

Spear & Jackson Limited

Report and Financial Statements

For the Six Months Ended

31 March 2017

Company Number
2422675



Spear & Jackson Limited

Report and Financial Statements for the six months ended 31 March 2017

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Directors

S Hsu
A Shone

Secretary and registered office

J M Dallman

Atlas Way
Atlas North
Sheffield
S4 7QQ

Company number

2422675

Auditor

BDO LLP
Central Square
29 Wellington Street
Leeds
LS1 4DL

Spear & Jackson Limited

Strategic Report for the six months ended 31 March 2017

Statutory information

Spear & Jackson Limited is a private company, limited by shares, domiciled in England and Wales, registration number 2422675. The registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ.

Business model and strategy

The Company acts principally as an industrial holding company providing management services to the Spear & Jackson Limited group of companies. The level of activity in the current period was satisfactory.

Change in accounting period

On 16 June 2017, the accounting reference period was changed from 30 September to 31 March. These financial statements therefore cover the six months ended 31 March 2017 with comparatives covering the year to 30 September 2016.

Qualification of financial statements as at 31 March 2017

As at 30 September 2016 Spear & Jackson Group Limited, the Company's ultimate UK holding company, prepared its financial statements in accordance with International Financial Reporting Standards and, as such, the Company was entitled, at that date, to the exemption from the requirement to prepare consolidated financial statements provided under the Section 400 of the Companies Act 2006. As at 31 March 2017, Spear & Jackson Group Limited, has not prepared consolidated financial statements. As such, the Company is not entitled to the exemption from the requirement to prepare consolidated financial statements provided under Section 400 of the Companies Act 2006. The financial statements as at 31 March 2017 contain information about Spear & Jackson Limited as an individual company, and not about its group, and have therefore been qualified on the basis that consolidated financial statements are required.

Financial review

The operating profit for the period was £1,162,000 (year to 30 September 2016 – £2,328,000). After crediting de-recognition of retirement benefit obligation, charging net interest and charging taxation, the profit for the financial year amounted to £42,637,000 (year to 30 September 2016 – £999,000).

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

On 30 March 2017, the Trustees of the James Neill Pension Plan (the "Plan") consented to the substitution of James Neill Holdings Limited, a subsidiary undertaking, as the Principal Employer of the Plan. Up until this date, Spear & Jackson Limited acted as Principal Employer and, therefore, the legal entity responsible for the Plan. With the change in Principal Employer, Spear & Jackson Limited no longer recognises the defined benefit pension liability in its financial statements. A credit of £50,826,000 has been recognised in the income statement for the period in relation to this de-recognition. This de-recognition has resulted in the net deficit position as at 30 September 2016 of £23,137,000 becoming a net asset position of £19,372,000 at 31 March 2017.

Principal risks and uncertainties

The Company uses financial instruments, other than derivatives, comprising other items such as inter-company balances and other liabilities that arise directly from its operations. The main purpose of these financial instruments is to finance the Company's operations. The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and foreign currency risk. The directors review and agree policies for managing these risks as summarised below. The policies have remained unchanged from previous periods.

Liquidity risk

The Company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Primarily, this is achieved through utilisation of a pooled banking arrangement, asset-backed lending facilities and a term-loan within Spear & Jackson Group Limited and its UK subsidiary undertakings.

Spear & Jackson Limited

Strategic Report for the six months ended 31 March 2017 (*continued*)

Principal risks and uncertainties (*continued*)

Interest rate risk

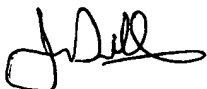
The Company finances its operations through a mixture of retained profits, inter-company accounts and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed on a group basis by the use of both fixed and floating facilities.

Foreign exchange risk

The Company is exposed to transaction and translation foreign exchange risk. Transaction exposures are hedged, when known.

Approval

This Strategic Report was approved by order of the Board on 20 June 2017



**J M Dallman
Secretary**

Spear & Jackson Limited

Report of the Directors for the six months ended 31 March 2017

Directors

The Directors of the Company throughout the period were:

S Hsu
A Shone

Qualifying third party indemnity provisions

The Company has put in place qualifying third party indemnity provisions for all of the directors of Spear & Jackson Limited.

Dividends

Information on dividends has been included in the Strategic Report on page 1.

Likely future developments in the business of the Company

Information on likely future developments in the business of the Company has been included in the Strategic Report on pages 1 and 2.

Existence of branches of the company outside of the United Kingdom

The Company has no branches outside of the United Kingdom.

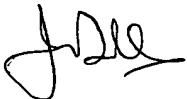
Auditor

All of the Directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The Directors are not aware of any relevant audit information of which the company's auditor is unaware.

