	-	(34,700)
Other new loans	175,187	1,340,465
Repayment of/new finance leases	51,137	380,308
Interest paid	(108,485)	(89,036)
<b>Net cash used in financing activities</b>	<b>117,839</b>	<b>1,597,037</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(71,731)</b>	<b>(79,423)</b>
Cash and cash equivalents at beginning of year	78,664	158,087
<b>Cash and cash equivalents at the end of year</b>	<b>6,933</b>	<b>78,664</b>

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 1. General information

PSI Global Limited ('the company') and its subsidiaries (together 'the group') principal activity is the development and manufacture of filters, separators, automatic closure systems and injection moulding. There have not been any significant changes in the company's principal activities in the year under review.

The company is a private company limited by shares, incorporated and domiciled in the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

#### **Statement of compliance**

The financial statements have been prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

### 2. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

#### **2.1 Basis of preparation of financial statements**

These financial statements comprise the consolidated (group) financial statements and the company's separate financial statements. However, as permitted by section 408 of the Companies Act 2006, the separate profit and loss account of the company is not presented.

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

Amounts totalling £61,000 relate to provisions which had previously been classified as accruals within creditors due in less than one year. A prior year adjustment has been processed to reclassify the provision from accruals.

#### **2.2 Reduced disclosures**

FRS 102 allows a qualifying entity certain disclosure exemptions. The company meets the definition of a qualifying entity in respect of its separate (non-group) financial statements and has taken advantage of the disclosure exemptions relating to certain financial instruments disclosures, presentation of a cash-flow statement and remuneration of key management personnel. The equivalent disclosures, on a consolidated basis, are included in the consolidated financial statements.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 2. Accounting policies (continued)

#### 2.3 Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings as if they formed a single entity. Intercompany transactions and balances are therefore eliminated in full.

Business combinations are accounted for under the purchase method, under which the acquiree's identifiable assets (including intangible assets), liabilities and contingent liabilities are recognised initially in the consolidated balance sheet at fair value.

#### 2.4 Revenue

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts. Turnover is recognised when substantially all of the risks and rewards of ownership have been passed to the customer, which is generally considered to be on delivery of the goods.

#### 2.5 Intangible assets

Goodwill is the difference between amounts paid on the acquisition of a business and the fair value of the identifiable assets and liabilities. It is amortised to the profit and loss account over its estimated economic life on the following bases:

Patents	-	10 years straight line
Goodwill	-	5 years straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

#### 2.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation, less accumulated depreciation and accumulated impairment losses. Cost includes the purchase price plus any further costs directly attributable to making the asset operate as intended.

Depreciation is provided on all tangible fixed assets, other than freehold land and assets under construction, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold property	-	50 years straight line
Plant and machinery	-	3 - 10 years straight line
Motor Vehicles	-	4 years straight line
Fixtures and fittings	-	3 - 10 years straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

#### 2.7 Investments

In the balance sheet, investments in subsidiary undertakings are measured at cost less accumulated impairment losses.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 2. Accounting policies (continued)

#### 2.8 Stocks

Stocks are stated at the lower of cost or estimated selling price less costs to sell. Cost is determined using the first-in first-out (FIFO) method and includes the purchase price (including taxes and duties) and transport and handling costs directly attributable to bringing the stock to its present location.

In the case of manufactured products, stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all direct costs, which for work in progress and finished goods includes an element of production labour and overhead costs.

Provision is made as necessary for damaged, obsolete or slow-moving items.

#### 2.9 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments which bear insignificant risk of change in value and have original maturities of three months or less and bank overdrafts. Fixed term cash deposits with a maturity at inception of more than three months are shown within current asset investments and bank overdrafts, when applicable, are shown within creditors due within one year.

#### 2.10 Financial instruments

##### ***Basic debt instruments***

Basic debt instruments, including trade, intercompany and other accounts receivable and payable and cash and bank balances are all due within one year and are measured, initially and subsequently, at the transaction price.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

##### ***Derivative financial instruments***

The group uses derivative financial instruments to reduce exposure to foreign exchange risk. The group does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss account in finance costs or finance income as appropriate, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit and loss account depends on the nature of the hedge relationship.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 2. Accounting policies (continued)

#### 2.11 Hedge accounting

The group designates certain derivatives as hedging instruments in cash flow hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedged instrument. Furthermore, at the inception of the hedge the group determines and documents causes for hedge ineffectiveness.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the group revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

#### 2.12 Operating leases

Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

#### 2.13 Leasing and hire purchase

Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the group similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

#### 2.14 Research and development

Research and development expenditure is written off as incurred, except that development expenditure incurred on an individual project is capitalised as an intangible asset when the group can demonstrate the appropriate criteria for recognition, including its ability to generate sufficient future economic benefits through the use or sale of the intangible asset when it is completed.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 2. Accounting policies (continued)

#### 2.15 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the consolidated profit and loss account at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the consolidated profit and loss account in the same period as the related expenditure.

