

# Financial Statements

## NORDAM Transparency Europe Limited

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For the Year Ended 31 December 2017



Registered number: 03513867

## Company Information

<b>Directors</b>	T H Siegfried J A Lane
<b>Company secretary</b>	Eversecretary Limited
<b>Registered number</b>	03513867
<b>Registered office</b>	2 Tudor Road Altrincham Business Park Altrincham Cheshire WA14 5RZ
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 11/13 Penhill Road Cardiff South Glamorgan CF11 9UP
<b>Bankers</b>	JP Morgan Chase Bank 25 Bank Street Canary Wharf London E14 5JP
<b>Solicitors</b>	Eversheds LLP Eversheds House 70 - 76 Great Bridgewater Street Manchester M1 5ES

## Contents

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditor's report</b>	<b>3 - 6</b>
<b>Statement of comprehensive income</b>	<b>7</b>
<b>Statement of financial position</b>	<b>8</b>
<b>Statement of changes in equity</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 21</b>

# 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 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 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **Directors**

The directors who served during the year were:

T H Siegfried  
J A Lane

## **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'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's auditor is aware of that information.

## **Directors' Report (continued)**

**For the Year Ended 31 December 2017**

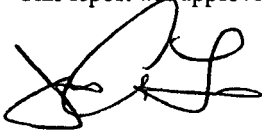
### **Auditor**

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

### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 26/09/18 and signed on its behalf.



**J A Lane**  
Director



# Independent Auditor's Report to the Shareholders of NORDAM Transparency Europe Limited

## **Opinion**

We have audited the financial statements of NORDAM Transparency Europe Limited for the year ended 31 December 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 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 affairs as at 31 December 2017 and of its loss 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 United Kingdom, including the Financial Reporting Council'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.

## **Who we are reporting to**

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.



## Independent Auditor's Report to the Shareholders of NORDAM Transparency Europe Limited (continued)

### **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.

### **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.



## Independent Auditor's Report to the Shareholders of NORDAM Transparency Europe Limited (continued)

### **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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

### **Matter on which we are required to report by the Companies Act 2006**

In the 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 Directors' report.

### **Matters on which we are required to report by exception**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a strategic report.

### **Responsibilities of directors for the financial statements**

As explained more fully in the Directors' responsibilities statement on page 1, 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 either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.





## Independent Auditor's Report to the Shareholders of NORDAM Transparency Europe Limited (continued)

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's report.

A handwritten signature in black ink, appearing to read "Rhian Owen UK CF", written over a light blue horizontal line.

Rhian Owen (Senior statutory auditor)

for and on behalf of

**Grant Thornton UK LLP**

Chartered Accountants

Statutory Auditor

11/13 Penhill Road

Cardiff

South Glamorgan

CF11 9UP

Date: 26/09/18

## Statement of Comprehensive Income

For the Year Ended 31 December 2017

	Note	2017 \$	2016 \$
Turnover		2,986,488	2,726,883
Cost of sales		(2,161,095)	(1,951,831)
<b>Gross profit</b>		<b>825,393</b>	<b>775,052</b>
Administrative expenses		(312,435)	(308,757)
Exceptional administrative expenses	8	(1,990,380)	-
<b>Operating (loss)/profit</b>	4	<b>(1,477,422)</b>	<b>466,295</b>
Interest receivable and similar income		30,971	25,489
<b>(Loss)/profit before tax</b>		<b>(1,446,451)</b>	<b>491,784</b>
Tax on (loss)/profit	7	(104,994)	(97,575)
<b>(Loss)/profit for the financial year</b>		<b>(1,551,445)</b>	<b>394,209</b>

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

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

The notes on pages 10 to 21 form part of these financial statements.

## Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
<b>Fixed assets</b>			
Tangible assets	9	53,980	47,569
		<u>53,980</u>	<u>47,569</u>
<b>Current assets</b>			
Stocks	10	215,724	292,752
Debtors: amounts falling due within one year	11	346,695	1,856,091
Cash at bank and in hand	12	351,681	288,535
		<u>914,100</u>	<u>2,437,378</u>
Creditors: amounts falling due within one year	13	(204,968)	(171,759)
		<u>709,132</u>	<u>2,265,619</u>
<b>Net current assets</b>		<u>709,132</u>	<u>2,265,619</u>
<b>Total assets less current liabilities</b>		<u>763,112</u>	<u>2,313,188</u>
<b>Provisions for liabilities</b>			
Deferred tax	15	(7,765)	(6,396)
		<u>(7,765)</u>	<u>(6,396)</u>
<b>Net assets</b>		<u>755,347</u>	<u>2,306,792</u>
<b>Capital and reserves</b>			
Called up share capital		113,362	113,362
Profit and loss account	16	641,985	2,193,430
		<u>755,347</u>	<u>2,306,792</u>

The Company's financial statements have been prepared in accordance with the 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

26/09/18  


**J A Lane**  
Director

The notes on pages 10 to 21 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 December 2017