The auditor, BDO LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

Approval

This Directors' Report was approved by order of the Board on 20 June 2017



J M Dallman
Secretary

Spear & Jackson Limited

Statement of Directors' Responsibilities

Directors' responsibilities

The Directors are responsible for preparing the strategic report, the directors' 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 group and company and of the profit or loss of the group for that period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

Spear & Jackson Limited

Independent Auditor's Report

Independent Auditor's Report to the Members of Spear & Jackson Limited

We have audited the financial statements of Spear & Jackson Limited for the six months ended 31 March 2017 which comprise income statement and statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of changes in cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors

As explained more fully in the statement of Directors' responsibilities, 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 Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Basis for adverse opinion on financial statements

As explained in note 1 to the financial statements the company has not prepared group financial statements, which is contrary to the provisions of FRS 102 Section 9 'Requirement to present consolidated financial statements' and the Companies Act 2006.

Adverse opinion on financial statements

In our opinion, because of the significance of the matter described in the Basis for adverse opinion paragraph, the financial statements:

- do not give a true and fair view of the state of the group's affairs as at 31 March 2017 and of its profit for the period then ended; and
- have not been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice.
- have not been prepared in accordance with the requirements of the Companies Act 2006.

Spear & Jackson Limited

Independent Auditor's Report (*continued*)

Opinion on the parent company financial statements

Notwithstanding our adverse opinion in respect of non-provision of group financial statements above; in our opinion the parent company financial statements:

- give a true and fair view of the state of the parent company's affairs as at 31 March 2017 and of its profit for the period 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.

Opinion on other matters prescribed by the Companies Act 2006

Notwithstanding our adverse opinion in respect of the non-provision of group financial statements, in our opinion, based on the work undertaken in the course of the audit:

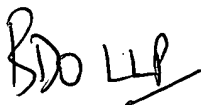
- the information given in the strategic report and directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been not been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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



*Paul Davies (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Leeds
United Kingdom*

20 June 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Spear & Jackson Limited

Income Statement

	Note	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Turnover	3	1,094	2,348
Administrative credits/(expenses)		68	(20)
Operating profit	4	1,162	2,328
De-recognition of retirement benefit obligation	14	50,826	-
Profit on ordinary activities before interest and taxation		51,988	2,328
Interest payable and similar charges	7	(11)	(53)
Other finance costs	8	(615)	(1,217)
Profit on ordinary activities before taxation		51,362	1,058
Taxation on profit on ordinary activities	9	(8,725)	(59)
Profit for the financial period/year		42,637	999

All the above activities arose from continuing operations.

The notes on pages 12 to 30 form part of these financial statements.

Spear & Jackson Limited

Statement of Comprehensive Income

	Note	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Profit for the financial period/year		42,637	999
Actuarial losses on defined benefit pension scheme	14	(154)	(18,715)
Taxation on actuarial losses on defined benefit pension scheme		26	3,182
Change in taxation rates on actuarial losses on defined benefit scheme	15	-	(1,022)
Other comprehensive income for the period/year		(128)	(16,555)
Total comprehensive income for the period/year		42,509	(15,556)

The notes on pages 12 to 30 form part of these financial statements.

Spear & Jackson Limited

Balance Sheet

Company number 2422675	Note	31 March 2017 £'000	31 March 2017 £'000	30 September 2016 £'000	30 September 2016 £'000
Fixed assets					
Investments	10	2,570		2,570	
			<u>2,570</u>		<u>2,570</u>
Current assets					
Debtors	11	16,823		25,315	
Cash at bank and in hand		6		4	
Financial instruments	12	1		-	
		<u>16,830</u>		<u>25,319</u>	
Creditors: amounts falling due within one year	13	(28)		(18)	
Net current assets		<u>16,802</u>		<u>25,301</u>	
Total assets less current liabilities			<u>19,372</u>		<u>27,871</u>
Net assets excluding pension liability			<u>19,372</u>		<u>27,871</u>
Retirement benefit obligation	14		-		(51,008)
Net assets/(liabilities)			<u>19,372</u>		<u>(23,137)</u>
Capital and reserves					
Called up share capital (£100)	16		-		-
Profit and loss account			<u>19,372</u>		<u>(23,137)</u>
			<u>19,372</u>		<u>(23,137)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 20 June 2017

A Shone

A Shone
Director

The notes on pages 12 to 30 form part of these financial statements.

Spear & Jackson Limited

Statement of Changes in Equity

	Share capital £'000	Profit and loss account £'000	Total equity £'000
1 October 2015	-	(7,581)	(7,581)
Comprehensive income for the year			
Profit for the year	-	999	999
Actuarial losses on defined benefit pension scheme	-	(18,715)	(18,715)
Taxation on actuarial losses on defined benefit pension scheme		3,182	3,182
Change in taxation rates on actuarial losses on defined benefit pension scheme		(1,022)	(1,022)
Total comprehensive income for the year	-	(15,556)	(15,556)
30 September 2016	-	(23,137)	(23,137)
Comprehensive income for the period			
Profit for the period	-	42,637	42,637
Actuarial losses on defined benefit pension scheme	-	(154)	(154)
Taxation on actuarial losses on defined benefit pension scheme	-	26	26
Total comprehensive income for the period	-	(128)	(128)
31 March 2017	-	19,372	19,372

The notes on pages 12 to 30 form part of these financial statements.