#### 2.16 Foreign currency translation

The company's functional and presentation currency is pound sterling.

##### *Transactions and balances*

Transactions in foreign currencies are translated into sterling using periodic averages that approximate to the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. Foreign exchange gains and losses are recognised in the profit and loss account.

#### 2.17 Employee benefits

##### *Short-term benefits*

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the service is received.

##### *Defined contribution pension plan*

The group operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the group in independently administered funds.

#### 2.18 Provisions for liabilities

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

Provisions are charged as an expense to the profit and loss account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 2. Accounting policies (continued)

#### 2.19 Current and deferred taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences, with certain exceptions. Timing differences arise from the inclusion of transactions and events in the financial statements in periods different from those in which they are assessed for tax.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of timing differences.

#### 2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

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

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### ***Significant judgments in applying the group's accounting policies***

In preparing these financial statements, the directors do not consider there to have been any other significant judgments that were required in the process of applying the group's accounting policies.

#### ***Key sources of estimation uncertainty***

Estimates included within these financial statements include depreciation and amortisation charges, and asset impairments (for example provisions against stock and debtors). None of the estimates made in the preparation of these financial statements are considered to carry significant estimation uncertainty, nor to bear significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 4. Turnover

The whole of the turnover is attributable to the principal activity of the business.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	2,322,666	1,744,205
Rest of Europe	1,790,012	1,936,427
Rest of the world	1,344,776	1,360,911
	<u>5,457,454</u>	<u>5,041,543</u>

### 5. Other operating income

	2017 £	2016 £
Government grants receivable	<u>65,846</u>	<u>-</u>

### 6. Operating profit/(loss)

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

	2017 £	2016 £
Depreciation of tangible fixed assets	319,912	250,745
Operating lease rentals	149,263	143,099
Amortisation of intangible assets	16,199	16,759
Loss/(profit) on disposal of fixed assets	590	(7,000)
Exchange differences	(108,245)	16,389
<b>Fees payable to the company's auditor in respect of:</b>		
- Audit of these financial statements	11,750	11,250
- Audit of financial statements of subsidiaries	<u>7,750</u>	<u>7,500</u>

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Wages and salaries	<b>1,636,328</b>	1,190,499	<b>1,264,026</b>	820,304
Social security costs	<b>127,835</b>	108,728	<b>99,620</b>	94,159
Cost of defined contribution scheme	<b>109,135</b>	81,367	<b>72,393</b>	72,264
	<b><u>1,873,298</u></b>	<u>1,380,594</u>	<b><u>1,436,039</u></b>	<u>986,727</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2017 No.</b>	<b>2016 No.</b>
Administration	<b><u>84</u></b>	<u>79</u>

### 8. Directors' remuneration

	<b>2017 £</b>	<b>2016 £</b>
Directors' emoluments	<b>341,642</b>	360,832
Company contributions to defined contribution pension schemes	<b>28,810</b>	21,652
	<b><u>370,452</u></b>	<u>382,484</u>

The highest paid director received remuneration of £67,925 (2016 - £67,925).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £7,150 (2016 - £7,150).

### 9. Interest payable and similar charges

	<b>2017 £</b>	<b>2016 £</b>
Bank interest payable	<b>61,285</b>	53,568
Mortgage interest payable	<b>32,575</b>	26,361
Finance leases and hire purchase contracts	<b>40,284</b>	20,294
Other interest payable	<b>14,625</b>	9,108
	<b><u>148,769</u></b>	<u>109,331</u>

