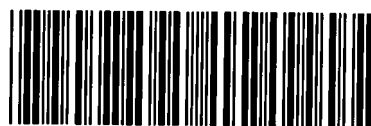

HY-PRO INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

FRIDAY



L7FEQZYH

LD9

28/09/2018

#434

COMPANIES HOUSE

HY-PRO INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors	A Shah N W Wray S Pickavance (resigned 25 September 2018) M R Rajah
Registered number	02724532
Registered office	Hy-Pro House, Centrus Park Arenson Way Houghton Regis Dunstable Bedfordshire LU5 5BN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF
Bankers	HSBC Bank PLC 207 Queensway Bletchley Milton Keynes Buckinghamshire MK2 2EE
Solicitors	Heald Solicitors Ashton House 495 Silbury Boulevard Milton Keynes Buckinghamshire MK2 2AH

HY-PRO INTERNATIONAL LIMITED

CONTENTS

	Page
Group Strategic Report	1
Directors' Report	2 - 3
Independent Auditor's Report	4 - 6
Consolidated Statement of Comprehensive Income	7
Consolidated Statement of Financial Position	8
Company Statement of Financial Position	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Statement of Cash Flows	12 - 13
Notes to the Financial Statements	14 - 36

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

The Directors present the Group Strategic Report and financial statements for the year ended 31 December 2017.

Business review and future developments

Hy-Pro International operates both in the Sports and Outdoor markets.

Despite difficult trading conditions, Hy-Pro delivered an excellent result compared to the prior year. Although the 2017 turnover of £25.2m was slightly lower than the prior year level of £26.4m, this was because the 2016 numbers included licensed sales for the 2016 Euro event in France.

Hy Pro's own brands including Zinc and Flyte have continued to show strong growth and have increased market share during the year.

Operating profit excluding the exceptional items amounted to £2.5m compared to a prior year level of £2.2m, providing an earnings growth percentage of 13.6. Both margin improvement and reduction in selling, general and administrative expenditure contributed to the earning growth compared to 2016.

The net assets of the company were at £7.3m compared to the prior year level of £7m. Key balance sheet ratios remained at a healthy financial position.

Principal risks and uncertainties

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The group's policies are aimed at minimising such losses and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy credit worthiness procedures. As most customers have a good payment history management does not expect the group's exposures to default by those parties to be material.

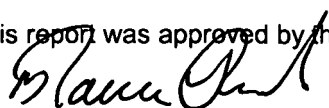
Liquidity risk is the risk than an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation by its operations, applying cash collection targets. The group's operating funds are deemed to be more than sufficient to meet the cash flow demand therefore liquidity risk is not considered to be significant.

The group is also exposed to foreign exchange risk on its trading activities and manages this risk by forecasting currency requirements in the business and putting in place the appropriate facilities with its banking partner. In addition, two major currencies the company operate are sterling and US dollar. Where feasible the company operate natural currency netting to minimise currency exposure.

Key performance indicators (KPI)

The board implemented and monitored KPIs to enhance the financial and operational performance of the organisation. Key performance indicators such as On time delivery %, return %, product shortage, product defect %, customer lifetime value, customer acquisition cost some of the examples key performance measures monitored in the organisation.

This report was approved by the board on



M R Rajah
Director

27/09/18

and signed on its behalf.

HY-PRO INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £4,904,000 (2016 - £1,928,000).

During the year, the Group made a dividend payments of £1,175,000 (2015 - £850,000) to the parent entity Hy-Pro Group Limited.

Directors

The Directors who served during the year were:

A Shah
N W Wray
S Pickavance (resigned 25 September 2018)
M R Rajah

Matters covered in the strategic report

As permitted by paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and reports) Regulation 2008 certain matters which are required to be disclosed in the Directors' Report have been omitted as they are included in the Group Strategic Report on page 2. These matters relate to the business review and future developments, principal risks and uncertainties, financial key performance indicators and other key performance indicators.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017**

Disclosure of information to auditor

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

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

Post balance sheet events

There are no post balance sheet events.

Auditor

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

This report was approved by the board and signed on its behalf.