Spear & Jackson Limited

Statement of Cash Flows

	Note	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Cash flows from operating activities			
Profit for the financial period/year		42,637	999
Adjustments for:			
Net interest payable		11	53
Taxation expense	12	8,725	59
Retirement benefit obligations credits		(336)	(700)
De-recognition of retirement benefit obligations	14	(50,826)	-
Operating profit before working capital changes		<u>211</u>	<u>411</u>
Increase in amounts owed by subsidiary undertakings		(165)	(96)
Decrease in amounts owed by fellow subsidiary undertakings		1	-
Increase in amounts owed by parent undertakings		(43)	(266)
Increase/(decrease) in trade and other creditors		7	(1)
Increase in amounts owed to fellow subsidiary undertakings		3	-
Financial instruments credits		(1)	-
Net cash generated from operating activities		<u>13</u>	<u>48</u>
Cash flows from financing activities			
Interest paid		(11)	(53)
Net cash used in financing activities		<u>(11)</u>	<u>(53)</u>
Net increase/(decrease) in cash and cash equivalents		2	(5)
Cash and cash equivalents at beginning of year		4	9
Cash and cash equivalents at end of the period/year		<u>6</u>	<u>4</u>
Cash and cash equivalents comprise:			
Cash at bank and in hand		6	4

The notes on pages 12 to 30 form part of these financial statements.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements

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Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017

1 Accounting policies

Spear & Jackson Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the company's operations and its principal activities are set out in the strategic report. The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires company management to exercise judgement in applying the company's accounting policies.

As at both 31 March 2017 and 30 September 2016, the company was a 100% subsidiary of Spear & Jackson Group Limited, a company incorporated in England. As at 30 September 2016 Spear & Jackson Group Limited prepared its financial statements in accordance with International Financial Reporting Standards and, as such, the Company was entitled, at that date, to the exemption from the requirement to prepare consolidated financial statements provided under the Section 400 of the Companies Act 2006. However, as at 31 March 2017, Spear & Jackson Group Limited has not prepared consolidated financial statements and so, the Company is not entitled to the exemption from the requirement to prepare consolidated financial statements provided under Section 400 of the Companies Act 2006. The financial statements as at 31 March 2017 contain information about Spear & Jackson Limited as an individual company, and not about its group, and have therefore been qualified on the basis that consolidated financial statements are required.

The following principal accounting policies have been applied:

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Impairment of fixed assets

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

Foreign currency translation

Foreign currency transactions are translated into Pounds Sterling using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest rate method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Exceptional items

The Company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

1 Accounting policies (continued)

Current and deferred tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a charge attributable to an item of income or 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 reporting date in the countries where the company's subsidiaries operate and generate taxable income.

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

- 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 timing differences relate to interests in subsidiaries, associates, branches and joint ventures and the Company can control their reversal 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Pension costs

The Company is a member of a group defined benefit pension plan which until 30 March 2017 was operated by the Company. There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities. In line with the requirements of FRS 102 section 20.38, the net defined benefit cost of the Plan has, therefore, been recognised in the individual financial statements of the group entity legally responsible for the Plan. Until 30 March 2017 the cost was recognised in Spear & Jackson Limited, after which it was recognised in James Neill Holdings Limited. The other group companies who are members of the Plan have recognised a cost equal to their contributions payable for the year in their individual financial statements.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

Financial assets

Financial assets, other than investments and derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless they are included in a hedging arrangement.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

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

- Determine whether leases entered into by the company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- *Retirement benefit obligation (see note 14)*

The Company is a member of a group defined benefit pension plan which until 30 March 2017 was operated by the Company.

A number of statistical and other factors which attempt to anticipate future events are used by the actuaries in calculating the expense and liability relating to the Plan. These factors include assumptions about the discount rate, and expected return on the Plan assets as determined by the Company, within certain guidelines, and in conjunction with the Company's actuarial consultants and auditor. Our actuaries also use subjective factors such as withdrawal and mortality rates to estimate the expense and liability related to the Plan. The actuarial assumptions used by the Company may differ significantly, either favourably or unfavourably, from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants.

The use of different assumptions may have a significant impact on the measurement of the income statement pension expenses and the statement of financial position pension liability that are recognised in the Company's financial statements.

Certain of these assumptions have judgemental aspects. There is, therefore, the potential for a range of acceptable values to be available for several of the assumptions at any time, all of which could be justified and considered appropriate for the purposes of compiling the necessary disclosures under FRS 102.

The range of possible acceptable assumptions reflects, inter alia, degrees of optimism and caution that the actuaries can build into their assumption models concerning certain macro and micro economic conditions and other demographic factors. Further, because of the constantly evolving nature of such economic and demographic factors, assumptions will not remain constant over time but will move to reflect changes in the principal calculation drivers that underpin them.

