

Registered number: 02410796

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## MARKBALANCE LIMITED

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### FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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**MARKBALANCE LIMITED**

**COMPANY INFORMATION**

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<b>Directors</b>	S Hsu A Shone Spear & Jackson Limited
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<b>Company secretary</b>	J M Dallman
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<b>Registered number</b>	02410796
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<b>Registered office</b>	Atlas Way Atlas North Sheffield S4 7QQ
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<b>Independent auditors</b>	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL
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**MARKBALANCE LIMITED**  
**REGISTERED NUMBER:02410796**

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2017**

	Note	2017 £000	2017 £000	2016 £000	2016 £000
Creditors: amounts falling due within one year	5	(9)		(7)	
<b>Net current liabilities</b>			<b>(9)</b>		<b>(7)</b>
<b>Total assets less current liabilities</b>			<b>(9)</b>		<b>(7)</b>
<b>Net liabilities</b>			<b>(9)</b>		<b>(7)</b>
<b>Capital and reserves</b>					
Called up share capital	7		<b>13</b>		<b>13</b>
Capital contribution reserve			<b>788</b>		<b>788</b>
Profit and loss account			<b>(810)</b>		<b>(808)</b>
<b>Shareholders' deficit</b>			<b>(9)</b>		<b>(7)</b>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income and Directors' Report in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
27 JUNE 2018

*A Shone*

**A Shone**  
Director

The notes on pages 2 to 5 form part of these financial statements.

## MARKBALANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 1. General information

Markbalance Limited is a private company, limited by shares, domiciled in England and Wales, registration number 02410796. The registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ.

#### 2. Accounting policies

The financial statements have been prepared in accordance with FRS 102 Section 1A Small Entities. There were no material departures from that standard

##### **Basis of measurement**

The financial statements have been prepared on a historical cost basis.

The preparation of financial statements in compliance with FRS 102 Section 1A Small Entities requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying accounting policies (see note 3).

##### **Taxation**

Tax is recognised in the Income Statement and Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

## MARKBALANCE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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#### 2. Accounting policies (continued)

##### Financial instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in unlisted company shares (financial asset) are carried in the statement of financial position at fair value with changes in fair value recognised in profit or loss if their fair value can be measured reliably. Otherwise they are carried as cost less impairment.

##### Foreign currency

Foreign currency transactions are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet dates. Any differences are taken to the profit and loss account.

##### Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and highly liquid interest-bearing securities with maturities of three month or less subject to insignificant risk of changes in value.

##### Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

##### Exceptional items

Exceptional items are items which derive from events or transactions that fall within the ordinary activities of the business and which need to be disclosed by virtue of their size or incidence if the financial statements are to give a true and fair view.

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

The directors do not consider there to be any relevant critical accounting judgements and key sources of estimation uncertainty in the financial statements of the Company.

#### 4. Operating loss

The operating loss is stated after charging:

	2017 £000	2016 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	2	1

# MARKBALANCE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2017

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

	2017 £000	2016 £000
Amounts owed to fellow subsidiary undertakings	7	6
Accruals and deferred income	2	1
	<u>9</u>	<u>7</u>

There are no amounts included under 'creditors' in respect of which any security has been given by the small entity.

### 6. Deferred taxation

The Company has excess management expenses of approximately £150,000 (2016 - £150,000) available for offset against future taxation liabilities for which no recognition has been made in these financial statements. There is insufficient evidence that these assets will be recoverable within the meaning of FRS102, section 29 "Income Tax".

### 7. Share capital

	2017 £000	2016 £000
<b>Authorised</b>		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
<b>Allotted, called up and partly paid</b>		
50,000 ordinary shares of £1 each	<u>13</u>	<u>13</u>
For each of the allotted and called up 50,000 Ordinary shares, 25p has been paid.		

### 8. Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of Spear & Jackson Limited. The entire issued share capital of Spear & Jackson Limited is held by Spear & Jackson Group Limited, a company registered in the United Kingdom. The entire issued share capital of Spear & Jackson Group Limited is held by Pantene Global Holdings Limited, a company registered in Hong Kong.

Pantene Global Holdings Limited is a wholly owned subsidiary of Kings Victory Limited, a company incorporated in the British Virgin Islands with limited liability. Kings Victory Limited is a wholly owned subsidiary of SNH Global Holdings Limited, a privately-owned company incorporated in the British Virgin Islands with limited liability.

The smallest group in which the results of the company are consolidated is that headed by Spear & Jackson Group Limited. The address of Spear & Jackson Group Limited's registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ.

**MARKBALANCE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2017**

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**9. Related party transactions**

The Company has taken advantage of the exemption under Schedule 1 of the Small Companies Regulations not to disclose transactions with other wholly owned subsidiaries of the group headed by Spear & Jackson Group Limited.

The directors did not receive any dividends during 2017 (2016 - £nil).

The total remuneration paid to directors for services to the Company was £nil (2016 - £nil).

**10. Contingent liabilities**

*Pledge of assets*

At the reporting date, the banking facilities of the UK subsidiaries of Spear & Jackson Group Limited (the "UK Group") with the HSBC Bank plc comprise asset-backed lending facilities (confidential invoice discounting and inventory borrowing line) and, until 21 August 2017, a Base Rate term loan.

The asset-backed lending facilities are secured on certain trade receivables and inventories in the UK trading operations of the UK Group.

The amount drawn down on the Base Rate term loan at 30 September 2017 was £nil (2016 - £760,000). It was secured by fixed and floating charges on the assets and undertakings of the UK Group and its trading subsidiaries, by a first fixed charge on the Group's freehold properties in the United Kingdom and certain cross-guarantees from UK and non-UK subsidiaries of the Spear & Jackson Group Limited group of companies.

Additionally, the UK Group's net cash balances with the HSBC form a pooled fund. Individual account balances may be in an overdrawn position but, collectively a positive net pooled position is required. As part of this pooled fund arrangement, the Company has entered into a cross guarantee to guarantee any bank borrowings within that pooled fund. At 30 September 2017, the extent of this guarantee was £18,726,000 (2016 - £31,870,000). The net pooled cash position at 30 September 2017 was £65,000 (2016 - £237,000).

*Other*

The Company is, from time to time, subject to legal proceedings and claims arising from the conduct of its business operations, including litigation related to personal injury claims, customer contract matters, employment claims and environmental matters.

While it is impossible to ascertain the ultimate legal and financial liability with respect to contingent liabilities, including lawsuits, the directors of the Company believe that the aggregate amount of such liabilities, if any, in excess of amounts accrued, will not have a material adverse effect on the financial position or results of operations of the Company.

**11. Auditors' information**

The auditors' report on the financial statements for the year ended 30 September 2017 was unqualified.

The audit report was signed on 27 June 2018 by Paul Davies (Senior Statutory Auditor) on behalf of BDO LLP.