

Abena UK Limited

Report and Financial Statements

30 April 2017



Directors

J Harrison
B Debel Thomsen
P Terp-Nielsen

Company Secretary

S Connor (resigned 7th July 2016)

Auditors

Ernst & Young LLP
No 1 Colmore Square
Birmingham B4 6HQ

Registered Office

Sprint Point
Dolomite Avenue
Coventry Business Park
Coventry
Warwickshire
CV5 6US

Strategic report

The Directors present their Strategic report, Directors' report and financial statements for the year ended 30 April 2017.

Principal activity

The principal activity of the Company is the sale of incontinence products within the healthcare sector.

Financial performance

The Directors' consider that the key performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and profit margins. Turnover has increased compared to last year by just over 10 per cent £9,868,465 (2016: £8,914,481), mainly through new online business and organic growth. Profitability has reduced slightly due to the anticipated increase in costs from purchasing from outside of the UK both in terms of currency fluctuations and market uncertainty surrounding Brexit. Operating overheads were in line with plan and prior year. The directors consider the profit for the year before non-recurring exceptional items of £124,217 (2016: £280,134) to be satisfactory.

Having adopted Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") in last year's financial statements all data held in these accounts is now comparable without any need for restatement.

Business Review

Abena is a recognised leading brand associated with high quality products and services within the Healthcare Sectors and these will remain our key market areas, further enhancing our UK opportunity with strong vertical market opportunities, growing our brand and overall revenue streams.

The Company has a continuous commitment to delivering high quality products with outstanding levels of service management for both the NHS and Private Health Care sectors. This focus on core, as well as vertical market opportunities, provides the platform to underpin future growth. Strategic plans are in place to deliver strong growth over the next five years.

The Abena Group are at the forefront of Innovation, looking at ongoing product development to enhance user experience as well as develop new products to support and benefit the market, bringing new ideas and enhanced experience across all sectors. An ever increasing reputation for Innovation and outstanding service management helps to differentiate us within the Healthcare sector.

Our UK Growth Strategy continues to focus on delivering Customer and Operational Excellence, using Innovative products to focus on both present and future patient needs, as well other products to enhance and improve patient lives. We remain fully committed to providing the very best products and services every day, to meet customer needs.

Our commitment is to deliver outstanding levels of customer service, showing enhanced cost savings within the NHS and private sectors remain paramount, along with bringing innovation and future products to market that enhance our overall UK Market strategy and demonstrate strong growth within the UK.

Strategic report

Unusual Events

As detailed in the last two year's financial statements, in 2015 the Directors became aware of transactions that were inconsistent with the Company's trading and which proved to be fraudulent. After extensive investment from the company into identifying the effects of the fraud and working closely with HMRC the full extent of the fraud has been fully recognised and all monies owing to government bodies has been settled or agreed.

Two of the three fictional lease agreements which formed a small part of the fraud are still unresolved however the Company continues to maintain that it has a good defence to any such claims as the equipment was never delivered. Indeed, it continues to maintain its position of a counter claim against the same hire purchase companies in respect of past payments made for the same agreements. This matter continues to be reflected as a contingent liability, also described in Note 19 of these financial statements.

In conclusion, the Directors believe that they have, in these financial statements, fully accounted for the costs of the fraud. Future recoveries from the fraud will be accounted for in future financial statements, and described separately as exceptional items, where material.

Future developments

The Abena Group has well established growth strategy plans and the Company is fully supporting and working within the overall Group Strategy that is founded on the quality of Abena products and services, providing concepts to support business demands.

The aim is to improve market share within established Healthcare Sectors and increase turnover over the next five years in the UK through a strong focus on delivering excellence into both Health Care and opening up new markets within non Health Care market sectors, with an increasing portfolio of customers. These plans will result in providing our customers with a 'One Stop' approach, maximising the Company's ability to source and provide the right products to market at fair market value, reducing cost of supply and meeting demand.

The Company has an effective 5 year plan that is strategically supported by Abena Group and Global plans to deliver high quality products and services, fully committed to never compromise patient care and meet market demands with highest levels of innovation to support continuous development within our markets.

Principal risks and uncertainties

The Directors continually review and evaluate the risks that the company is facing. The short to medium term growth the Directors target will be achieved through the successful tender and retender of new and existing contracts, along with maintaining strong relationships with existing customers. There is therefore a business risk relating to the level of success achieved during future tenders/retenders which the Company seeks to mitigate through high quality products, competitive pricing and customer service. Financial risk management is outlined in the Directors' Report.

