

REGISTERED NUMBER: 10111570 (England and Wales)

Group Strategic Report,
Report of the Directors and
Consolidated Financial Statements
for the Year Ended 31st December 2017
for
Kwiktuf Holdings Limited

Contents of the Consolidated Financial Statements
for the year ended 31st December 2017

	Page
Company Information	1
Group Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Consolidated Income Statement	7
Consolidated Balance Sheet	8
Company Balance Sheet	9
Consolidated Statement of Changes in Equity	10
Company Statement of Changes in Equity	11
Consolidated Cash Flow Statement	12
Notes to the Consolidated Cash Flow Statement	13
Notes to the Consolidated Financial Statements	14

Kwiktuf Holdings Limited
Company Information
for the year ended 31st December 2017

DIRECTORS:

J P Bradley
N C Thomas
P Myers
D Pinkney
Mrs M Saville
A G Thomas

SECRETARY:

J P Bradley

REGISTERED OFFICE:

264 Wincolmlee
Hull
East Yorkshire
HU2 0PZ

REGISTERED NUMBER:

10111570 (England and Wales)

AUDITORS:

cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

BANKERS:

Yorkshire Bank
214 Holderness Road
Hull
HU9 2AA

Group Strategic Report
for the year ended 31st December 2017

The directors present their strategic report of the company and the group for the year ended 31st December 2017.

REVIEW OF BUSINESS

The key financial performance indicators of turnover, gross profit and net profit before taxation communicate the financial performance of the company as a whole.

The key financial performance indicators for the current and prior year, for the group, are as follows:

	2017	2016
	£	£
Turnover	8,348,198	7,627,198
Gross Profit Margin	31.0%	32.8%
Net Profit, before Taxation	£542,231	£682,904
Net Profit Margin	6.5%	9.0%

This being the first full year since the management buyout and taking consideration the additional borrowings and associated costs, the directors are pleased with the financial results. An increase in sales of 9% contributed to an increase in gross profit despite a reduction in margin.

PRINCIPAL RISKS AND UNCERTAINTIES

We see the principal risks and uncertainties as follows:

Competition

The group operates in an increasingly competitive marketplace and is constantly facing challenges from significant volume producers developing within our industry. The company will maintain its consistent strategy in offering value for money with a focus on high levels of customer service.

Price Risk

Throughout 2017 we became exposed to aggressive pricing from the volume producers attempting to gain market share at reduced margins. We have had to react to this with certain customers to maintain volume. The aggressive nature continues into 2018.

Supply Chain

Whilst this did not have a bearing on our 2017 result, the most significant risk facing the company is reduced availability of UK sourced materials and a reluctance from Europe to support their UK based operations due to the buoyancy of their own market. We continue to take opportunities as and when they arrive from alternative sources of raw materials whilst continually monitoring the UK supply situation.

Credit Risk

The group continues to operate a credit insurance policy providing full coverage to negate the credit risk. Despite this we maintain internal credit control procedures to mitigate any exposure.

FUTURE DEVELOPMENTS

Due to the uncertainty of the glass market and the economy as a whole, 2018 will be a consolidation year with only limited generic forecasts throughout the year.

ON BEHALF OF THE BOARD:

J P Bradley - Director

25th September 2018

Report of the Directors
for the year ended 31st December 2017

The directors present their report with the financial statements of the company and group for the year ended 31st December 2017.

During the previous period the company financial statements was for a short period as the parent company was incorporated on the 6th April 2016.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of glass processing specialists.

DIVIDENDS

The total distribution of dividends for the year ended 31st December 2017 will be £ 112,000 .

FUTURE DEVELOPMENTS

These details have been provided in the group's strategic report.

DIRECTORS

The directors shown below have held office during the whole of the period from 1st January 2017 to the date of this report.

J P Bradley
N C Thomas
P Myers
D Pinkney
Mrs M Saville
A G Thomas

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise of bank balances, trade debtors, trade creditors and invoice discounting. The main purpose of these instruments is to raise funds and finance the group's operations.