The following sensitivity table illustrates the impact on the Company's balance sheet as a result of making changes in certain of the key assumptions used in calculating the assets and liabilities of the Plan.

	Impact on 30 September 2016 Pension Deficit £'000
Change is assumption:	
25 basis point decrease in discount rate	+6.0 million
25 basis point increase in discount rate	-7.0 million
25 basis point increase in inflation assumptions	+2.0 million
25 basis point decrease in inflation assumptions	-2.0 million
Increase mortality assumptions by one year	+7.0 million
Decrease mortality assumptions by one year	-7.0 million

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

- *Deferred tax (see note 15)*

The company has recorded significant deferred tax assets in its Balance Sheet. 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 its property, plant and equipment, the UK pension defined benefit plan, accruals and allowances, inventories and tax loss carry forwards.

Such reviews consider the available positive and negative evidence, and comprise all those factors believed to be relevant, including the company's recent operating results and its expected future profitability, including the impact of its manufacturing restructuring strategies. Based on these reviews, the company can then determine whether there is a reasonable expectation that it will generate sufficient future taxable income such that its gross deferred tax assets relating to property, plant and equipment, the UK pension defined benefit plan, accruals and allowances and inventories are likely to be realised.

The company will continue to review the recoverability of its deferred tax assets and, based on such periodic reviews, the company could recognise a change in the valuation allowance relating to its deferred tax assets in the future should, for example, estimates of forecast taxable income be reduced or other favourable or adverse events occur.

3 Turnover

Turnover, representing administration charges to subsidiary undertakings in the United Kingdom, is a continuing activity, and is stated net of value added tax. The directors regard the company's business as being of one class.

4 Operating profit

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
This is arrived at after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's statutory accounts	8	5
Fees payable to the company's auditor for other services to the company:		
Taxation compliance services	2	1
Exchange differences	(10)	(14)
	<hr/>	<hr/>

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

5 Employees

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Staff costs (including Directors) consist of:		
Wages and salaries	783	1,777
Social security costs	102	169
	<u>885</u>	<u>1,946</u>

The average number of employees (including Directors) during the period/year was as follows:

	2017 Number	2016 Number
Office and management	<u>46</u>	<u>48</u>

6 Directors' remuneration

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Directors' emoluments	<u>49</u>	<u>115</u>

There was 1 Director in the company's defined benefit pension scheme (2016 - 1). Accrued pension benefits of the highest paid Director under the defined benefit pension scheme were £1,000 (2016 - £1,000).

Emoluments of the highest paid Director were £49,000 (2016 - £115,000).

7 Interest payable and similar charges

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Bank interest	<u>10</u>	<u>53</u>

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (*continued*)

8 Other finance costs

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Net interest on net defined benefit liability (note 14)	615	1,217

9 Taxation on profit on ordinary activities

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
<i>UK corporation tax</i>		
Current tax on profits of the period/year	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	67	140
De-recognition of retirement benefit obligations	8,658	-
Changes to tax rates	-	(81)
	8,725	59
Taxation on profit on ordinary activities	8,725	59

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

9 Taxation on profit on ordinary activities (continued)

The tax assessed for the period/year is lower than the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Profit on ordinary activities before tax	51,362	1,058
Profit on ordinary activities at the standard rate of corporation tax in the UK of 20% (2016 – 20%)	10,272	212
Effects of:		
Difference in tax rates	(1,507)	-
Permanently disallowed items	-	10
Group relief received for which no payment will be made	(40)	(82)
Re-measurement of deferred tax – change in UK tax rate	-	(81)
Total tax charge for the period/year	8,725	59

During the year ended 30 September 2016, the deferred tax asset in relation to the retirement benefit obligations was re-measured at 17% following the enactment of United Kingdom legislation which has the effect of reducing the effective tax rate from 20% to 19% from April 2017, with a further reduction to 17% from April 2020. A tax credit of £1,507,000 has arisen in the period representing the difference between the 20% standard rate of corporation tax and the 17% at which the deferred tax asset is measured.

The aggregate current and deferred tax relating to items recognised in other comprehensive income is a credit of £26,000 (2016 - a credit of £3,182,000).

For further information on deferred tax balances see note 15.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

10 Investments

	Subsidiary undertakings £'000
<i>Cost</i>	
At 1 October 2016 and 31 March 2017	119,116
<i>Provisions</i>	
At 1 October 2016 and 31 March 2017	116,546
<i>Net book value</i>	
At 30 September 2016 and 31 March 2017	2,570

The following subsidiary undertakings are incorporated and operate in England. In each case, the registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ:

Name	Proportion of voting rights and ordinary share capital held	Nature of business
James Neill Holdings Limited	100%	Investment holding company.
Neill Tools Limited	100% *	Procurement, distribution and sale of hacksaw blades, other engineers' cutting tools, pliers and other hand tools.
Spear & Jackson UK Limited	100% *	Procurement, distribution and sale of garden, agricultural and contractors' hand tools, wood saws and builders' tools.
Eclipse Magnetics Limited	100%	Manufacture, distribution and sale of permanent magnets, magnetic work holding systems and other associates products.
Spear & Jackson Holdings Limited	100% *	Investment holding company.
Robert Sorby Limited	100%	Manufacture and sale of specialist woodworking tools.
Markbalance Limited	100%	Investment holding company.