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2017	113,362	2,193,430	2,306,792
Loss for the year	-	(1,551,445)	(1,551,445)
At 31 December 2017	<u>113,362</u>	<u>641,985</u>	<u>755,347</u>

## Statement of Changes in Equity

For the Year Ended 31 December 2016

	Called up share capital	Profit and loss account	Total equity
	\$	\$	\$
At 1 January 2016	113,362	1,799,221	1,912,583
Profit for the year	-	394,209	394,209
At 31 December 2016	<u>113,362</u>	<u>2,193,430</u>	<u>2,306,792</u>

The notes on pages 10 to 21 form part of these financial statements.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## **1. General information**

NORDAM Transparency Europe Limited is incorporated in England & Wales, with its registered office at 2 Tudor Road, Altrincham Business Park, Altrincham, Cheshire, WA14 5RZ. The Company is limited by shares, and its principal activity is the supply and refurbishment of aircraft windows. The financial statements are prepared in US Dollars which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest \$1.

## **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 management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### **2.2 Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company 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 Company 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.

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 2. Accounting policies (continued)

#### 2.3 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant & machinery	- 8 years straight line
Fixtures & fittings	- 3 - 6 years straight line

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.

#### 2.4 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.

#### 2.5 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.

#### 2.6 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.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 2. Accounting policies (continued)

### 2.7 Financial instruments

The Company only enters into basic financial instruments 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 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 Company 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.

### 2.8 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)

### 2.9 Foreign currency translation

#### Functional and presentation currency

The Company's functional and presentational currency is USD.

#### 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.

### 2.10 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

### 2.11 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company 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 Company in independently administered funds.

### 2.12 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.



## Notes to the Financial Statements

For the Year Ended 31 December 2017

### 2. Accounting policies (continued)

#### 2.13 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 operates and generates 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

#### 2.14 Exceptional items

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

# Notes to the Financial Statements

For the Year Ended 31 December 2017

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

Many of the amounts included in the financial statements involved the use of judgement and/or estimation. These judgements and estimates are based on management's best knowledge of the relevant facts and circumstances, having regards to prior experience, but actual results may differ from the amounts included in the financial statements. Information about such judgements and estimation is contained in the accounting policies and/or the notes to the financial statements and the key areas are summarised below:

### Functional Currencies

Identification of functional currencies requires analysis of the economic environment of the company and the selection of the presentational currency must reflect the requirements of the users of those statements. The functional currency of the company has been considered to be USD, based on the fact that the majority of sales and the expenditure is transacted in USD.

### Depreciation

The company exercises judgement to determine useful lives and residual values of tangible fixed assets. The assets are depreciated down to their residual values over their estimates useful lives.

### Provisions

Provisions have been made for trade debtors and for slow moving and obsolete stock. These provisions are estimates and the actual costs and timing of future cash flows are dependent on future events. The difference between expectations and the actual future liability will be accounted for in the period when such determination is made.

## 4. Operating (loss)/profit

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

	2017	2016
	\$	\$
Depreciation of tangible fixed assets	8,510	3,472
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,153	14,270
Exchange differences	13,504	20,547
	<u>13,504</u>	<u>20,547</u>

During the year, no directors received any emoluments (2016: \$NIL).

## 5. Auditor's remuneration

	2017	2016
	\$	\$
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,153	14,270
	<u>13,153</u>	<u>14,270</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 6. Employees

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

	2017 No.	2016 No.
Average employees	8	7

## 7. Taxation

	2017 \$	2016 \$
<b>Corporation tax</b>		
Current tax on profits for the year	105,000	91,000
Adjustments in respect of previous periods	(1,375)	(725)
<b>Total current tax</b>	<b>103,625</b>	<b>90,275</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	1,369	7,300
<b>Total deferred tax</b>	<b>1,369</b>	<b>7,300</b>
<b>Taxation on profit on ordinary activities</b>	<b>104,994</b>	<b>97,575</b>

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - lower than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 \$	2016 \$
(Loss)/profit on ordinary activities before tax	(1,446,451)	491,784
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	(278,442)	98,357
<b>Effects of:</b>		
Expenses not deductible for tax purposes	384,994	1,056
Adjustments to tax charge in respect of prior periods	(1,375)	(576)
Changes to tax rates	(183)	(1,262)
<b>Total tax charge for the year</b>	<b>104,994</b>	<b>97,575</b>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 8. Exceptional items

	2017 \$	2016 \$
Provision against amounts owed by group undertakings	1,990,380	-
	<u>1,990,380</u>	<u>-</u>

## 9. Tangible fixed assets

	Plant & machinery \$	Fixtures & fittings \$	Total \$
<b>Cost or valuation</b>			
At 1 January 2017	300,380	25,294	325,674
Additions	14,921	-	14,921
At 31 December 2017	<u>315,301</u>	<u>25,294</u>	<u>340,595</u>
<b>Depreciation</b>			
At 1 January 2017	253,301	24,804	278,105
Charge for the year on owned assets	8,057	453	8,510
At 31 December 2017	<u>261,358</u>	<u>25,257</u>	<u>286,615</u>
<b>Net book value</b>			
At 31 December 2017	<u>53,943</u>	<u>37</u>	<u>53,980</u>
At 31 December 2016	<u>47,079</u>	<u>490</u>	<u>47,569</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 10. Stocks

	2017	2016
	\$	\$
Raw materials and consumables	36,945	44,802
Work in progress (goods to be sold)	7,692	2,793
Finished goods and goods for resale	171,087	245,157
	<u>215,724</u>	<u>292,752</u>

Included in the above stock balances is a stock provision of \$28,266 (2016: \$30,385).