Revenue maintenance

The group actively markets and manages its portfolio of products to focus on revenue building and maintenance which, over the life cycle of the products can contribute to the future profits of the business.

Risks and uncertainties

These details have been provided in the group's strategic report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Report of the Directors
for the year ended 31st December 2017

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, cbaSadofskys, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J P Bradley - Director

25th September 2018

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

Opinion

We have audited the financial statements of Kwiktuf Holdings Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31st December 2017 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent company affairs as at 31st December 2017 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group'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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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.

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

Report of the Independent Auditors to the Members of
Kwiktuf Holdings Limited

Matters on which we are required to report by exception

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, 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 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Alan Brocklehurst (Senior Statutory Auditor)
for and on behalf of cbaSadofskys
Statutory Auditors
Princes House
Wright Street
Hull
East Yorkshire
HU2 8HX

25th September 2018

Consolidated Income Statement
for the year ended 31st December 2017

	Notes	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
TURNOVER		8,348,198	7,627,198
Cost of sales		<u>5,760,429</u>	<u>5,129,085</u>
GROSS PROFIT		2,587,769	2,498,113
Administrative expenses		<u>1,908,059</u>	<u>1,713,781</u>
OPERATING PROFIT	4	679,710	784,332
Interest receivable and similar income		<u>-</u>	<u>57</u>
		679,710	784,389
Interest payable and similar expenses	5	<u>137,479</u>	<u>101,485</u>
PROFIT BEFORE TAXATION		542,231	682,904
Tax on profit	6	<u>183,755</u>	<u>169,984</u>
PROFIT FOR THE FINANCIAL YEAR		<u>358,476</u>	<u>512,920</u>

The notes form part of these financial statements

Kwiktuf Holdings Limited (Registered number: 10111570)

Consolidated Balance Sheet
31st December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	9		2,779,885		3,106,930
Tangible assets	10		2,320,631		2,504,562
Investments	11		-		-
			<u>5,100,516</u>		<u>5,611,492</u>
CURRENT ASSETS					
Stocks	12	295,847		260,771	
Debtors	13	1,375,160		1,166,254	
Cash at bank and in hand		<u>54,527</u>		<u>65,086</u>	
		1,725,534		1,492,111	
CREDITORS					
Amounts falling due within one year	14	<u>2,235,975</u>		<u>2,174,618</u>	
NET CURRENT LIABILITIES			<u>(510,441)</u>		<u>(682,507)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,590,075</u>		<u>4,928,985</u>
CREDITORS					
Amounts falling due after more than one year	15		(3,867,764)		(4,407,269)
PROVISIONS FOR LIABILITIES	19		(174,846)		(190,727)
ACCRUALS AND DEFERRED INCOME	20		<u>(180,000)</u>		<u>(210,000)</u>
NET ASSETS			<u>367,465</u>		<u>120,989</u>
CAPITAL AND RESERVES					
Called up share capital	21		100,080		100,080
Retained earnings			<u>267,385</u>		<u>20,909</u>
SHAREHOLDERS' FUNDS			<u>367,465</u>		<u>120,989</u>

The financial statements were approved by the Board of Directors on 25th September 2018 and were signed on its behalf by:

J P Bradley - Director

The notes form part of these financial statements

Company Balance Sheet
31st December 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Intangible assets	9	-	-	-	-
Tangible assets	10	-	-	-	-
Investments	11	<u>5,320,610</u>		<u>5,320,610</u>	
		5,320,610		5,320,610	
CURRENT ASSETS					
Debtors	13	675	-	-	-
Cash at bank		<u>4,676</u>		<u>3,666</u>	
		5,351		3,666	
CREDITORS					
Amounts falling due within one year	14	<u>400,283</u>		<u>412,875</u>	
NET CURRENT LIABILITIES			(394,932)		(409,209)
TOTAL ASSETS LESS CURRENT LIABILITIES			4,925,678		4,911,401
CREDITORS					
Amounts falling due after more than one year	15	<u>4,424,009</u>		<u>4,792,867</u>	
NET ASSETS		501,669		118,534	
CAPITAL AND RESERVES					
Called up share capital	21	100,080		100,080	
Retained earnings		<u>401,589</u>		<u>18,454</u>	
SHAREHOLDERS' FUNDS		501,669		118,534	
Company's profit for the financial year		<u>495,135</u>		<u>88,454</u>	

The financial statements were approved by the Board of Directors on 25th September 2018 and were signed on its behalf by:

J P Bradley - Director

Consolidated Statement of Changes in Equity
for the year ended 31st December 2017

	Called up share capital £	Retained earnings £	Total equity £
Balance at 7th April 2016	-	(277,375)	(277,375)
Changes in equity			
Issuc of share capital	100,080	-	100,080
Dividends	-	(214,636)	(214,636)
Total comprehensive income	-	512,920	512,920
Balance at 31st December 2016	<u>100,080</u>	<u>20,909</u>	<u>120,989</u>
Changes in equity			
Dividends	-	(112,000)	(112,000)
Total comprehensive income	-	358,476	358,476
Balance at 31st December 2017	<u>100,080</u>	<u>267,385</u>	<u>367,465</u>

The notes form part of these financial statements

Company Statement of Changes in Equity
for the year ended 31st December 2017

	Called up share capital £	Retained earnings £	Total equity £
Changes in equity			
Issue of share capital	100,080	-	100,080
Dividends	-	(70,000)	(70,000)
Total comprehensive income	-	88,454	88,454
Balance at 31st December 2016	100,080	18,454	118,534
Changes in equity			
Dividends	-	(112,000)	(112,000)
Total comprehensive income	-	495,135	495,135
Balance at 31st December 2017	100,080	401,589	501,669

Consolidated Cash Flow Statement
for the year ended 31st December 2017

		year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	1,091,916	812,449
Interest paid		(107)	-
Interest element of hire purchase payments paid		(11,557)	(25,203)
Finance costs paid		(125,815)	(76,282)
Tax paid		(169,004)	-
Net cash from operating activities		<u>785,433</u>	<u>710,964</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(5,320,610)
Purchase of tangible fixed assets		(133,216)	(298,742)
Sale of tangible fixed assets		2,800	-
Acquisition of subsidiary, net assets		-	2,050,157
Interest received		-	57
Net cash from investing activities		<u>(130,416)</u>	<u>(3,569,138)</u>
Cash flows from financing activities			
New loans in year		-	3,663,004
Loan repayments in year		(553,576)	(625,188)
Share issue		-	100,080
Equity dividends paid		(112,000)	(214,636)
Net cash from financing activities		<u>(665,576)</u>	<u>2,923,260</u>
(Decrease)/increase in cash and cash equivalents		<u>(10,559)</u>	<u>65,086</u>
Cash and cash equivalents at beginning of year	2	65,086	-
Cash and cash equivalents at end of year	2	<u>54,527</u>	<u>65,086</u>

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement
for the year ended 31st December 2017

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Profit before taxation	542,231	682,904
Depreciation charges	642,309	472,104
(Profit)/loss on disposal of fixed assets	(917)	5,830
Government grants	(30,000)	(30,000)
Finance costs	137,479	101,485
Finance income	-	(57)
	<u>1,291,102</u>	<u>1,232,266</u>
Increase in stocks	(35,076)	(260,771)
Increase in trade and other debtors	(208,906)	(1,166,254)
Increase in trade and other creditors	44,796	1,007,208
Cash generated from operations	<u>1,091,916</u>	<u>812,449</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31st December 2017