On behalf of the board



J Harrison

Director
15 January 2018

Registered No. 03750590

Directors' report

Results and dividends

The profit for the year amounted to £1,182,366 (2016 loss: £2,194,209) stated after an exceptional credit of £1,058,149 (2016: exceptional charge £2,474,343). The directors have not recommended a dividend (2016: £nil).

Financial risk management objectives and policies

The business' principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business' operations. The principal financial instrument risk relates to liquidity, credit or cash flow. The Company is not exposed significantly to foreign exchange risks as the majority of goods are supplied and sold in sterling although movements in exchange rates does impact the sterling cost of goods supplied to the company.

In respect of bank balances, the liquidity risk is managed by the parent company.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debts.

Trade creditor related liquidity risk is managed by ensuring sufficient funds are available to meet amounts due. The majority of goods supplied by the company are sourced from within the Abena Group.

Directors

The directors who served the company during the year were as follows:

J Harrison

B Debel Thomsen

P Terp-Nielsen

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its Directors which remain in force at the date of this report.

Going concern

The Company continues to rely on its parent company and other members of the Abena Group for the products it distributes and, where necessary, for financial support. The Directors consider it appropriate to adopt a going concern basis in preparing these financial statements because they have received an indication of continued financial support from the parent company. The support is intended to be a statement of the parent company's current intention only and accordingly may not be construed as constituting a promise or warranty as to future conduct. If the intention of the parent company were to change, it is possible that the Company will not be able to meet its financial liabilities for the foreseeable future. The financial statements have been drawn up on a going concern basis as the Directors have no reason to believe the parent company will change its intention to continue providing such support for a period of at least 12 months from the date that these financial statements were approved.

Provision of information to the auditors

In so far as the Directors are, individually, aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- each director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Donations

During the year the Company made the following charitable donations of £50 (2016: £200).

Directors' report (continued)

Auditor

Ernst & Young LLP are deemed to be re-appointed as auditors pursuant to section 487 of the Companies Act 2006, and will therefore continue in office.

On behalf of the Board



J Harrison

Director

15 January 2018

Statement of directors' responsibilities

The Directors are responsible for preparing the Directors report, Strategic 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 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 and then apply them consistently;
- make judgments and 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditors' report

to the members of Abena UK Limited

We have audited the financial statements of Abena UK Limited for the year ended 30 April 2016 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 20. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland).¹ Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter 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 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 Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Independent auditors' report (continued)

to the members of Abena UK Limited

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 identified no material misstatements in the Strategic Report or Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Andrew Merrick (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

15 January 2018

Profit and loss account

for the year ended 30 April 2017

	Notes	2017 £	2016 £
Turnover	2	9,868,465	8,914,481
Cost of sales		<u>(6,009,809)</u>	<u>(4,954,876)</u>
Gross profit		3,858,656	3,959,605
Recurring administrative expenses		(3,734,439)	(3,666,316)
Exceptional administrative income/(expense)	3	1,058,149	(2,474,343)
Total administrative expenses		<u>(2,676,290)</u>	<u>(6,140,659)</u>
Operating profit/(loss)	4	1,182,366	(2,181,054)
Interest payable and similar charges	7	-	(13,155)
Profit/(loss) on ordinary activities before taxation		1,182,366	(2,194,209)
Tax	8	-	-
Profit/(loss) for the financial year		<u>1,182,366</u>	<u>(2,194,209)</u>

All amounts relate to continuing activities.

Statement of Comprehensive Income

for the year ended 30 April 2017

There are no items of other comprehensive income such that total comprehensive income equals the profit (2016: loss) for the financial year.

Balance sheet

at 30 April 2017

	Notes	2017 £	2016 £
Fixed assets			
Tangible assets	9	233,715	326,422
Intangible assets	10	4,901	7,114
		<u>238,616</u>	<u>333,536</u>
Current assets			
Stocks	11	556,774	717,276
Debtors	12	4,479,332	3,049,998
Cash at bank and in hand		898,755	2,218,858
		<u>5,934,861</u>	<u>5,986,132</u>
Creditors: amounts falling due within one year	13	(4,823,455)	(5,372,012)
Net current assets		1,111,406	614,120
Total assets less current liabilities		<u>1,350,022</u>	<u>947,656</u>
Creditors: amounts falling due after more than one year	14	-	(780,000)
Net assets		<u>1,350,022</u>	<u>167,656</u>
Capital and reserves			
Called up share capital	16	6,550,000	6,550,000
Profit and loss account		<u>(5,199,978)</u>	<u>(6,382,344)</u>
Shareholders' funds		<u>1,350,022</u>	<u>167,656</u>