(* Investments indirectly held)

Spear & Jackson Limited

Notes Forming Part of the Financial Statements
for the six month period ended 31 March 2017 *(continued)*

10 Investments *(continued)*

The following subsidiary undertakings are incorporated and operate overseas.

Name	Proportion of voting rights and ordinary share capital held	Registered office	Nature of business
Societe Neill France SA	100% *	Le Coin, Zone Industrielle, CS 40082, 42402 Saint Chamond Cedex, France	Holding company of Spear & Jackson France SA
Spear & Jackson France SA	100% *	Le Coin, Zone Industrielle, CS 40082, 42402 Saint Chamond Cedex, France	Marketing, distribution and sale of garden tools, hand tools and other related products.
Spear & Jackson (Australia) Pty Limited	100% *	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia	Marketing, distribution and sale of hand and garden tools and other related products.
Spear & Jackson (New Zealand) Limited	100% *	DFK Oswin Griffiths Carlton, Level 4, 52 Symonds Street, Auckland, 1010, New Zealand	Marketing, distribution and sale of hand and garden tools and other related products.
Eclipse Tools North America, Inc.	100% *	442 Millen Road, Units 9 & 10, Stoney Creek, Ontario, L8E 6H2, Canada	Marketing, distribution and sale of magnetic products, hand tools and other related products
Eclipse Tools Manufacturing Company Limited	100% *	Building 4, No. 128, Jiangmu Road, Gaoxin District, Jiangmen City, Guangdong Province, China	Manufacture, distribution and sale of hacksaw blades

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

10 Investments (continued)

The Company has investments in other dormant companies. The following dormant companies are wholly owned by the Company. In each case, the registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ:

Name	Name
Abbey Dropforgings Ltd	Magnetic Rubber Ltd
Applied Magnetic Systems Ltd	Mastercraft Tools Ltd
Atlas Tools Ltd	Moore & Wright (Sheffield) Ltd
Atlas Works Ltd	Neill Tool Group Ltd
Atlas World Ltd	S & J Metrology Limited
Brades Skelton & Tyzack Ltd	S&J Groundforce Ltd
Composite Steel Works Ltd	Sheffield Alloy Steel Co Ltd
Coventry Gauge Limited	Spear & Jackson (Tools) Ltd
Craft Supplies Limited	Spear & Jackson Groundforce Ltd
Dawn Tools Ltd	Spear & Jackson Industrial Saws Ltd
Drabble & Sanderson Ltd	Spear Tools Ltd
Eclipse Tools Ltd	Spearwell Tools Ltd
Edward & William Lucas Ltd	Speedicut Saws Ltd
E-L Special Tools Ltd	Spiralux Engineering Ltd
Elliott-Lucas Ltd	Spiralux Tools Ltd
FBT Saws Ltd	St Pauls Road Developments Ltd
FBT Services Ltd	Steadfast Tools Ltd
Hallamshire Sheet Mills Ltd	The Avia Steel & Tool Co Ltd
Isaac Nash & Sons Ltd	The Hallamshire Steel & File Co Ltd
James Neill (Napier Street) Ltd	The Standard Hacksaw Co Ltd
James Neill (Services) Ltd	The Tool & Engineering Co Ltd
James Neill (Sheffield) Ltd	The United Manufacturers Services Limited
James Neill Tools Ltd	The Wormald Patent Locks Company Ltd
John Bedford & Sons Ltd	Tool Manufacturers Ltd
John Shaw & Sons, Wolverhampton, Ltd	Vanguard Engineering Products Ltd
John Shaw Tools Ltd	William Hunt & Sons (The Brades) Ltd
Joseph Tyzack & Sons Ltd	William Smith Tool & Steel Co Ltd

The Company also has investments in overseas dormant companies. The following dormant companies are wholly owned by the Company:

Name	Registered office
E H Collis Pty Ltd *	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia
E H Collis (NSW) Pty Ltd *	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia
James Neill Canada Inc *	Registered in Canada, c/o Atlas Way, Atlas North, Sheffield, S4 7QQ
James Neill USA Inc *	Barrick, Switzer, Long, Balsley & Van Evera LLP, 6833 Stalter Drive, Rockford, Illinois 61108, United States of America
Umcos (Australia) Pty Ltd *	Building 2, 82 Greens Road, Dandenong South, VIC 3175, Australia

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (*continued*)

11 Debtors

	31 March 2017 £'000	30 September 2016 £'000
<i>Amounts falling due within one year:</i>		
Amounts owed by subsidiary undertakings	11,519	11,354
Amounts owed by fellow subsidiary undertakings	47	48
Amounts owed by parent undertakings	5,257	5,214
Deferred tax asset (note 15)	-	72
	<u>16,823</u>	<u>16,688</u>
<i>Amounts falling due after one year:</i>		
Deferred tax asset (note 15)	-	8,627
	<u>16,823</u>	<u>25,315</u>

12 Financial instruments

	31 March 2017 £'000	30 September 2016 £'000
<i>Derivative financial assets</i>		
Forward foreign exchange contracts – held for trading	1	-
	<u>1</u>	<u>-</u>

The fair values for the above contracts have been estimated using relevant market exchange and interest rates.

