

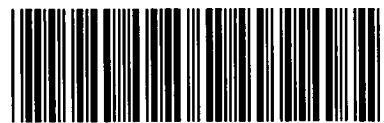
Registered number: 02762340

Pola Minerals Limited

Filleted financial statements

31 December 2016

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Pola Minerals Limited

Company Information

Director	D J Winters
Company secretary	J J Liddle
Registered number	02762340
Registered office	Ninth Avenue East Team Valley Gateshead Tyne and Wear NE11 0EJ
Independent auditor	UNW LLP Chartered Accountants Citygate St James' Boulevard Newcastle Upon Tyne NE1 4JE
Bankers	Barclays Bank Plc 215 High Street Gateshead Tyne and Wear NE8 1BX
Solicitors	Watson Burton 1 St James' Gate Newcastle upon Tyne NE99 1YQ

Pola Minerals Limited

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Pola Minerals Limited

Balance sheet As at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	6	577,991	657,372
Current assets			
Stocks	7	1,161,864	1,475,871
Debtors	8	963,211	850,231
Cash at bank and in hand		563,511	328,972
		<u>2,688,586</u>	<u>2,655,074</u>
Creditors: amounts falling due within one year	9	(1,278,201)	(1,287,990)
Net current assets		<u>1,410,385</u>	<u>1,367,084</u>
Total assets less current liabilities		<u>1,988,376</u>	<u>2,024,456</u>
Creditors: amounts falling due after more than one year	10	(193,399)	(49,014)
Provisions for liabilities			
Deferred tax		-	(18,853)
Net assets		<u>1,794,977</u>	<u>1,956,589</u>
Capital and reserves			
Called up share capital		12,000	12,000
Cash flow hedge reserve		(180,794)	(2,369)
Profit and loss account		1,963,771	1,946,958
Total equity		<u>1,794,977</u>	<u>1,956,589</u>

The financial statements have been prepared in accordance with the small companies' regime and in accordance with the provisions of FRS 102 Section 1A small entities. The option not to file the profit and loss account has been taken.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 27 April 2017.

D J Winters
Director



Company registered number: 02762340

The notes on pages 2 to 10 form part of these financial statements.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

1. General information

Pola Minerals Limited ('the company') is a private company limited by shares, incorporated and domiciled in England. The address of the registered office is given in the company information page of these financial statements.

2. Statement of compliance

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102 *'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland'* ('FRS 102') and the Companies Act 2006.

3. Audit

These accounts have been subject to audit, however in accordance with the Companies Act 2006, and has chosen not to file a copy of the director's report and the profit and loss account (and related notes). Therefore, the audit report on the financial statements has also been removed for filing purposes.

The audit report was signed by Andrew Wilson BA FCA (Senior Statutory Auditor), for and on behalf of UNW LLP, Statutory Auditor, Newcastle upon Tyne. The audit report gave an unqualified opinion.

4. Accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated. The company has adopted FRS 102 in the current year and an explanation of how the transition to FRS 102 has affected the reported financial performance and position is given in note 15.

4.1 Basis of preparation of financial statements

The financial statements are prepared on a going concern basis and under the historical cost convention. They are presented in pounds sterling.

4.2 Revenue

Turnover comprises revenue recognised in respect of services supplied during the year, net of discounts and excluding Value Added Tax and trade discounts. Turnover is recognised at the point of dispatch.

4.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost, less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their estimated useful lives as follows:

Freehold property	-	5% straight line
Leasehold improvements	-	Over the term of the lease
Plant and machinery	-	12.5% - 33% straight line

Asset residual values and useful lives are reviewed at the end of each reporting period, and adjusted if appropriate. The effect of any change is accounted for prospectively.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

4. Accounting policies (continued)

4.4 Leases

Assets held under finance leases and hire purchase contracts, which confer rights and obligations on the company similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease term and their useful lives. The capital elements of future lease obligations are recorded as liabilities, and the interest elements are charge to the profit and loss account over the period of the leases to produce a constant periodic rate of charge on the remaining balance of the liability.

Leases that do not confer rights and obligations approximating to ownership are classified as operating leases. Rental payments under operating leases are charged to the profit and loss account on a straight-line basis over the lease term, even if payments are not made on such a basis.