	31/12/17 £	1/1/17 £
Cash and cash equivalents	<u>54,527</u>	<u>65,086</u>

Period ended 31st December 2016

	31/12/16 £	7/4/16 £
Cash and cash equivalents	<u>65,086</u>	<u>-</u>

Notes to the Consolidated Financial Statements
for the year ended 31st December 2017

1. STATUTORY INFORMATION

Kwiktuf Holdings Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2016, is being amortised evenly over its estimated useful life of ten years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- not provided
Plant and machinery	- 20% on cost, 15% on reducing balance and 10% on cost
Fixtures and fittings	- 20% on cost and 15% on reducing balance
Motor vehicles	- 25% on reducing balance and 25% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

3. EMPLOYEES AND DIRECTORS

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Wages and salaries	2,409,551	2,218,992
Social security costs	190,285	177,517
Other pension costs	14,786	13,408
	<u>2,614,622</u>	<u>2,409,917</u>

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

	year ended 31/12/17	period 7/4/16 to 31/12/16
Direct cost employees	105	91
Overhead cost employees	16	15
	<u>121</u>	<u>106</u>

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Directors' remuneration	<u>62,470</u>	<u>46,524</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

4. OPERATING PROFIT

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

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Depreciation - owned assets	277,098	299,302
Depreciation - assets on hire purchase contracts	38,166	9,279
(Profit)/loss on disposal of fixed assets	(917)	5,830
Goodwill amortisation	327,045	163,523
Auditors' remuneration	2,000	2,000
Government grants amortisation	<u>(30,000)</u>	<u>(30,000)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Bank interest	107	-
Bank loan interest	70,898	44,555
Mortgage interest	-	4,237
Loan interest	54,880	27,490
Disallowed interest	37	-
Hire purchase interest	<u>11,557</u>	<u>25,203</u>
	<u>137,479</u>	<u>101,485</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Current tax:		
UK corporation tax	199,636	169,004
Deferred taxation	<u>(15,881)</u>	<u>980</u>
Tax on profit	<u>183,755</u>	<u>169,984</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Profit before tax	<u>542,231</u>	<u>682,904</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	104,363	136,581
Effects of:		
Expenses not deductible for tax purposes	1,833	2,751
Capital allowances in excess of depreciation	-	(7,033)
Depreciation in excess of capital allowances	10,310	-
General bad debt provision	-	4,000
Losses carried forward	20,184	-
Consolidated amortisation	62,946	32,705
Deferred Taxation movement	<u>(15,881)</u>	<u>980</u>
Total tax charge	<u>183,755</u>	<u>169,984</u>

7. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

8. DIVIDENDS

	year ended 31/12/17 £	period 7/4/16 to 31/12/16 £
Ordinary shares of £1 each		
Interim	<u>112,000</u>	<u>214,636</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

9. INTANGIBLE FIXED ASSETS

Group

Goodwill
£

COST

At 1st January 2017
and 31st December 2017

3,270,453

AMORTISATION

At 1st January 2017
Amortisation for year
At 31st December 2017

163,523

327,045

490,568

NET BOOK VALUE

At 31st December 2017
At 31st December 2016

2,779,885

3,106,930

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1st January 2017	1,088,065	3,127,335	59,450	156,362	4,431,212
Additions	-	112,104	263	20,849	133,216
Disposals	-	(6,000)	-	(3,250)	(9,250)
At 31st December 2017	<u>1,088,065</u>	<u>3,233,439</u>	<u>59,713</u>	<u>173,961</u>	<u>4,555,178</u>
DEPRECIATION					
At 1st January 2017	-	1,801,403	41,982	83,265	1,926,650
Charge for year	-	272,718	8,031	34,515	315,264
Eliminated on disposal	-	(5,200)	-	(2,167)	(7,367)
At 31st December 2017	<u>-</u>	<u>2,068,921</u>	<u>50,013</u>	<u>115,613</u>	<u>2,234,547</u>
NET BOOK VALUE					
At 31st December 2017	<u>1,088,065</u>	<u>1,164,518</u>	<u>9,700</u>	<u>58,348</u>	<u>2,320,631</u>
At 31st December 2016	<u>1,088,065</u>	<u>1,325,932</u>	<u>17,468</u>	<u>73,097</u>	<u>2,504,562</u>

The net book value of tangible fixed assets includes £ 236,824 (2016 - £ 224,344) in respect of assets held under hire purchase contracts.