The Company enters into significant medium term currency exposures that are not expected to be off-set by other currency transactions. They are considered to be part of an economic hedge arrangement but have not been formally designated. The foreign exchange forward contracts relate primarily to forward purchases of Hong Kong Dollars and the cash flows are expected to occur before 31 December 2017 (30 September 2016 – no forward contracts held).

13 Creditors: amounts falling due within one year

	31 March 2017 £'000	30 September 2016 £'000
Trade creditors	13	6
Amounts owed to fellow subsidiary undertakings	15	12
	<u>28</u>	<u>18</u>

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

14 Retirement benefit obligation

The Company operates a contributory defined benefit pension plan covering certain of its employees in the UK-based subsidiaries of Spear & Jackson Group Limited, the "James Neill Pension Plan", (the "Plan"). The benefits covered by the Plan are based on years of service and compensation history. The Plan's assets are held separately from the assets of the Company and are administered by the Plan's trustees and are managed professionally.

There is no contractual agreement or stated policy for charging the net defined benefit cost to individual group entities. In line with the requirements of FRS 102 section 20.38, the net defined benefit cost of the Plan has, therefore, been recognised in the individual financial statements of the group entity legally responsible for the Plan. The other group companies who are members of the Plan have recognised a cost equal to their contributions payable for the year in their individual financial statements.

From March 2014 up until 30 March 2017, the Company acted as Principal Employer, and therefore the legal entity responsible for the Plan and the entity which recognises the defined pension liability in its financial statements. On that date, the Trustees of the Plan consented to the substitution of James Neill Holdings Limited, a subsidiary undertaking, as the Principal Employer of the Plan. With the change in Principal Employer, the Company no longer recognises the defined benefit pension liability in its financial statements. A credit of £50,826,000 has been recognised in the income statement for the period in relation to this de-recognition.

Although the Company no longer acts as Principal Employer to the Plan, it continues to be a participating employer and the substitution does not affect the guarantees and responsibilities that the Company has in respect of the Plan. As a consequence, it continues to include details of the Plan, for disclosure purposes, in its financial statements.

The total contributions paid to the Plan for the period ended 31 March 2017 amounted to £1.4 million (year ended 30 September 2016 - £2.8 million). Included within this are the company's contributions for the period ended 31 March 2017, which amounted to £nil (year ended 30 September 2016 - £nil).

The latest formal actuarial valuation of the Plan was carried out at 5 April 2016 by KPMG, the actuarial advisors to the Plan. Following the finalisation of the 2016 actuarial valuation, a long-term funding plan was agreed between the Plan and the Company which provided for a fixed annual contribution of £2.8 million from 1 March 2017 to 29 February 2032. This contribution is based on the recovery of a deficit of £70.8 million as indicated by the triennial valuation at 5 April 2016. In addition to recovering the deficit, the annual fixed contributions also cover the funding of the annual ongoing accrual and the annual Pension Protection Fund Levy which is borne directly by the Plan. The revised schedule is subject to UK pension regulatory approval, and may be liable to revision and amendments in future periods dependent on fluctuations, both favourable and adverse, in the actuarially determined value of the Plan investments and liabilities and the financial strengths and cash flow requirements of the Plan's sponsoring employers.

In March 2014, a Flexible Apportionment Arrangement was agreed whereby the employment of members of the Plan in certain of the other participating employers was transferred to the Company, the Company became the Principal Employer of the Plan and the liabilities of the participating employers were apportioned and transferred to the Company. At the same time, the participating employers entered into separate agreements with the Trustees of the Plan whereby they guaranteed all present and future monies, obligations and liabilities whether actual or contingent and whether owned jointly or severally. As discussed above, on 30 March 2017, the Principal Employer changed to James Neill Holdings Limited.

In addition to cash contributions made to the Plan, a second legal charge has been executed in favour of the Plan representing 50% of the value of the Spear & Jackson Group's freehold land and buildings at Atlas Way, Sheffield, England.