M R Rajah
Director

Date: 27/09/18

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HY-PRO INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Hy-Pro International Limited (the 'Company') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statements of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's and Group's affairs as at 31 December 2017 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

HY-PRO INTERNATIONAL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HY-PRO INTERNATIONAL LIMITED

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Group Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HY-PRO INTERNATIONAL LIMITED

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of the audit report

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.



Stephen Brown (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: 28 September 2018

HY-PRO INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover	4	25,215	26,432
Cost of sales		(18,892)	(20,026)
Gross profit		<u>6,323</u>	<u>6,406</u>
Administrative expenses		(3,809)	(4,182)
Profit on sale of fixed assets		2,884	-
Operating profit	5	<u>5,398</u>	<u>2,224</u>
Interest payable and expenses	9	(73)	(112)
Profit before taxation		<u>5,325</u>	<u>2,112</u>
Tax on profit	10	(421)	(184)
Profit for the financial year		<u>4,904</u>	<u>1,928</u>
Profit for the year attributable to:			
Owners of the parent Company		4,904	1,928
		<u>4,904</u>	<u>1,928</u>

There were no recognised gains and losses for 2017 or 2016 other than those included in the consolidated statement of comprehensive income.


There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 14 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	12	9	12
Tangible assets	14	1,275	2,551
		<u>1,284</u>	<u>2,563</u>
Current assets			
Stocks	16	1,146	1,309
Debtors: amounts falling due within one year	17	8,128	8,406
Cash and cash equivalents	18	727	2,863
		<u>10,001</u>	<u>12,578</u>
Creditors: amounts falling due within one year	19	(3,164)	(6,889)
Net current assets		<u>6,837</u>	<u>5,689</u>
Total assets less current liabilities		<u>8,121</u>	<u>8,252</u>
Creditors: amounts falling due after more than one year	20	(788)	(1,093)
Provisions for liabilities			
Other provisions	24	-	(90)
		<u>-</u>	<u>(90)</u>
Net assets		<u><u>7,333</u></u>	<u><u>7,069</u></u>
Capital and reserves			
Called up share capital	25	125	125
Share premium account	26	29	29
Profit and loss account	26	7,179	6,915
		<u>7,333</u>	<u>7,069</u>

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

 27/09/18

M R Rajah
Director

The notes on pages 14 to 36 form part of these financial statements.

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Fixed assets			
Intangible assets	12	9	12
Tangible assets	14	1,273	1,295
		<u>1,282</u>	<u>1,307</u>
Current assets			
Stocks	16	1,146	1,309
Debtors: amounts falling due within one year	17	4,502	4,836
Cash and cash equivalents	18	243	1,936
		<u>5,891</u>	<u>8,081</u>
Creditors: amounts falling due within one year	19	(5,301)	(7,494)
Net current assets		<u>590</u>	<u>587</u>
Total assets less current liabilities		<u>1,872</u>	<u>1,894</u>
Creditors: amounts falling due after more than one year	20	(788)	(1,093)
Net assets		<u><u>1,084</u></u>	<u><u>801</u></u>
Capital and reserves			
Called up share capital	25	125	125
Share premium account	26	29	29
Profit and loss account	26	930	647
		<u><u>1,084</u></u>	<u><u>801</u></u>

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £4,900,000 (2016 - £1,813,000).

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


M R Rajah
Director

Date: 27/09/18

The notes on pages 14 to 36 form part of these financial statements.

HY-PRO INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	125	29	6,915	7,069
Comprehensive income for the year				
Profit for the year	-	-	4,904	4,904
Total comprehensive income for the year	-	-	4,904	4,904
Dividends: Equity capital	-	-	(4,640)	(4,640)
At 31 December 2017	125	29	7,179	7,333

The notes on pages 14 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	124	25	6,162	6,311
Comprehensive income for the year				
Profit for the year	-	-	1,928	1,928
Total comprehensive income for the year	-	-	1,928	1,928
Dividends: Equity capital	-	-	(1,175)	(1,175)
Shares issued during the year	1	4	-	5
At 31 December 2016	125	29	6,915	7,069

The notes on pages 14 to 36 form part of these financial statements.