JA Harrison

Director

15 January 2018

Statement of Changes in Equity

for the year ended 30 April 2017

	<i>Share capital</i> £	<i>Profit and loss account</i> £	<i>Total shareholder's funds.</i> £
At 1 May 2015	6,550,000	(4,188,135)	2,361,865
Loss for the year	-	(2,194,209)	(2,194,209)
At 30 April 2016	6,550,000	(6,382,344)	167,656
Profit for the year	-	1,182,366	1,182,366
At 30 April 2017	6,550,000	(5,199,978)	1,350,022

Notes to the financial statements

at 30 April 2017

1. Accounting policies

Statement of compliance

Abena UK Limited is a private limited company incorporated in England. The registered office is Sprint Point, Dolomite Avenue, Coventry Business Park, Coventry, Warwickshire, CV5 6US.

The company's financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 and with the Companies Act 2006, for the year ended 30 April 2017. The company is reporting under the reduced disclosure framework.

Basis of preparation

The financial statements were authorised for issue by the Board of Directors on 15 January 2018. The financial statements are stated in sterling (£), the Company's functional currency, rounded to the nearest £.

The company itself is a subsidiary company and is included in the consolidated accounts of Abena Holdings A/S, a company incorporated in Denmark. Copies of the consolidated financial statements of Abena Holding A/S can be obtained from Egelund 35, DK-6200 Aabenraa, Denmark. The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- The requirements of section 7, statement of cashflows
- Related party transactions including management compensation

Going concern

The Company continues to rely on its parent company and other members of the Abena Group for the products it distributes and, where necessary, for financial support. The Directors consider it appropriate to adopt a going concern basis in preparing these financial statements because they have received an indication of continued financial support from the parent company. The support is intended to be a statement of the parent company's current intention only and accordingly may not be construed as constituting a promise or warranty as to future conduct. If the intention of the parent company were to change, it is possible that the Company will not be able to meet its financial liabilities for the foreseeable future. The financial statements have been drawn up on a going concern basis as the Directors have no reason to believe the parent company will change its intention to continue providing such support for a period of at least 12 months from the date that these financial statements were approved.

Turnover

Turnover comprises the value, net of value added tax, of goods and services supplied to customers during the year.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Cost represents purchase price together with any directly attributable costs of acquisition.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases.

Leasehold improvements	–	10% straight line basis
Fixtures and fittings	–	10-25% straight-line basis
Motor vehicles	–	25% straight-line

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

Intangible fixed assets

Intangible fixed assets are stated at cost less amortisation. Cost represents purchase price together with any directly attributable costs of acquisition. Amortisation is provided at rates calculated to write off the cost of intangible fixed assets, less their estimated residual value, over their expected useful lives on a straight line basis over 4 years.

Stocks

Stocks are stated at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. In determining the costs of goods purchased for resale the weighted average purchase price is used.

Notes to the financial statements

at 30 April 2017

1. Accounting policies (continued)

Operating lease agreements

Rentals applicable to operating leases where substantially all the benefits and risks remain with the lessor are charged against profits in the year on a straight line basis over the period of the lease.

Where operating lease commitments exist in respect of assets no longer utilised by the Company, and where the commitment cannot be recovered through a sub-lease of the same asset, provision is made for the anticipated net cost to the end of the lease.

Pensions

The Company operates a group personal pension plan. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction, or at an average rate for the period if the rates do not fluctuate significantly. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date, or, where appropriate, at rates of exchange fixed under the terms of the relevant transaction. The resulting exchange gains and losses are recognised in the profit and loss account.

Exceptional items

Exceptional items are those items which the Directors consider to be exceptional either in nature, size or occurrence and which it is considered necessary to separately analyse in order to present a balanced analysis of the Company's performance.

2. Turnover

All turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below

	2017 £	2016 £
United Kingdom	9,868,465	8,914,481
	<u>9,868,465</u>	<u>8,914,481</u>

Notes to the financial statements

at 30 April 2017

3. Exceptional Items

	2017 £	2016 £
Professional fees	(32,493)	(77,175)
Provision for settlement with HMRC	917,068	(3,730,768)
Recoveries	173,574	1,333,600
Net Income/(expense) (included within non-recurring Administrative expenses)	<u>1,058,149</u>	<u>(2,474,343)</u>

The financial statements for 2015 and 2016 detailed Exceptional Items in relation to a series of fraudulent transactions going back over a number of years up to and including the year ended 30 April 2015. Those responsible are no longer involved with the Company. The fraudulent activity included misstated VAT returns and the Company has worked extensively with HMRC over the past two years to identify the monies owing both from a VAT perspective and also, less significantly, the impact on other government taxes and duties.