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 10. Taxation

	2017 £	2016 £
<b>Corporation tax</b>		
Adjustments in respect of previous periods	(63,319)	(29,289)
	<u>(63,319)</u>	<u>(29,289)</u>
<b>Total current tax</b>	<u>(63,319)</u>	<u>(29,289)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	414	7,698
Changes to tax rates	(19)	-
Adjustments in respect of previous periods	(1,727)	4,507
<b>Total deferred tax</b>	<u>(1,332)</u>	<u>12,205</u>
<b>Taxation on loss on ordinary activities</b>	<u>(64,651)</u>	<u>(17,084)</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	<u>(54,208)</u>	<u>(224,985)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(10,842)	(44,997)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,837	16,267
Adjustments to tax charge in respect of prior periods	(65,046)	(24,782)
Unrelieved tax losses carried forward	8,419	43,237
Tax rate changes	(19)	(6,809)
<b>Total tax credit for the year</b>	<u>(64,651)</u>	<u>(17,084)</u>

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 11. Exceptional items

	2017 £	2016 £
Relocation costs	<b>35,929</b>	26,897

Exceptional costs relate to the relocation from South Industrial Estate, Bowburn to Wynyard Business Park, Wynyard.

### 12. Intangible assets

#### Group and company

	Patents £	Goodwill £	Total £
<b>Cost</b>			
At 3 May 2016	424,781	209,742	634,523
Additions	3,369	-	3,369
At 2 May 2017	<b>428,150</b>	<b>209,742</b>	<b>637,892</b>
<b>Amortisation</b>			
At 3 May 2016	354,793	209,742	564,535
Charge for the year	16,199	-	16,199
At 2 May 2017	<b>370,992</b>	<b>209,742</b>	<b>580,734</b>
<b>Net book value</b>			
At 2 May 2017	<b>57,158</b>	-	<b>57,158</b>
At 2 May 2016	69,988	-	69,988

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 13. Tangible fixed assets

#### Group

	Freehold property £	Leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
<b>Cost or valuation</b>					
At 3 May 2016	2,420,385	31,704	4,622,770	319,042	146,537
Additions	-	-	263,378	17,999	37,817
Disposals	-	-	(25,147)	(27,754)	(196)
Transfers between classes	(520,518)	-	520,518	-	-
At 2 May 2017	1,899,867	31,704	5,381,519	309,287	184,158
<b>Depreciation</b>					
At 3 May 2016	16,136	31,704	3,673,204	239,899	139,311
Charge for the year on owned assets	30,318	-	239,504	43,387	6,703
Disposals	-	-	(18,022)	(27,754)	(197)
At 2 May 2017	46,454	31,704	3,894,686	255,532	145,817
<b>Net book value</b>					
At 2 May 2017	1,853,413	-	1,486,833	53,755	38,341
At 2 May 2016	2,404,249	-	949,565	79,144	7,226

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 13. Tangible fixed assets (continued)

	Assets under construction £	Total £
<b>Cost or valuation</b>		
At 3 May 2016	-	7,540,438
Additions	32,404	351,598
Disposals	-	(53,097)
Transfers between classes	-	-
At 2 May 2017	32,404	7,838,939
<b>Depreciation</b>		
At 3 May 2016	-	4,100,254
Charge for the year on owned assets	-	319,912
Disposals	-	(45,973)
At 2 May 2017	-	4,374,193
<b>Net book value</b>		
At 2 May 2017	32,404	3,464,746
At 2 May 2016	-	3,440,184

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	506,722	481,630

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 13. Tangible fixed assets (continued)

#### Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Assets under construct- ion £	Total £
<b>Cost or valuation</b>						
At 3 May 2016	2,420,385	4,333,943	297,550	145,334	-	7,197,212
Additions	-	229,677	-	37,817	32,404	299,898
Disposals	-	-	(27,754)	-	-	(27,754)
Transfers between classes	(520,518)	520,518	-	-	-	-
At 2 May 2017	1,899,867	5,084,138	269,796	183,151	32,404	7,469,356
<b>Depreciation</b>						
At 3 May 2016	16,136	3,453,741	239,003	138,260	-	3,847,140
Charge for the year on owned assets	30,318	220,876	36,139	6,681	-	294,014
Disposals	-	-	(27,754)	-	-	(27,754)
At 2 May 2017	46,454	3,674,617	247,388	144,941	-	4,113,400
<b>Net book value</b>						
At 2 May 2017	1,853,413	1,409,521	22,408	38,210	32,404	3,355,956
At 2 May 2016	2,404,249	880,202	58,547	7,074	-	3,350,072

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 14. Fixed asset investments