4.5 Stock

Stocks are stated at the lower of cost or estimated selling price less costs to complete and sell. Cost is determined using average cost method and includes the purchase price (including taxes and duties) and transport and handling costs directly attributable to bringing the stock to its present location.

Provision is made as necessary for damaged, obsolete or slow-moving items.

4.6 Financial Instruments

Basic debt instruments

The company's basic debt instruments, include trade, intercompany and other accounts receivable and payable, cash and bank balances, bank loans and loans to or from related parties.

Debt instruments due within one year are measured, initially and subsequently at the transaction price. Debt instruments due after one year are measured initially at the transaction price and subsequently at amortised cost using the effective interest method.

At the end of each reporting period debt financial assets are assessed for impairment, and their carrying value reduced if necessary. Any impairment charge is recognised in the profit and loss account.

Derivative financial instruments

The company uses derivative financial instruments to reduce exposure to foreign exchange risk. The company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. The resulting gain or loss is recognised in the profit and loss account immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the profit and loss account depends on the nature of the hedge relationship.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

4. Accounting policies (continued)

4.7 Hedge accounting

The company designates certain derivatives as hedging instruments in cash flow hedges.

At the inception of the hedge relationship, the entity documents the economic relationship between the hedging instrument and the hedged item, along with its risk management objectives and clear identification of the risk in the hedged item that is being hedged by the hedged instrument. Furthermore, at the inception of the hedge the company determines and documents causes for hedge ineffectiveness.

The effective portion of changes in fair value of derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss. Amounts previously recognised in other comprehensive income and accumulated in equity are reclassified to profit or loss in the periods in which the hedged item affects profit or loss or when the hedging relationship ends.

Hedge accounting is discontinued when the company revokes the hedging relationship, the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time is reclassified to profit or loss when the hedged item is recognised in profit or loss. When a forecast transaction is no longer expected to occur, any gain or loss that was recognised in other comprehensive income is reclassified immediately to profit or loss.

4.8 Employee benefits

Short-term benefits

Short-term benefits, including holiday pay and other similar non-monetary benefits are recognised as an expense in the period in which the employee's entitlement to the benefit accrues.

Defined contribution pension plan

The company operates a defined contribution pension plan for its employees. Contributions are recognised as an expense when they fall due. Amounts due but not yet paid are included within creditors on the balance sheet.

The assets of the plan are held separately from the company in independently administered funds.

4.9 Foreign currency

The company's functional currency is the pound sterling.

Transactions in foreign currencies are translated into sterling using the spot exchange rates at the dates of the transactions. At each period end, foreign currency monetary assets and liabilities are translated using the closing rate. Foreign exchange gains and losses resulting from the settlement of transactions and from the period-end retranslation are recognised in the profit and loss account.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

4. Accounting policies (continued)

4.10 Taxation

The taxation expense for the year comprises current and deferred tax and is recognised in the profit and loss account except to the extent that it relates to items recognised in other comprehensive income, or directly in equity, in which case the tax expense is also recognised in other comprehensive income or directly in equity.

Current tax is the amount of income tax payable in respect of the taxable profit for the current or past reporting periods. It is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods, and arises from 'timing differences' (where transactions or events are included in the financial statements in periods different from those in which they are assessed for tax). Deferred tax is recognised in respect of all timing differences, except that unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing differences.

4.11 Dividends

Dividends and other distributions to the company's members are recognised when they become legally payable.

5. Employees

The average monthly number of employees, including directors, during the year was 16 (2015: 15).

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

6. Tangible fixed assets

	Freehold property £	Leasehold property improvements £	Plant and machinery £	Total £
Cost				
At 1 January 2016 and 31 December 2016	658,659	59,323	394,768	1,112,750
Depreciation				
At 1 January 2016	131,732	47,337	276,309	455,378
Charge for the year	32,933	2,398	44,050	79,381
At 31 December 2016	164,665	49,735	320,359	534,759
Net book value				
At 31 December 2016	493,994	9,588	74,409	577,991
At 31 December 2015	526,927	11,986	118,459	657,372

Plant and machinery includes assets held under finance leases or hire purchase contracts with a net book value of £49,045 (2015 - £83,665).