HY-PRO INTERNATIONAL LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2017	125	29	647	801
Comprehensive income for the year				
Profit for the year	-	-	4,923	4,923
	-	-	4,923	4,923
Total comprehensive income for the year				
Dividends: Equity capital	-	-	(4,640)	(4,640)
At 31 December 2017	125	29	930	1,084

The notes on pages 14 to 36 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2016	124	25	9	158
Comprehensive income for the year				
Profit for the year	-	-	1,813	1,813
	-	-	1,813	1,813
Total comprehensive income for the year				
Dividends: Equity capital	-	-	(1,175)	(1,175)
Shares issued during the year	1	4	-	5
At 31 December 2016	125	29	647	801

The notes on pages 14 to 36 form part of these financial statements.

HY-PRO INTERNATIONAL LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017	2016
	£000	£000
Cash flows from operating activities		
Profit for the financial year	4,904	1,928
Adjustments for:		
Amortisation of intangible assets	3	4
Depreciation of tangible assets	23	39
Profit on sale of fixed assets	(2,884)	-
Interest paid	73	112
Taxation charge	421	184
Decrease/(increase) in stocks	163	(132)
Decrease/(increase) in debtors	278	(2,748)
(Decrease)/increase in creditors	(755)	1,638
(Decrease)/increase in provisions	(90)	90
Corporation tax (paid)	(242)	(245)
R&D credit	146	76
Net cash generated from operating activities	2,040	946

HY-PRO INTERNATIONAL LIMITED

(CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £000	2016 £000
Cash flows from investing activities		
Proceeds/deposit on sale of tangible fixed assets	3,860	435
Net cash from investing activities	<u>3,860</u>	<u>435</u>
Cash flows from financing activities		
Issue of ordinary shares	-	5
New secured loans	-	824
Repayment of loans	(1,225)	(573)
Dividends paid	(4,640)	(1,175)
Interest paid	(73)	(112)
Net cash used in financing activities	<u>(5,938)</u>	<u>(1,031)</u>
Net (decrease)/increase in cash and cash equivalents	<u>(38)</u>	<u>350</u>
Cash and cash equivalents at beginning of year	609	259
Cash and cash equivalents at the end of year	<u><u>571</u></u>	<u><u>609</u></u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	727	2,863
Bank overdrafts	(156)	(2,254)
	<u><u>571</u></u>	<u><u>609</u></u>

The notes on pages 14 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

Hy-Pro International Limited (02724532) is a limited company incorporated in England and Wales.

The address of its registered office is Hy-Pro House, Centrus Park, Arenson Way, Houghton Regis, Dunstable, Bedfordshire, LU5 5BN.

The principal activity of the Group and Company is the online sale of sports and toy products.

The financial statements are presented in £GBP, to the nearest round thousand (£'000).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgement in applying the Group accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of Group and its own subsidiaries ("the Group") as they formed a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

2.3 Going concern

The financial statements have been prepared under a going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software	-	4	years
----------	---	---	-------

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.6 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The estimated useful lives range as follows:

L/term leasehold property	- 100 years
Computer equipment	- 4 years
Fixtures & fittings	- 4 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.7 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the Consolidated Statement of Comprehensive Income on a straight line basis over the lease term.

2.8 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.11 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.12 Financial instruments

The Group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.13 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.14 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is £GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.15 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest 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.

2.16 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Group in independently administered funds.

2.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.19 Provisions for liabilities

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

Provisions are charged as an expense to the Consolidated Statement of Comprehensive Income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the 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 reporting date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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 Group 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 reporting date.

2.21 Exceptional items

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

(i) Recoverability of receivables

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability, and the credit profile of customers.

(ii) Determining residual values and useful economic lives of intangible and tangible assets

The company depreciate tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

(iii) Stock provision

The company establishes a provision for stock that is slow moving, obsolete, or damaged. The company has identified which stock items should be provided for given its knowledge of the relevant inventory lines.

(iv) Impairment of investment

Investments in subsidiaries are measured at cost less accumulated impairment.

(v) Warranty provision

A provision has been made for the expected warranty costs in subsequent years which relate to sales made in the current or previous years.