#### Group

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 3 May 2016	56,673
Additions	3,399
At 2 May 2017	<u>60,072</u>
<b>Net book value</b>	
At 2 May 2017	<u>60,072</u>
At 2 May 2016	<u>56,673</u>

#### Principal subsidiaries

Name	Class of shares	Holding	Principal activity
Airman Engineering Services Limited	Ordinary	100 %	Supply, hire and maintenance of compressors
PSIFE Limited	Ordinary	75 %	Dormant company
PSI Plastics Limited	Ordinary	99.9 %	Plastic injection molding

#### Principal joint ventures and associates

Name	Class of shares	Holding	Principal activity
Hangzhou PSI Filtration Technology Co Limited	Ordinary	50 %	Dormant company



# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 14. Fixed asset investments (continued)

#### Company

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 3 May 2016	649,182
Additions	3,399
At 2 May 2017	<u>652,581</u>
<b>Net book value</b>	
At 2 May 2017	<u>652,581</u>
At 2 May 2016	<u>649,182</u>

### 15. Stocks

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Raw materials	472,030	494,719	454,162	468,742
Finished goods and goods for resale	123,550	127,897	55,196	61,526
	<u>595,580</u>	<u>622,616</u>	<u>509,358</u>	<u>530,268</u>

Stocks are stated after provisions for impairment of £125,673 (2016: £134,860).

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 16. Debtors

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Trade debtors	<b>1,027,719</b>	904,374	<b>817,964</b>	715,613
Amounts owed by group undertakings	-	-	<b>68,681</b>	197,418
Other debtors	<b>229,008</b>	151,243	<b>229,008</b>	147,804
Prepayments and accrued income	<b>19,880</b>	34,188	-	-
Tax recoverable	-	1,069	-	1,069
	<b>1,276,607</b>	1,090,874	<b>1,115,653</b>	1,061,904

Debtors due to the company in over one year amounting to £344,123 (2016: £nil) represent amounts owed by group companies which are subject to interest at 8% per annum and are unsecured.

### 17. Cash and cash equivalents

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Cash at bank and in hand	<b>89,172</b>	78,664	<b>53,758</b>	58,690
Bank overdrafts	<b>(82,239)</b>	-	<b>(82,239)</b>	-
	<b>6,933</b>	78,664	<b>(28,481)</b>	58,690

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 18. Creditors: amounts falling due within one year

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Bank overdrafts	<b>82,239</b>	-	<b>82,239</b>	-
Bank and other loans	<b>718,549</b>	597,862	<b>625,299</b>	491,628
Trade creditors	<b>770,995</b>	909,991	<b>621,851</b>	773,055
Other taxation and social security	<b>42,815</b>	52,028	<b>36,054</b>	35,444
Obligations under finance lease and hire purchase contracts	<b>289,835</b>	227,239	<b>281,196</b>	214,523
Other creditors	<b>134,675</b>	98,775	<b>130,701</b>	98,653
Accruals and deferred income	<b>71,688</b>	336,874	-	297,917
Financial instruments	<b>31,713</b>	33,000	<b>31,713</b>	33,000
	<b>2,142,509</b>	2,255,769	<b>1,809,053</b>	1,944,220

The bank overdraft and mortgage is secured by a fixed and floating charge over the assets of the group.

Obligations under hire purchase agreements are secured over the assets to which they relate.

### 19. Creditors: amounts falling due after more than one year

	<b>Group 2017 £</b>	<b>Group 2016 £</b>	<b>Company 2017 £</b>	<b>Company 2016 £</b>
Bank and other loans	<b>1,155,151</b>	1,100,651	<b>1,155,151</b>	1,100,651
Net obligations under finance leases and hire purchase contracts	<b>539,581</b>	551,041	<b>515,266</b>	544,422
Government grants received	<b>244,158</b>	-	<b>244,158</b>	-
	<b>1,938,890</b>	1,651,692	<b>1,914,575</b>	1,645,073

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 20. Loans

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Amounts falling due within one year</b>				
Bank and other loans	718,549	597,862	625,299	491,628
<b>Amounts falling due 1-2 years</b>				
Bank and other loans	297,196	198,698	297,196	198,698
<b>Amounts falling due 2-5 years</b>				
Bank and other loans	424,111	437,427	424,111	437,427
<b>Amounts falling due after more than 5 years</b>				
Bank and other loans	433,844	464,527	433,844	464,527
	<u>1,873,700</u>	<u>1,698,514</u>	<u>1,780,450</u>	<u>1,592,280</u>

