

# Financial Statements

## H & S Tool Holdings Ltd

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For the Year Ended 31 May 2017



Registered number: 09760620

H & S Tool Holdings Ltd

## Company Information

**Directors**

Thomas Cunningham  
Michael Love

**Registered number**

09760620

**Registered office**

Unit 7 Castlehill Industrial Estate  
Horsfield Way  
Bredbury Industrial Park  
Bredbury  
Cheshire  
SK6 2SU

**Independent auditors**

Grant Thornton UK LLP  
Chartered Accountants & Statutory Auditor  
4 Hardman Square  
Spinningfields  
Manchester  
M3 3EB

**Bankers**

Natwest  
1 Spinningfields Square  
Manchester  
M3 3AP

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## Directors' report

For the year ended 31 May 2017

The directors present their report and the financial statements for the year ended 31 May 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements and other information included in Directors' reports may differ from legislation in other jurisdictions.

### Principal activity

The principal activity of the Company is provision of business support service activities through the sale and rental of portable machining tools. The Company was incorporated on the 3 September 2015 and commenced its principal activity on the same day.

### Directors

The directors who served during the year were:

Thomas Cunningham  
Michael Love

H & S Tool Holdings Ltd

## Directors' report (continued)

For the year ended 31 May 2017

### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

### Auditors

The auditors, 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 and signed on its behalf.

  
Michael Love  
Director

Date: FEBRUARY 15, 2018



## Independent auditors' report to the members of H & S Tool Holdings Ltd

We have audited the financial statements of H & S Tool Holdings Ltd for the year ended 31 May 2017, which comprise the statement of total comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the 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'.

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 Auditors' 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 Auditors**

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. 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC Ethical Standards website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 May 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.



## Independent auditors' report to the members of H & S Tool Holdings Ltd (continued)

### **Opinion 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 those financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report under 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 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; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

*Joanne Love* *Grant Thornton UK LLP*

Joanne Love (Senior statutory auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountant  
Senior Statutory Auditor  
Manchester

Date: *26 February 2018*

## Statement of total comprehensive income

For the year ended 31 May 2017

		Year end to 31 May 2017 £	8 month period 31 May 2016 £
	Note		
Turnover - continuing operations		1,836,661	839,538
Cost of sales		(850,164)	(291,261)
<b>Gross profit</b>		<b>986,497</b>	<b>548,277</b>
Distribution costs		(56,445)	(30,858)
Administrative expenses		(1,044,938)	(525,703)
<b>Operating loss</b>	5	<b>(114,886)</b>	<b>(8,284)</b>
Interest payable and expenses	9	(68,826)	(29,124)
<b>Loss before tax</b>		<b>(183,712)</b>	<b>(37,408)</b>
Tax on loss		-	-
<b>Loss for the financial year</b>		<b>(183,712)</b>	<b>(37,408)</b>

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

The notes on pages 8 to 20 form part of these financial statements.



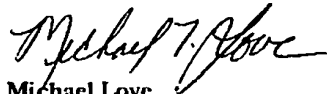
H & S Tool Holdings Ltd  
Registered number:09760620

## Statement of financial position

As at 31 May 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	11	(165,156)	(210,390)
Tangible assets	12	1,536,656	1,596,077
Investments	13	216,809	216,809
		<u>1,588,309</u>	<u>1,602,496</u>
<b>Current assets</b>			
Stocks	14	133,218	-
Debtors: amounts falling due within one year	15	871,832	317,146
Cash at bank and in hand	16	159,557	210,310
		<u>1,164,607</u>	<u>527,456</u>
Creditors: amounts falling due within one year	17	(1,288,477)	(605,995)
<b>Net current liabilities</b>		<u>(123,870)</u>	<u>(78,539)</u>
<b>Total assets less current liabilities</b>		<u>1,464,439</u>	<u>1,523,957</u>
Creditors: amounts falling due after more than one year	18	(1,025,559)	(901,365)
<b>Net assets</b>		<u><u>438,880</u></u>	<u><u>622,592</u></u>
<b>Capital and reserves</b>			
Called up share capital	19	625,000	625,000
Share premium account	20	35,000	35,000
Profit and loss account	20	(221,120)	(37,408)
		<u><u>438,880</u></u>	<u><u>622,592</u></u>

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



Michael Love  
Director

Date: FEBRUARY 15, 2018

The notes on pages 8 to 20 form part of these financial statements.

## Statement of changes in equity

For the year ended 31 May 2017

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
<b>Incorporation</b>	-	-	-	-
<b>Comprehensive income for the period</b>				
Loss for the period	-	-	(37,408)	(37,408)
<b>Total comprehensive income for the period</b>	-	-	(37,408)	(37,408)
Shares issued during the period	625,000	35,000	-	660,000
<b>Total transactions with owners</b>	625,000	35,000	-	660,000
<b>At 1 June 2016</b>	625,000	35,000	(37,408)	622,592
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(183,712)	(183,712)
<b>Total comprehensive income for the year</b>	-	-	(183,712)	(183,712)
<b>Total transactions with owners</b>	-	-	-	-
<b>At 31 May 2017</b>	625,000	35,000	(221,120)	438,880

# Notes to the financial statements

For the year ended 31 May 2017

## 1. General information

H & S Tools Holdings Ltd is a private company limited by shares and registered in England and Wales. Its registered head office is located at Unit 7 Castlehill Industrial Estate, Horsfield Way, Bredbury Industrial Park, Bredbury, Cheshire, SK6 2SU.