When last year's financial statements were approved, reflecting the early stage of discussions with HMRC the amounts that were owed to HMRC were accrued at the maximum estimate cash outflow. Since the approval of last year's accounts the final liabilities with HMRC for VAT and associated penalties and charges have all been agreed and as a result a reduction in the original amounts that were estimated to be owed has occurred giving rise to a release of £917,068. The final amounts agreed as due have been settled since the year end.

There have been additional costs incurred in 2017 in agreeing and closing down this matter with professional advisers which has cost the business an additional £32,493. As referred to in the prior year's financial statements there were significant contractual recoveries of the monies that were fraudulently extracted from the business and a further £173,574 has been received in this respect up to the date of this report. A further amount of £157,500 is due to be received in accordance with the settlement agreements. Whilst the Directors expect recovery of the contractually committed funds, due to the nature of the circumstances, amounts not received prior to the approval of the financial statements have not been provided for in these accounts.

All of the above amounts have been shown under non-recurring costs within the classification of Administrative expenses, which is consistent with the previous two years.

Notes to the financial statements

at 30 April 2017

4. Operating Profit/(Loss)

This is stated after charging/(crediting):

		2017	2016
		£	£
Auditors' remuneration	– audit	20,000	20,000
	– non-audit (taxation services)	4,400	4,400
Depreciation of tangible fixed assets	– owned by the company	93,793	110,819
Amortisation of intangible fixed assets		2,532	2,308
Operating lease rental	– land and buildings	328,233	328,233
	– other	65,952	73,577
Difference on foreign exchange		1,110	1,660

5. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services were

	2017	2016
	£	£
Remuneration receivable	114,785	117,416
Value of Company pension contributions to money purchase schemes	5,100	5,942
	119,885	123,358

Certain of the directors, who are also directors of the parent undertaking, received no remuneration from the Company during the current or preceding year. The directors consider the time they spend on this Company is inconsequential compared to the total amount of time they spend on other activities and as such no apportionment of directors' emoluments has been made.

The number of Directors on whose behalf the Company made pension contributions was as follows:

	No.	No.
Money purchase schemes	1	1

Notes to the financial statements

at 30 April 2017

6. Staff costs

	2017 £	2016 £
Wages and salaries	1,078,901	912,561
Social security costs	96,079	97,211
Other pension costs	38,077	37,426
	<u>1,213,057</u>	<u>1,047,198</u>

The average monthly number of employees during the year was made up as follows:

	No.	No.
Management and administration	27	22
Sales and marketing	9	10
	<u>36</u>	<u>32</u>

7. Interest payable and similar charges

	2017 £	2016 £
Interest payable to group undertakings	-	13,155
	<u>-</u>	<u>13,155</u>

8. Tax

(a) Tax on profit on ordinary activities

There is no tax charge for the current period (2016 £nil)

(b) Factors affecting the current tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.92% (2016 – 20%). The differences are explained below:

	2017 £	2016 £
Profit/(Loss) on ordinary activities before tax	1,182,366	(2,194,209)
Profit/(Loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92% (2016 – 20%)	235,501	(438,842)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	4,305	422,842
Movement in unrecognised deferred tax	(22,673)	16,000
Non taxable income	(217,133)	-
Total tax for the year (note 8(a))	<u>-</u>	<u>-</u>

Notes to the financial statements

at 30 April 2017

8. Tax (continued)

(c) Deferred tax

No provision has been made in the financial statements and the amounts unprovided at the end of the year are as follows:

	2017 £	2016 £
Accelerated capital allowances	33,709	21,000
Other timing differences	6,694	-
Tax losses available	553,152	200,000
Total deferred tax	595,555	221,000

No deferred tax asset concerning the unprovided amounts shown above has been recognised as the company does not expect to significantly utilise the tax losses in the foreseeable future. The carried forward position at 30 April 2017 reflects agreements reached with HMRC since the prior period end related to the tax treatment of items disclosed as exceptional items in prior years.

(d) Factors that may affect future tax charges

On 2 July 2013 the Finance Act 2013 enacted a reduction in the main rate of corporation tax from 21% to 20% with effect from 1 April 2015. Subsequently, on 26 October 2015, Finance No.2 Bill 2015 enacted further reductions in the main rate of corporation tax to 19% with effect from 1 April 2017 and to 18% with effect from 1 April 2020, resulting in a current tax rate for the year of 19.92% (2016: 20%). The 2016 Budget announced a further reduction in the main rate of corporation tax to 17% with effect from 1 April 2020.

Deferred tax assets and liabilities are measured at tax rates that are enacted or substantively enacted at the balance sheet date of 17% (2016: 17%).