### 21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	Group 2017 £	Company 2017 £
Within one year	339,790	327,068
Between 1-5 years	615,392	592,611
Less: interest payable	(125,766)	(123,217)
	<u>829,416</u>	<u>796,462</u>

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 22. Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
<b>Financial assets</b>				
Financial assets that are debt instruments measured at amortised cost	<u>1,345,899</u>	<u>1,134,281</u>	<u>1,513,534</u>	<u>1,119,525</u>
<b>Financial liabilities</b>				
Financial liabilities measured at fair value through profit or loss or other comprehensive income - derivatives	(31,713)	(33,000)	(31,713)	(33,000)
Financial liabilities measured at amortised cost	<u>(3,762,713)</u>	<u>(3,822,433)</u>	<u>(3,411,703)</u>	<u>(3,520,849)</u>
	<u>(3,794,426)</u>	<u>(3,855,433)</u>	<u>(3,443,416)</u>	<u>(3,553,849)</u>

Financial assets measured at amortised cost comprise cash, trade and other debtors and amounts owed from group undertakings (see note 16).

Derivative financial liabilities measured at fair value through profit or loss represent the fair value of open option and forward currency contracts.

Financial liabilities measured at amortised cost comprise trade and other creditors, bank overdrafts and loans, other loans, net obligations under hire purchase agreements and accruals (see notes 18 and 19).

The group enters into forward foreign currency contracts and option foreign currency contracts to mitigate the exchange risk for certain foreign currency payables. At 2 May 2017 and 2 May 2016, the group had open contracts which matured between one and twelve months from the balance sheet date. The currency contracts are measured at fair value, which is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the contracts are the forward exchange rates for GBP-USD and GBP-EUR. The fair value of open contracts at the balance sheet date, and which are designated as cash flow hedges in respect of foreign denominated trade payables (see note 2.11), was £31,713 liability (2016: £33,000 liability). The change in fair value of forward foreign currency contracts is shown in the statement of changes in equity, as other comprehensive income.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

### 23. Deferred taxation

#### Group

	2017 £
At beginning of year	(96,077)
Charged to profit or loss	1,332
Utilised in year	-
<b>At end of year</b>	<b>(94,745)</b>

	Group 2017 £	Company 2017 £
Tax losses carried forward	(94,745)	(94,745)

### 24. Provisions

#### Group

	Provisions for contracts £
At 3 May 2016	61,000
<b>At 2 May 2017</b>	<b>61,000</b>

#### Company

	Provisions for contracts £	Total £
At 3 May 2016	61,000	61,000
<b>At 2 May 2017</b>	<b>61,000</b>	<b>61,000</b>

The group and company has provided for amounts due in respect of contracts entered into which expire in 2018.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 25. Share capital

	2017 £	2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
341,151 Ordinary shares of £1 each	<u>341,151</u>	<u>341,151</u>

### 26. Reserves

#### Share premium

The share premium account is an equity account which represents the additional amount shareholders paid for their issued shares that was in excess of the par value of those shares.

#### Capital redemption reserve

The capital redemption reserve is an amount of money that a company in the UK must keep when it buys back shares, and which it cannot pay to shareholders as dividends. The capital redemption reserve is a non-distributable reserve and represents paid up share capital.

#### Other reserves

The cash flow hedge reserve is used to record transactions arising from the company's cash flow hedging arrangements.

#### Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

### 27. Pension commitments

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £109,135 (2016 - £81,367). Contributions totalling £6,809 (2016 - £nil) were payable to the fund at the balance sheet date and are included in creditors.

# PSI Global Limited

## Notes to the financial statements Year ended 2 May 2017

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### 28. Commitments under operating leases

At 2 May 2017 the group and the company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2017 £</b>	<b>Group 2016 £</b>
Not later than 1 year	<b>100,000</b>	150,000
Later than 1 year and not later than 5 years	-	100,000
	<b><u>100,000</u></b>	<b><u>250,000</u></b>

### 29. Related party transactions

During the year a loan of £100,000 was advanced from the spouse of a director. The loan is subject to interest at 6%. The amount outstanding at the year end totalled £114,236 and is included within creditors.

### 30. Controlling party

The ultimate controlling party is the Hunter family, by virtue of their majority shareholding in the parent company.