## 11. Debtors

	2017	2016
	\$	\$
Trade debtors	293,070	212,756
Amounts owed by group undertakings	-	1,623,344
Other debtors	42,143	6,458
Prepayments and accrued income	11,482	13,533
	<u>346,695</u>	<u>1,856,091</u>

## 12. Cash and cash equivalents

	2017	2016
	\$	\$
Cash at bank and in hand	351,681	288,535
	<u>351,681</u>	<u>288,535</u>

## 13. Creditors: Amounts falling due within one year

	2017	2016
	\$	\$
Trade creditors	76,790	81,167
Amounts owed to group undertakings	20,585	-
Corporation tax	48,742	35,009
Other taxation and social security	11,927	9,541
Other creditors	10,688	10,688
Accruals and deferred income	36,236	35,354
	<u>204,968</u>	<u>171,759</u>

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 14. Financial instruments

	2017 \$	2016 \$
<b>Financial assets</b>		
Financial assets measured at amortised cost	686,894	2,131,093
	<u>686,894</u>	<u>2,131,093</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	(144,299)	(127,209)
	<u>(144,299)</u>	<u>(127,209)</u>

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

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors and accruals.

## 15. Deferred taxation

	2017 \$	2016 \$
At beginning of year	(6,396)	904
Charged to profit or loss	(1,369)	(7,300)
<b>At end of year</b>	<u>(7,765)</u>	<u>(6,396)</u>

The provision for deferred taxation is made up as follows:

	2017 \$	2016 \$
Accelerated capital allowances	(8,146)	(6,830)
Other timing differences	381	434
	<u>(7,765)</u>	<u>(6,396)</u>

## 16. Reserves

### Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

# Notes to the Financial Statements

For the Year Ended 31 December 2017

## 17. Commitments under operating leases

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

	2017 \$	2016 \$
Not later than 1 year	24,531	29,234
Later than 1 year and not later than 5 years	98,126	116,936
Later than 5 years	44,974	82,830
	<u>167,631</u>	<u>229,000</u>

## 18. Related party transactions

During the year the Company acquired materials and goods for resale to the value of \$1,505,028 (2016: \$1,341,812), was recharged overheads of \$166,934 (2016: \$68,534) and made sales to the value of \$NIL (2016: \$NIL) to The NORDAM Group, Inc, the Company's ultimate parent undertaking. The Company also advanced a loan of \$200,000 (2016: \$400,000) to The NORDAM Group, Inc during the year. At 31 December 2017 the amount due from The NORDAM Group, Inc was \$1,990,380 (2016: \$1,623,344), which has been provided for in full as an exceptional cost in the current year.

During the year the Company made net recharges to the value of \$245,863 (2016: \$NIL) from NORDAM Europe Limited. The Company also made sales to the value of \$17,950 (2016: \$52,600) to NORDAM Europe Limited. At 31 December 2017 the amount owed to NORDAM Europe Limited Ltd was \$20,585 (2016: \$NIL).

The aggregate amount of key management compensation was \$93,690 (2016: \$167,111).

## 19. Post balance sheet events

On 22 July 2018, The NORDAM Group, Inc. (and its USA subsidiaries) submitted a voluntary petition for Chapter 11 reorganisation in the United States, as a result of a contract dispute. The NORDAM Group, Inc.'s non-USA based subsidiaries and affiliates, including NORDAM Transparency Europe Limited, have not initiated, nor do they anticipate initiating, any bankruptcy proceedings. The NORDAM Group, Inc. has received financing for its liquidity during the bankruptcy process and its business continues to operate without interruption. The action has not impacted NORDAM Transparency Europe Limited's business. However, a provision has been made against the amount owed by The NORDAM Group Inc. due to the uncertainty over recoverability of this balance. The provision of \$1,990,380 has been treated as an exceptional cost in the current year.

## Notes to the Financial Statements

For the Year Ended 31 December 2017

### **20. Controlling party**

The company is a wholly owned subsidiary of NORDAM UK Limited, a company incorporated in England and Wales.

The Company's ultimate parent undertaking is The NORDAM Group, Inc, a company incorporated in the United States of America. This is the largest group in which the result of the Company are consolidated. Copies of the group accounts can be obtained from:

6911 North Whirlpool Drive  
Tulsa  
Oklahoma  
74117  
United States