4. Turnover

Analysis of turnover by country of destination:

	2017 £000	2016 £000
United Kingdom	22,545	24,249
Rest of the World	2,670	2,183
	<u>25,215</u>	<u>26,432</u>

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

5. Operating profit

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

	2017	2016
	£000	£000
Exchange differences	(8)	(16)

6. Auditor's remuneration

	2017	2016
	£000	£000
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	25	24
All other services	2	3

7. Employees

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

	Group	Group	Company	Company
	2017	2016	2017	2016
	£000	£000	£000	£000
Wages and salaries	1,853	2,166	1,251	1,513
Social security costs	175	174	175	174
Cost of defined contribution scheme	32	9	12	9
	<u>2,060</u>	<u>2,349</u>	<u>1,438</u>	<u>1,696</u>

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

	2017	2016
	No.	No.
Sales, distribution and administration	45	42

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

8. Directors' remuneration

	2017	2016
	£000	£000
Directors' emoluments	393	329
Company contributions to defined contribution pension schemes	12	9
	<u>405</u>	<u>338</u>

During the year retirement benefits were accruing to 2 Directors (2016 - NIL) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £NIL (2016 - £NIL).

Key management personnel comprise the Directors plus the senior management team. The number of key management personnel for the year ended 31 December 2016 was 4 (2015 - 4). Their combined emoluments amounted to £393K (2015 - £408K).

9. Interest payable and similar expenses

	2017	2016
	£000	£000
Loan interest payable	73	112
	<u>73</u>	<u>112</u>

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Taxation

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the year	100	-
	<u>100</u>	<u>-</u>
R&D tax credit	(25)	(121)
	<u>75</u>	<u>(121)</u>
Foreign tax		
Foreign tax on income for the year	340	242
	<u>340</u>	<u>242</u>
Total current tax	<u>415</u>	<u>121</u>
Deferred tax		
Origination and reversal of timing differences	6	63
Total deferred tax	<u>6</u>	<u>63</u>
Taxation on profit on ordinary activities	<u>421</u>	<u>184</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2016 - lower than) the standard rate of corporation tax in the UK of 19.50% (2016 - 20.00%). The differences are explained below:

	2017	2016
	£000	£000
Profit on ordinary activities before tax	5,325	2,112
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20.00%)	1,025	422
Effects of:		
Non-taxable income	(555)	-
Expenses not deductible for tax purposes	-	11
Tax losses carried forward	-	(135)
R&D tax credit	(25)	(121)
Other timing differences leading to an increase (decrease) in taxation	18	51
Effect of lower overseas tax rate	(42)	(44)
Total tax charge/(credit) for the year	421	184

Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) and to 17% (effective from 1 April 2020) was substantively enacted in September 2016 and has therefore been considered when calculating deferred tax at the reporting date.

11. Dividends

	2017	2016
	£000	£000
Dividends paid		
£37.51 per Ordinary share (2016: £9.49)	4,640	1,175
	4,640	1,175

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. Intangible assets**Group****Software
£000****Cost**

At 1 January 2017 86

At 31 December 2017 86

Amortisation

At 1 January 2017 74

Charge for the year 3

At 31 December 2017 77

Net book value

At 31 December 2017 9

At 31 December 2016 12

Company**Software
£000****Cost**

At 1 January 2017 86

At 31 December 2017 86

Amortisation

At 1 January 2017 74

Charge for the year 3

At 31 December 2017 77

Net book value

At 31 December 2017 9

At 31 December 2016 12

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Parent company profit for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent Company for the year was £4,923,000 (2016 - £1,813,000).

14. Tangible fixed assets

Group

	L/Term Leasehold Property £000	Fixtures & fittings £000	Computer equipment £000	Total £000
Cost or valuation				
At 1 January 2017	2,870	255	240	3,365
Disposals	(1,375)	-	-	(1,375)
At 31 December 2017	1,495	255	240	1,990
Depreciation				
At 1 January 2017	351	250	213	814
Charge for the year on owned assets	15	1	7	23
Disposals	(122)	-	-	(122)
At 31 December 2017	244	251	220	715
Net book value				
At 31 December 2017	1,251	4	20	1,275
At 31 December 2016	2,518	6	27	2,551

The net book value of land and buildings may be further analysed as follows:

	2017 £000	2016 £000
Long leasehold	1,251	2,518
	<u>1,251</u>	<u>2,518</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

14. Tangible fixed assets (continued)

Company

	L/Term leasehold property £000	Computer equipment £000	Fixtures & fittings £000	Total £000
Cost or valuation				
At 1 January 2017	1,453	207	188	1,848
At 31 December 2017	1,453	207	188	1,848
Depreciation				
At 1 January 2017	187	184	182	553
Charge for the year on owned assets	15	6	1	22
At 31 December 2017	202	190	183	575
Net book value				
At 31 December 2017	1,251	17	5	1,273
At 31 December 2016	1,266	23	6	1,295

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Fixed asset investments**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Hy-Pro Asia Limited	Ordinary	100 %	Trading in sports and toy products

Name	Registered office
Hy-Pro Asia Limited	Unit 16-37, 5/F, Beverly Commercial Centre, 87-105 Chattam Road South, Tsium Sha Tsui, Hong Kong

The Company holds 100% of the share capital of Hy-Pro Asia Limited which has a nominal value of KH\$2 (approximately £0.20).

The aggregate of the share capital and reserves as at 31 December 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £000	Profit/(loss) £000
Hy-Pro Asia Limited	6,248	4,595
	6,248	4,595

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. Stocks

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Finished goods and goods for resale	1,146	1,310	1,146	1,310
	<u>1,146</u>	<u>1,310</u>	<u>1,146</u>	<u>1,310</u>

Stock recognised in cost of sales during the year as an expense was £3,321K (2016 - £3,541K) for the Company and £17,074K (2016 - £17,685K) for the Group.

17. Debtors

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Trade debtors	4,010	3,929	1,853	1,142
Amounts owed by group undertakings	2,873	3,561	2,462	3,500
Other debtors	144	6	17	6
Prepayments and accrued income	1,099	718	168	59
Tax recoverable	-	184	-	121
Deferred taxation	2	8	2	8
	<u>8,128</u>	<u>8,406</u>	<u>4,502</u>	<u>4,836</u>

18. Cash and cash equivalents

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Cash at bank and in hand	727	2,863	243	1,936
Less: bank overdrafts (note 19)	(156)	(2,254)	(156)	(2,254)
	<u>571</u>	<u>609</u>	<u>87</u>	<u>(318)</u>

Included within in Group and Company cash and cash equivalents is an invoice finance creditor totalling £486K (2016 - £221K). The Group holds a legal right to offset with the bank.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

19. Creditors: Amounts falling due within one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank overdrafts	156	2,254	156	2,254
Bank loans	369	1,289	369	564
Trade creditors	692	1,508	188	461
Amounts owed to group undertakings	131	-	3,760	3,658
Corporation tax	135	-	100	-
Other taxation and social security	122	200	122	200
Other creditors	3	435	3	-
Accruals and deferred income	1,556	1,203	603	357
	<u>3,164</u>	<u>6,889</u>	<u>5,301</u>	<u>7,494</u>

20. Creditors: Amounts falling due after more than one year

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Bank loans	788	1,093	788	1,093
	<u>788</u>	<u>1,093</u>	<u>788</u>	<u>1,093</u>

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Bank loans

The bank loans and overdrafts are secured by fixed and floating charges over the group's assets and over leasehold premises.

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Amounts falling due within one year				
Bank loans	369	1,289	369	564
	<u>369</u>	<u>1,289</u>	<u>369</u>	<u>564</u>
Amounts falling due 1-2 years				
Bank loans	324	324	324	324
	<u>324</u>	<u>324</u>	<u>324</u>	<u>324</u>
Amounts falling due 2-5 years				
Bank loans	464	694	464	694
	<u>464</u>	<u>694</u>	<u>464</u>	<u>694</u>
Amounts falling due after more than 5 years				
Bank loans	-	76	-	76
	<u>-</u>	<u>76</u>	<u>-</u>	<u>76</u>
	<u>1,157</u>	<u>2,383</u>	<u>1,157</u>	<u>1,658</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

22. Financial instruments

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Financial assets				
Financial assets measured at fair value through profit or loss	727	2,863	243	1,936
Financial assets that are debt instruments measured at amortised cost	7,027	7,496	4,332	4,648
Financial assets that are equity instruments measured at cost less impairment	-	-	-	-
	<u>7,754</u>	<u>10,359</u>	<u>4,575</u>	<u>6,584</u>
Financial liabilities				
Financial liabilities measured at amortised cost	(3,539)	(7,783)	(6,133)	(8,386)

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, amounts owed to group undertakings, other creditors and accruals.

