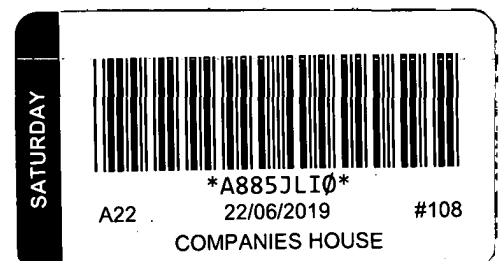

MARKBALANCE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



MARKBALANCE LIMITED

COMPANY INFORMATION

Directors	S Hsu A Shone Spear & Jackson Limited
Company secretary	J M Dallman
Registered number	02410796
Registered office	Atlas Way Atlas North Sheffield S4 7QQ
Independent auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

MARKBALANCE LIMITED

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MARKBALANCE LIMITED
REGISTERED NUMBER:02410796

BALANCE SHEET
AS AT 30 SEPTEMBER 2018

	Note	2018 £000	2018 £000	2017 £000	2017 £000
Creditors: amounts falling due within one year	5	(9)		(9)	
Net current liabilities			(9)		(9)
Total assets less current liabilities			(9)		(9)
Net liabilities			(9)		(9)
Capital and reserves					
Called up share capital	7		13		13
Capital contribution reserve			788		788
Profit and loss account			(810)		(810)
			(9)		(9)

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The Company has opted not to file the statement of comprehensive income 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
14 June 2019

A Shone

A Shone
Director

The notes on pages 2 to 6 form part of these financial statements.

MARKBALANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

Going concern

The financial statements are prepared on the going concern basis as the immediate holding company has agreed that it will continue to provide financial support to this Company to enable it to meet its liabilities as they fall due, for a period of at least 12 months from the date of approval of these financial statements.

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).

The presentation currency is Pounds Sterling, rounded to the nearest thousand Pounds.

The following principal accounting policies have been applied:

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 2018

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

In preparing these financial statements, the directors have made the following judgements:

- Deferred taxation

The Company has not recognised deferred tax assets in its Balance Sheet (note 7). A review of all available positive and negative evidence is undertaken by the Company at the end of each reporting period to determine the likelihood of realising the deferred tax benefits which potentially arise on excess management fees carry forwards. As the Company has ceased trading, the directors have determined that there is insufficient evidence that the assets will be recoverable.

MARKBALANCE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018**

4. Operating loss

The operating loss is stated after charging:

	2018 £000	2017 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	-	2

Fees payable to the Company's auditor for the audit of the Company's annual accounts was borne by another group company in 2018.

5. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Amounts owed to fellow subsidiary undertakings	7	7
Accruals and deferred income	2	2
	9	9

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 (2017 - £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

	2018 £000	2017 £000
Authorised		
100,000 (2017 - 100,000) ordinary shares of £1.00 each	100	100
Allotted, called up and partly paid		
50,000 (2017 - 50,000) ordinary shares of £1.00 each	13	13

For each of the allotted and called up 50,000 Ordinary shares, 25p has been paid.

MARKBALANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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.

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 2018 (2017 - £nil).

The total remuneration paid to directors for services to the Company was £nil (2017 - £nil).

MARKBALANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2018

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).

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

Additionally, the UK Group's net cash balances with 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 2018, the extent of this guarantee was £19,344,000 (2017 - £18,726,000). The net pooled cash position at 30 September 2018 was £17,000 (2017 - £65,000).

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 2018 was unqualified.

The audit report was signed on 20 June 2019 by Paul Davies (Senior Statutory Auditor) on behalf of BDO LLP.