9. Tangible fixed assets

	Leasehold improvements £	Fixtures and fittings £	Total £
Cost:			
At 1 May 2016	362,540	496,607	859,147
Additions	-	1,086	1,086
Disposals	-	-	-
At 30 April 2017	362,540	497,693	860,233
Depreciation:			
At 1 May 2016	113,026	419,699	532,725
Provided during the year	36,116	57,677	93,793
Disposals	-	-	-
At 30 April 2017	149,142	477,376	626,518
Net book value:			
At 30 April 2017	213,398	20,317	233,715
At 1 May 2016	249,514	76,908	326,422

Notes to the financial statements

at 30 April 2017

10. Intangible fixed assets

	Computer software £	Total £
Cost:		
At 1 May 2016	9,774	9,774
Additions	319	319
Disposals	-	-
At 30 April 2017	10,093	10,093
Depreciation:		
At 1 May 2016	2,660	2,660
Provided during the year	2,532	2,532
Disposals	-	-
At 30 April 2017	5,192	5,192
Net book value:		
At 30 April 2017	4,901	4,901
At 1 May 2016	7,114	7,114

11. Stocks

	2017 £	2016 £
Finished goods held for resale	556,774	717,276
	556,774	717,276

12. Debtors

	2017 £	2016 £
Trade debtors	1,874,965	1,579,995
Amounts owed by group undertakings	2,379,574	1,682
Other debtors	56,600	1,424,031
Prepayments and accrued income	168,193	44,290
	4,479,332	3,049,998

13. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	260,097	189,672
Amounts owed to group undertakings	981,851	467,397
Other creditors	37,534	18,925
Other taxes and social security costs	3,085,935	4,018,291
Accruals and deferred income	458,038	677,727
	4,823,455	5,372,012

Notes to the financial statements

at 30 April 2017

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

	2017	2016
	£	£
	-	780,000

The amounts owed to Group undertakings attracted interest at 2.05%.

15. Pensions

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £38,077 (2016: £37,426).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

16. Issued share capital

	No.	2017 £	No.	2016 £
<i>Allotted, called up and fully paid</i>				
Ordinary shares of £1 each	6,550,000	<u>6,550,000</u>	6,550,000	<u>6,550,000</u>

17. Other financial commitments

At 30 April 2017 the company had total commitments under non-cancellable operating leases as set out below:

	2017		2016	
	<i>Land and buildings</i>	<i>Other</i>	<i>Land and buildings</i>	<i>Other</i>
	£	£	£	£
Operating leases which expire:				
Within one year	262,588	52,989	301,120	62,461
In two to five years	1,073,116	47,504	1,146,092	34,420
Over five years	156,496	-	424,775	-
	<u>1,492,200</u>	<u>100,493</u>	<u>1,871,987</u>	<u>96,881</u>

The above disclosures at the year ended 30 April 2017 exclude amounts in respect of those leases referred to in note 19, contingent liabilities.

18. Related party transactions

The company has taken advantage of the exemption under FRS 102 not to disclose transactions with other wholly owned group companies.

Notes to the financial statements

at 30 April 2017

19. Contingent liabilities

As described in note 3, during the previous year the directors of the Company identified a number of transactions recorded by the Company which were inconsistent with its operations. Where currently possible the Company has reflected any further expense arising as a result of these fraudulent transactions and the benefit of the related recoveries in these financial statements. However, there remains one matter for which the possible liability has not been recognised in these financial statements. The Directors consider that the prospect of an actual liability materialising to be remote but have nevertheless decided to highlight it below as a contingent liability.

Leasing companies

As recorded in last year's financial statements that the Company was in dispute with three hire companies over the payment of past and future rentals under various agreements. One of these companies has now dropped its claim against the Company but there remains two hire companies with total unpaid commitments amounting to £129,564. These are agreements which the Company allege were put in place fraudulently by its previous financial director and a third party and where equipment was never delivered. As a result, the Company has itself sought reimbursement from the two remaining hire companies of some £129,271 representing rental payments already made, and release from any unpaid commitment. The Directors consider that the Company has a good defence against the claims of the hire companies as the equipment was never delivered. As a result the Company has made no provision in respect of the unpaid commitment amounting to £129,564.

20. Ultimate parent undertaking and controlling party

The Company's ultimate parent company and the largest group in which the results of the Company are consolidated is Abena Holding A/S, incorporated in Denmark. Copies of the consolidated financial statements of Abena Holding A/S can be obtained from Egelund 35, DK-6200 Aabenraa, Denmark. The ultimate controlling party of the Company is the Terp-Neilsen family due to their shareholding in Abena Holding A/S.