The interest payable on the bank loans for the period was £73K (2016 - £112K).

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

23. Deferred taxation**Group**

	2017 £000	2016 £000
At beginning of year	8	71
Charged to profit or loss	(6)	(64)
At end of year	2	7

Company

	2017 £000	2016 £000
At beginning of year	8	71
Charged to profit or loss	(6)	(64)
At end of year	2	7

The deferred tax asset is made up as follows:

	Group and Company 2017 £000	Group and Company 2016 £000
Losses and other deductions	2	8
	2	8

The Group has recognised a deferred tax asset in respect of all timing differences.

The amount of deferred tax expected to reverse post year end is £2K (2016 - £8K).

HY-PRO INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

24. Provisions**Group**

	Warranty provision £000
At 1 January 2017	90
Charged to profit or loss	(90)
At 31 December 2017	-

A provision was made in the prior year for the expected warranty costs in subsequent years which relate to sales made in the current or previous years. The provision has been released in the current year.

25. Share capital

	2017 £000	2016 £000
Allotted, called up and fully paid		
123,711 Ordinary shares of £1 each	124	124
1,000 Ordinary Growth shares of £1 each	1	1
	<u>125</u>	<u>125</u>

Each Ordinary share has a voting right attached but no right to fixed income.

26. Reserves

Share Premium represents the excess paid for share capital.

Retained earnings represents cumulative profits and losses of the Group / Company.

27. Contingent liabilities

A guarantee has been given by HSBC on behalf of the Company to a supplier in the amount of €40K (2016 - €40K) in respect of future royalty payments.

Hy-Pro International Limited has given guarantees totalling \$12 million HKD (2016 - \$12 million HKD) to HSBC on behalf of Hy-Pro Asia Limited as security for loans made by HSBC.

A guarantee exists in favour of HM Revenue & Customs in the amount of £40K (2016 - £40K) as security for taxation payments that may become due.

A cross guarantee was in place at the year end between Hy-Pro International Limited and Hy-Pro Group Limited.

HY-PRO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

28. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £32K (2016 - £9K). Contributions totalling £2K (2016 - £1K) were payable to the fund at the balance sheet date.

29. Commitments under operating leases

At 31 December 2017 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2017 £000	Group 2016 £000	Company 2017 £000	Company 2016 £000
Not later than 1 year	283	288	15	33
Later than 1 year and not later than 5 years	582	865	5	20
	<u>865</u>	<u>1,153</u>	<u>20</u>	<u>53</u>

30. Other financial commitments

At the year end, the Group and Company had £1,942k (2016 - £250K) of committed orders with its suppliers.

31. Related party transactions

The Group has taken advantage of the exemption conferred by Section 33 of FRS 102 not to disclose transactions with fellow members where 100% of the voting rights are controlled within the Group.

At the year end, the Company was owed £1,968K (2016 - £1,959K) and the Group was owed £1,837K (2016 - £2,016K) from the parent entity Hy-Pro Group Limited.

During the year, the Company was charged a management recharge of £NIL (2016 - £199K) from a fellow subsidiary Radial Cycles Limited and £387K (2016 - £1,407K) was owed from the company at the year end.

At the year end, the Company was owed £108K (2016 - £134K) and the Group was owed £518K (2016 - £136K) from a fellow subsidiary Zinctex Inc.

During the year, the Company was charged £24K (2016 - £106K) and owed at the year end £2K (2016 - £98K) to Brendon Street Investments Limited, a company in which N Wray is a Director.

32. Ultimate parent company and controlling party

The immediate and ultimate parent is Hy-Pro Group Limited, an entity incorporated in Jersey where accounts are not publically available.

There is not deemed to be a single controlling party.