7. Stocks

	2016 £	2015 £
Raw materials and consumables	1,161,864	1,475,871

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

8. Debtors

	2016 £	2015 £
Trade debtors	843,261	753,509
Amounts owed by group undertakings	26,627	26,627
Other debtors	24,296	14,969
Prepayments and accrued income	45,891	55,126
Deferred taxation	23,136	-
	<u>963,211</u>	<u>850,231</u>

9. Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans	46,900	261,859
Trade creditors	519,559	535,941
Amounts owed to group undertakings	2,776	2,776
Corporation tax	96,105	57,033
Other taxation and social security	17,981	16,684
Net obligations under finance lease and hire purchase contracts	32,676	29,953
Other creditors	203,195	238,561
Accruals and deferred income	178,215	142,814
Financial instruments	180,794	2,369
	<u>1,278,201</u>	<u>1,287,990</u>

Bank loans and overdrafts amounting to £46,900 (2015: £261,859), which are disclosed under creditors falling due within one year are secured over the freehold property.

Net obligations under finance leases and hire purchases contracts are secured over the assets to which they relate.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

10. Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans	179,784	-
Net obligations under finance leases and hire purchase contracts	13,615	49,014
	<u>193,399</u>	<u>49,014</u>

Bank loans and overdrafts amounting to £179,784 (2015: £nil), which are disclosed under creditors falling due after more than one year, are secured over the freehold property.

Net obligations under finance leases and hire purchase contracts are secured over the assets to which they relate.

11. Commitments under finance lease and hire purchase contracts

Minimum lease payments under finance lease and hire purchase contracts fall due as follows:

	2016 £	2015 £
Within one year	39,468	39,468
After one and before five years	16,445	55,913
Less: future finance charges	(9,622)	(16,414)
	<u>46,291</u>	<u>78,967</u>

12. Commitments under operating leases

Future minimum lease payments under non-cancellable operating leases fall due as follows:

	2016 £	2015 £
Not later than 1 year	50,624	60,963
Later than 1 year and not later than 5 years	143,240	139,864
Later than 5 years	376,800	90,000
	<u>570,664</u>	<u>290,827</u>

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

13. Related party transactions

Loans totalling £280,000 (2015: £280,000) were made by DJ Winters to the company. No interest has been charged on the remaining loan (2015: £nil). The balance outstanding at the year end is £180,970 (2015: £209,541) which is included within other creditors.

Dividends totalling £280,000 (2015: £280,000) were paid to the parent company, Pola Minerals (Holdings) Limited.

14. Ultimate parent undertaking and controlling party

The director regards Pola Minerals (Holdings) Limited, a company registered in the UK, as the intermediate parent company by virtue of its 100% holding of the equity share capital of the company, and Conceptbalance Limited, a company registered in the UK as the ultimate parent company by virtue of its 100% holding of the equity share capital of Pola Minerals (Holdings) Limited.

The director considers himself to be the ultimate controlling party by virtue of his 100% holding of the equity share capital of Conceptbalance Limited.

Pola Minerals Limited

Notes to the financial statements For the year ended 31 December 2016

15. First time adoption of FRS 102

The company transitioned to FRS 102 from previously extant UK GAAP as at 1 January 2015. The impact of the transition to FRS 102 is as follows:

Reconciliation of equity at 1 January 2015

	Note	£
Equity at 1 January 2015 under previous UK GAAP		2,003,881
Derivative financial instruments	1	45,864
Tax payable on gain on derivative financial instruments	1	(9,173)
Equity shareholders funds at 1 January 2015 under FRS 102		2,040,572

Reconciliation of equity at 31 December 2015

	Note	£
Equity at 31 December 2015 under previous UK GAAP		1,958,484
Derivative financial instruments	1	(2,369)
Tax repayable on loss on derivative financial instruments	1	474
Equity shareholders funds at 31 December 2015 under FRS 102		1,956,589

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 FRS 102 requires derivatives to be recognised at their fair value at the balance sheet date: previously under old UK GAAP only disclosure of these derivatives was required.

A transition adjustment at 1 January 2015 of £45,864 (asset) has been made in relation to the recognition of open foreign exchange contracts at fair value and £9,173 has been recognised in relation to the tax liability on this gain.

The fair value of open contracts at 31 December 2015 was a liability of £2,369 and £474 has been recognised in relation to the tax recoverable on this loss.