The principal activity of the Company is the provision of business support service activities through the sale and rental of portable machining tools.

## 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.

Information on the impact of first-time adoption of FRS 102 is given in note 25.

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 Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are required to be excluded from consolidation by section 402 of the Companies Act 2006.

The following principal accounting policies have been applied:

### 2.2 Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The company currently meets its day to day working capital requirements through intercompany funding. The continuation of the company's activities is dependent upon the continuing support of its ultimate parent company, CPMT Holdings Corp.

The directors have concluded, after making enquiries, that they have a reasonable expectation that the company has access to adequate resources, and the support from its ultimate parent company, to enable it to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual report and accounts.

### 2.3 Revenue

Turnover comprises revenue recognised by the Company in respect of sale and rental of goods and services supplied during the period, exclusive of Value Added Tax and trade discounts. Revenue is recognised upon the despatch of goods relating to sales and rental and service revenue in the period which it relates.

## Notes to the financial statements

For the year ended 31 May 2017

### 2. Accounting policies (continued)

#### 2.4 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of total comprehensive income over its useful economic life of 8 years.

#### 2.5 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

Depreciation is provided on the following basis:

Leasehold property improvements	- 20%
Plant and machinery	- 33%
Motor vehicles	- 33%

The assets', 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.

#### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

#### 2.7 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.

#### 2.8 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 May 2017

### 2. Accounting policies (continued)

#### 2.9 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.

#### 2.10 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.

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 total 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.

#### 2.11 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 May 2017

### 2. Accounting policies (continued)

#### 2.12 Foreign currency translation

##### Functional and presentation currency

The Company's functional and presentational currency is pounds sterling (£).

##### Transactions and balances

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

At the year 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'.

#### 2.13 Finance costs

Finance costs are charged to the Statement of total 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.

#### 2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of total 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.

# Notes to the financial statements

For the year ended 31 May 2017

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

Management has applied its own judgement to assess the appropriateness of the key accounting policies, and to ensure that they are compliant with FRS 102.

Management has determined that the areas subject to judgement are the valuation of investment in subsidiaries, the bad debt provision and the appropriate depreciation of fixed assets and estimates of their useful economic life.

The recoverability of the investment valuations are regularly considered with regard to the estimated future cash flows that will be generated by the subsidiaries. The entity provides against these in line with the ageing of each balance.

Management conclude that their assessment is prudent and accurate, with the treatment in line with reporting standards

## 4. Turnover

Analysis of turnover by country of destination:

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
Sale of goods	826,267	369,961
Rental of goods	843,750	432,750
Servicing	166,644	36,827
	<u>1,836,661</u>	<u>839,538</u>

## 5. Operating loss

The operating loss is stated after charging:

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
Depreciation of tangible fixed assets	338,502	181,123
Amortisation of negative goodwill	(28,135)	(19,828)
	<u>338,502</u>	<u>181,123</u>

## Notes to the financial statements

For the year ended 31 May 2017

### 6. Auditors' remuneration

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	9,000	8,600

### 7. Employees

Staff costs were as follows:

	Year End to 2017 £	8 month period 2016 £
Wages and salaries	257,168	95,932
Social security costs	25,891	5,337
	<u>283,059</u>	<u>101,269</u>

Staff costs were as follows:

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

	Year end to 31 May 2017 No.	8 month period 31 May 2016 No.
Management	6	5

### 8. Directors' remuneration

During the year and prior period no director received any emoluments



# Notes to the financial statements

For the year ended 31 May 2017

## 9. Interest payable and similar charges

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
On loans from group undertakings	68,826	29,124

## 10. Taxation

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
<b>Total current tax</b>	-	-
<b>Deferred tax</b>		
<b>Total deferred tax</b>	-	-
<b>Taxation on profit on ordinary activities</b>	-	-

### Factors affecting tax charge for the year/period

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

	Year end to 31 May 2017 £	8 month period 31 May 2016 £
Loss on ordinary activities before tax	(183,712)	(37,408)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	(36,742)	(7,482)
<b>Effects of:</b>		
Unrelieved tax losses	36,742	7,482
<b>Total tax charge for the year/period</b>	-	-

# Notes to the financial statements

For the year ended 31 May 2017

## 11. Intangible assets

	Goodwill £
<b>Cost</b>	
At 1 June 2016	(230,218)
Revaluation	17,099
At 31 May 2017	<u>(213,119)</u>
<b>Amortisation</b>	
At 1 June 2016	(19,828)
Charge for the year	(28,135)
At 31 May 2017	<u>(47,963)</u>
<b>Net book value</b>	
At 31 May 2017	<u><u>(165,156)</u></u>
At 31 May 2016	<u><u>(210,390)</u></u>

