
OFFERTOWER LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017



OFFERTOWER LIMITED

COMPANY INFORMATION

Directors	S Hsu A Shone Bowers Group Limited
Company secretary	J M Dallman
Registered number	02501932
Registered office	Atlas Way Atlas North Sheffield S4 7QQ
Independent auditors	BDO LLP Central Square 29 Wellington Street Leeds LS1 4DL

OFFERTOWER LIMITED

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OFFERTOWER LIMITED
REGISTERED NUMBER:02501932

BALANCE SHEET
AS AT 30 SEPTEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Investments	5	795	795
		<u>795</u>	<u>795</u>
Current assets			
Debtors: amounts falling due within one year	6	-	776
Cash at bank and in hand		1	-
		<u>1</u>	<u>776</u>
Creditors: amounts falling due within one year	7	(2,070)	(2,811)
Net current liabilities		<u>(2,069)</u>	<u>(2,035)</u>
Total assets less current liabilities		<u>(1,274)</u>	<u>(1,240)</u>
Net liabilities		<u>(1,274)</u>	<u>(1,240)</u>
Capital and reserves			
Called up share capital	8	13	13
Profit and loss account		(1,287)	(1,253)
Shareholders' deficit		<u>(1,274)</u>	<u>(1,240)</u>

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
Director

The notes on pages 2 to 7 form part of these financial statements.

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

1. General information

Offertower Limited is a private company, limited by shares, domiciled in England and Wales, registration number 02501932. 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).

As at 30 September 2017, the Company was a 100% subsidiary of Bowers Group Limited. Bowers Group Limited was a 100% subsidiary of Spear & Jackson Group Limited, a company incorporated in England. Spear & Jackson Group Limited prepares its financial statements in accordance with International Financial Reporting Standards and, as such, the company is entitled to the exemption from the requirement to prepare consolidated financial statements provided under the Section 400 of the Companies Act 2006. These financial statements therefore contain information about Offertower Limited as an individual company, and not about its group.

The directors have taken advantage of the exemption in FRS 102 section 1.12 from including a Statement of Cash Flows in the financial statements on the grounds that, at 30 September 2017, the Company was wholly owned and its ultimate United Kingdom parent published a consolidated cash flow statement.

The following principal accounting policies have been applied:

Impairment

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

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

2. Accounting policies (continued)

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.

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.

OFFERTOWER LIMITED

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

2. Accounting policies (continued)

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 had to make the following judgements:

- Determine whether there are indicators of impairment of the Company's fixed 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.

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	2

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

5. Fixed asset investments

	Total £000
Cost	
At 1 October 2016	1,485
At 30 September 2017	1,485
Impairment	
At 1 October 2016	690
At 30 September 2017	690
Net book value	
At 30 September 2017	795
At 30 September 2016	795

During the year ended 30 September 2016 the Company provided against the cost of investment in subsidiary undertakings following impairment reviews performed in accordance with FRS 102, section 27 "Impairment of Assets".

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
Magnacut Limited	Atlas Way, Atlas North, Sheffield, S4 7QQ, England	Ordinary	100 %	Dormant undertaking
Bowers Eclipse Equipment Shanghai Co. Limited	No. 29 Shuangbai Road, Manhang District, Shanghai, People's Republic of China	Ordinary	100 %	Distribution of metrology and magnetic equipment

6. Debtors

	2017 £000	2016 £000
Amounts owed by group undertakings	-	776

The amount receivable in more than one year is £nil (2016 - £nil)

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

7. Creditors: Amounts falling due within one year

	2017 £000	2016 £000
Bank borrowings	2,036	79
Amounts owed to group companies	32	1,940
Amounts owed to fellow subsidiary undertakings	1	289
Amounts owed to parent undertakings	-	502
Accruals and deferred income	1	1
	<u>2,070</u>	<u>2,811</u>

Refer to note 11 for details of security relating to the Company's bank borrowings.

8. Share capital

	2017 £000	2016 £000
Authorised		
100,000 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and partly paid		
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.

9. Ultimate parent undertaking

The Company is a wholly owned subsidiary undertaking of Bowers Group Limited. The entire issued share capital of Bowers Group 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.

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

10. 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).

11. 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. At 30 September 2017, the Company was in an overdrawn position of £2,036,000 (2016 - £79,000). 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.

12. 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.