Furthermore, in connection with the renegotiation of the employer's contribution schedule, guarantees have been provided by the Company and Bowers Group Limited, a fellow UK subsidiary, to secure certain obligations ("the guaranteed obligations") relative to the Plan in the event of a contribution default by any of the participating companies or in certain other circumstances.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

14 Retirement benefit obligation (continued)

The guaranteed obligations represent all present and future obligations (actual or contingent) of each participating employer to make payments to the Plan up to a maximum amount that is equal to the lowest non-negative amount which, when added to the assets of the Plan, would result in the Plan being at least 105% funded on the date on which any liability under the guarantee crystallised based on an actuarial valuation of the Plan carried out on that date.

The principal financial assumptions used in the updated actuarial valuations at 31 March 2017 and 30 September 2016 for the purpose of the accounting disclosures in these financial statements were as follows:

	31 March 2017 £'000	30 September 2016 £'000
Long term rate of increase in pensionable salaries (note a)	0.00%	0.00%
Rate of increase of benefits in payment (note b)	3.05%	2.90%
Rate of increase of benefits in payment (note c)	1.95%	1.80%
Discount rate	2.65%	2.45%
Inflation assumption (Retail Prices Index ("RPI"))	3.20%	3.00%
Inflation assumption (Consumer Prices Index ("CPI")) (note d)	2.20%	2.00%
Mortality Base Table	S2PXA with multiplier of 112% CMI 2016 with 1.00% long-term improvement rate	S2PXA with multiplier of 112% CMI 2015 with 1.00% long-term improvement rate
Mortality Improvements		

Notes:

- (a) Pensionable pay was frozen with effect from 5 April 2010.
- (b) In respect of pensions in excess of the guaranteed minimum pension in the 1999 and 2001 sections of the Plan.
- (c) In respect of guaranteed minimum pension earned after 6 April 1988.
- (d) Following changes in applicable legislation, inflationary increases applied to the value of deferred members' pension liabilities have been recalculated using CPI rather than the RPI inflation index.

The life expectancies implied by the mortality assumptions used in the pension valuation (making allowance for projected future improvements in mortality) are:

	31 March 2017 Years	30 September 2016 Years
Future pensioner when aged 65:		
Male	21.0	21.0
Female	23.0	23.0
Future pensioner when aged 65:		
Male	22.3	22.3
Female	24.5	24.5

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

14 Retirement benefit obligation (continued)

The amount recognised in the statement of financial position in respect of the Plan for the current period is as follows:

	31 March 2017 £'000	30 September 2016 £'000
Fair value of Plan assets:		
Equities (quoted)	-	23,814
Bonds (quoted)	-	31,101
Hedge fund	-	5,451
Property	-	17,185
Cash	-	1,040
Infrastructure	-	22,746
Liability driven investment	-	13,937
Insurance policies	-	790
	-	116,064
Present value of funded obligations	-	(167,072)
Net liability recognised	-	(51,008)

Amounts recognised in the income statement in respect of the Plan are as follows:

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Current service cost	198	287
Administration costs	251	596
Employer contributions paid by other participating employers	(1,400)	(2,800)
De-recognition of retirement benefit obligations	(50,826)	-
Interest cost	2,012	5,365
Interest on assets	(1,397)	(4,148)
Net pension credit	(51,162)	(700)

The current service cost, employer contributions paid by other participating employers and administration costs are included in the administration expenses caption in the income statement. The net interest cost is included in the other finance costs caption in the income statement. The de-recognition of retirement benefit obligations is separately identified in the income statement.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

14 Retirement benefit obligation (continued)

Movements in the present value of the defined benefit obligations are as follows:

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
At 1 October	167,072	143,580
Current service cost	198	287
Interest cost	2,012	5,365
Member contributions	49	105
Benefit payments	(3,943)	(8,662)
Actuarial losses – changes in financial assumptions	(3,964)	26,397
Actuarial losses – changes in demographic assumptions	(1,935)	-
Actuarial losses – changes in financial assumptions	8,412	-
De-recognition of retirement benefit obligation	(167,901)	-
	<hr/>	<hr/>
At the reporting date	-	167,072
	<hr/>	<hr/>

Changes in the fair values of the Plan's assets are as follows:

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
At 1 October	116,064	110,587
Employer contributions paid by other participating employers	1,400	2,800
Member contributions	49	105
Administration cost	(251)	(596)
Interest income	1,397	4,148
Benefit payments	(3,943)	(8,662)
Return on plan assets	2,359	7,682
De-recognition of retirement benefit obligation	(117,075)	-
	<hr/>	<hr/>
At the reporting date	-	116,064
	<hr/>	<hr/>

The actual return on the Plan's assets was a gain of approximately £2,359,000 (2016 - £7,682,000).

The amount, before tax, recognised in the statement of comprehensive income is as follows:

	Six months ended 31 March 2017 £'000	Year ended 30 September 2016 £'000
Actuarial loss	(154)	(18,715)
	<hr/>	<hr/>

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

14 Retirement benefit obligation (continued)

The fair value of the assets held by the Plan as at 31 March 2017 and 30 September 2016, together with the liabilities at those dates calculated on the above bases, are as follows:

	31 March 2017 £'000	30 September 2016 £'000
Total market value of Plan assets	117,075	116,064
Present value of Plan liabilities	(167,901)	(167,072)
Deficit in the Plan	(50,826)	(51,008)
Related deferred tax asset	8,663	8,699
Net pension liability	(42,163)	(42,309)

The net liability at 30 September 2016 has been recognised in the Company's financial statements. The net liability at 31 March 2017 is included here for disclosure purposes only.