## Notes to the financial statements

For the year ended 31 May 2017

**12. Tangible fixed assets**

	Leasehold property improvements £	Rental equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 June 2016	40,867	1,736,333	-	1,777,200
Additions	1,763	406,633	19,853	428,249
Disposals	-	(168,838)	-	(168,838)
At 31 May 2017	42,630	1,974,128	19,853	2,036,611
<b>Depreciation</b>				
At 1 June 2016	-	181,123	-	181,123
Charge for the year on owned assets	8,482	327,125	2,895	338,502
Disposals	-	(19,670)	-	(19,670)
At 31 May 2017	8,482	488,578	2,895	499,955
<b>Net book value</b>				
At 31 May 2017	34,148	1,485,550	16,958	1,536,656
At 31 May 2016	40,867	1,555,210	-	1,596,077

**13. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 June 2016	216,809
At 31 May 2017	216,809
<b>Net book value</b>	
At 31 May 2017	216,809
At 31 May 2016	216,809

## Notes to the financial statements

For the year ended 31 May 2017

### 13. Fixed asset investments (continued)

#### Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Climax Asia Pacific PTE Ltd	Singapore	Ordinary	100 %	Portable machine tools
Climax Portable Machining & Welding Systems	Dubai	Ordinary	100 %	Portable machine tools

The aggregate of the share capital and reserves as at 31 May 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	Profit/(loss)
	£	£
Climax Asia Pacific PTE Ltd	12,152	(16,389)
Climax Portable Machining & Welding Systems	19,653	(10,455)
	<u>31,805</u>	<u>(26,844)</u>

### 14. Stocks

	31 May 2017	31 May 2016
	£	£
Goods for resale	<u>133,218</u>	<u>-</u>

Purchase of goods for resale recognised in cost of sales during the year as an expense was £717,580 (2016: £251,493).

An impairment loss of £nil (2016: £nil) was recognised in cost of sales against stock during the year.

# Notes to the financial statements

For the year ended 31 May 2017

## 15. Debtors

	31 May 2017 £	31 May 2016 £
Trade debtors	745,265	248,972
Amounts owed by group undertakings	81,502	2,597
Other debtors	45,065	65,577
	<u>871,832</u>	<u>317,146</u>

An impairment loss of £10,983 (2016: £3,277) was recognised against trade debtors.

## 16. Cash and cash equivalents

	31 May 2017 £	31 May 2016 £
Cash at bank and in hand	<u>159,557</u>	<u>210,310</u>

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

	31 May 2017 £	31 May 2016 £
Trade creditors	17,775	5,231
Amounts owed to group undertakings	931,080	558,673
Other taxation and social security	43,119	3,796
Other creditors	296,503	38,295
	<u>1,288,477</u>	<u>605,995</u>

## 18. Creditors: Amounts falling due after more than one year

	31 May 2017 £	31 May 2016 £
Amounts owed to group undertakings	<u>1,025,559</u>	<u>901,365</u>

Amount owed to group undertakings relate to two loan facilities and are repayable on the 9th anniversary of the issue date. The loans are unsecured and interest is payable at 6.375%.

## Notes to the financial statements

For the year ended 31 May 2017

### 19. Share capital

	31 May 2017 £	31 May 2016 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
625,000 Ordinary shares of £1 each	<u>625,000</u>	<u>625,000</u>

### 20. Reserves

#### Share premium account

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### Profit and loss account

Includes all current and prior period retained profits and losses.

### 21. Contingent liabilities

The Company had no contingent liabilities to disclose as at 31 May 2017 or 31 May 2016.

### 22. Capital commitments

The Company had no capital commitments as at 31 May 2017 or 31 May 2016.

## Notes to the financial statements

For the year ended 31 May 2017

### 23. Related party transactions

During the year the Company purchased goods amounting to £822,403 (2016: £476,162) from Climax Portable Machine Tools Inc., a company registered in the United States of America which is a fellow subsidiary of its parent company.

At the balance sheet date, the Company owed amounts to this company amounting to £601,247 (2016: £441,431). In addition, the Company owed £246,681 (2016: £216,809) in respect of a long term loan. During the year the Company was charged interest at 6.375% per annum on this long term loan which amounted to £15,726 (2016: £7,006).

During the year the Company purchased goods amounting to £316,341 (2016: £185,964) from H&S Tool Holdings LLC., a company registered in the United States of America which is a subsidiary of Climax Portable Machine Tools Inc.

At the balance sheet date, the Company owed amounts to this company amounted to £299,704 (2016: £113,136).

At the balance sheet date, the Company owed an amount to its parent company, CPMT Intermediate Holdings Corp., a company registered in the United States of America, amounting to £778,877 (2016: £684,556) in respect of a long term loan. During the period the Company was charged interest at 6.375% per annum on this long term loan which amounted to £49,653 (2016: £22,118).

The individuals that are considered by the Company to be key management personnel have received remuneration totalling £50,561 (2016: £14,974).

### 24. Controlling party

The immediate parent undertaking is CPMT Intermediate Holdings Corp by virtue of its ownership of the entire share capital of the Company.

The ultimate parent undertaking is CPMT Holdings Corp.

### 25. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.