The actuarial valuation showed that the market value of the Plan's assets at 31 March 2017 was £117,075,000 (30 September 2016 – £116,064,000) and that the actuarial value of these assets represented 70% (30 September 2016 - 69%) of the benefits that had accrued to members. The shortfall of £50,826,000 (30 September 2016 – £51,008,000) is subject to variation as, going forward, assumptions and investment conditions may change. The current deficit and any future liabilities, as calculated by the Plan actuary, will be cleared in accordance with current UK pension's legislation and after consultation and agreement between the Trustees and the Company.

15 Deferred tax

	Defined benefit pension plan £'000	Total £'000
At 1 October 2015	6,598	6,598
Taxation charge in the year	(59)	(59)
Recognition of actuarial losses on defined benefit pension scheme in other comprehensive income	3,182	3,182
Change in taxation rates on actuarial losses on defined benefit pension plan in other comprehensive income	(1,022)	(1,022)
At 30 September 2016	8,699	8,699
Taxation charge in the period	(8,725)	(8,725)
Recognition of actuarial losses on defined benefit pension plan in other comprehensive income	26	26
At 31 March 2017	-	-

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

15 Deferred tax (continued)

The Company has capital losses available approximately £551,000 (30 September 2016 - £551,000) which have not been recognised in these accounts. There is insufficient evidence that these assets will be recoverable within the meaning of FRS 102, section 29 "Income Tax".

16 Share capital

	31 March 2017 £'000	30 September 2016 £'000
<i>Allotted, called up and fully paid</i>		
1,000 (2015 – 1,000) ordinary shares of 10p each	-	-

17 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 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, which was set-up following the repayment of the previous term loan in September 2015, at 31 March 2017 was £665,000 (30 September 2016 - £760,000). It is 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. As part of this arrangement, the company has entered into a cross guarantee to guarantee any bank borrowings within that pooled fund. At 31 March 2017, the extent of this guarantee was £32,540,000 (30 September 2016 - £31,870,000). The net pooled cash position at 31 March 2017 was £381,000 overdrawn (30 September 2016 - £237,000).

Refer to note 14 in respect of security and guarantees that are in place in relation to the James Neill Pension Plan.

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.

Spear & Jackson Limited

Notes Forming Part of the Financial Statements for the six month period ended 31 March 2017 (continued)

18 Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of 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.

For the year ended 30 September 2016, the parent undertaking of the largest and smallest group of undertakings for which group accounts are drawn up, which are publicly available, and of which the company is a member, is Spear & Jackson Group. The address of Spear & Jackson Group Limited's registered office is Atlas Way, Atlas North, Sheffield, S4 7QQ. No group accounts have been drawn up for the period ending 31 March 2017. The financial information for the six months ended 31 March 2017 will be included in the consolidated financial statements of Spear & Jackson Group Limited for the year ended 30 September 2017.

19 Related party disclosures

As at 31 March 2017, the net outstanding amount receivable comprising loans due from entities with control, joint control or significant influence over the company was £5,257,000 (30 September 2016 - £5,214,000). The loans are repayable on demand. In the six months ended 31 March 2017 the net amount credited to the income statement was £44,000 (year ended 30 September 2016 - £83,000). Interest credited to the income statement in the period was £nil (2016 - £nil).

As at 31 March 2017, the net outstanding amount receivable comprising loans due from entities over which the company has control, joint control or significant influence was £11,519,000 (30 September 2016 - £11,354,000). The loans are repayable on demand. In the six months ended 31 March 2017 the net amount credited to the income statement was £170,000 (year ended 30 September 2016 - £332,000). Interest credited to the income statement in the period was £nil (2016 - £nil).

As at 31 March 2017, the outstanding amount receivable comprising loans due from other related parties was £47,000 (30 September 2016 - £48,000). The loans are repayable on demand. In the six months ended 31 March 2017 the net amount charged to the income statement was £1,000 (year ended 30 September 2016 - £1,000). Interest credited to the income statement in the period was £nil (2016 - £nil).

As at 31 March 2017, the outstanding amount payable comprising loans due to other related parties was £15,000 (30 September 2016 - £12,000). The loans are repayable on demand. In the six months ended 31 March 2017 the net amount charged to the income statement was £4,000 (year to 30 September 2016 - £12,000). Interest charged to the income statement in the period was £nil (2016 - £nil).

Key management personnel include all directors and a number of senior managers across the company who together have authority and responsibility for planning, directing and controlling the activities of the company. The total compensation paid to key management personnel for services provided was £49,000 (year to 30 September 2016 - £115,000).