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

11. FIXED ASSET INVESTMENTS

Company

**Shares in
group
undertakings
£**

COST

At 1st January 2017
and 31st December 2017

5,320,610

NET BOOK VALUE

At 31st December 2017
At 31st December 2016

5,320,610

5,320,610

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiary

Kwiktuf Limited

Registered office: 264 Wincolmlce, Hull, HU2 0PZ

Nature of business: Glass processing specialists

	%
Class of shares:	holding
Ordinary	100.00

12. STOCKS

Group

	2017	2016
	£	£
Raw materials	234,018	217,652
Work-in-progress	61,829	43,119
	<u>295,847</u>	<u>260,771</u>

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Trade debtors	1,317,626	1,107,655	-	-
Other debtors	675	140	675	-
Prepayments	56,859	58,459	-	-
	<u>1,375,160</u>	<u>1,166,254</u>	<u>675</u>	<u>-</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans and overdrafts (see note 16)	445,787	463,875	392,087	412,875
Hire purchase contracts (see note 17)	139,553	135,536	-	-
Trade creditors	448,178	524,344	-	-
Invoicing discounting	530,183	569,886	-	-
Taxation	199,636	169,004	-	-
Social security and other taxes	325,460	239,496	-	-
Other creditors	8,603	-	8,196	-
Directors' current accounts	20,002	20,002	-	-
Accrued expenses	118,573	52,475	-	-
	<u>2,235,975</u>	<u>2,174,618</u>	<u>400,283</u>	<u>412,875</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans (see note 16)	1,844,917	2,259,750	1,041,598	1,401,407
Hire purchase contracts (see note 17)	201,614	298,797	-	-
Amounts owed to group undertakings	-	-	1,561,178	1,542,738
Shareholder loans	1,821,233	1,848,722	1,821,233	1,848,722
	<u>3,867,764</u>	<u>4,407,269</u>	<u>4,424,009</u>	<u>4,792,867</u>

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	<u>445,787</u>	<u>463,875</u>	<u>392,087</u>	<u>412,875</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>1,844,917</u>	<u>2,259,750</u>	<u>1,041,598</u>	<u>1,401,407</u>

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	139,553	135,536
Between one and five years	201,614	298,797
	<u>341,167</u>	<u>434,333</u>

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank loans	2,290,704	-	1,433,685	1,814,282
Hire purchase contracts	341,167	-	-	-
Invoice discounting	530,183	569,886	-	-
	<u>3,162,054</u>	<u>569,886</u>	<u>1,433,685</u>	<u>1,814,282</u>

The bank loan, Invoice discounting and HP are secured by way of a fixed and floating charge over the 's group's property and assets.

19. **PROVISIONS FOR LIABILITIES**

	Group	
	2017	2016
	£	£
Deferred taxation	<u>174,846</u>	<u>190,727</u>
Group		
		Deferred tax
		£
Balance at 1st January 2017		190,727
Utilised during year		(15,881)
Balance at 31st December 2017		<u>174,846</u>

20. **ACCRUALS AND DEFERRED INCOME**

	Group	
	2017	2016
	£	£
Deferred government grants	<u>180,000</u>	<u>210,000</u>

Kwiktuf Holdings Limited (Registered number: 10111570)

Notes to the Consolidated Financial Statements - continued
for the year ended 31st December 2017

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2017 £	2016 £
100,016	Ordinary	£1	100,016	100,016
64	Ordinary A	£1	64	64
			<u>100,080</u>	<u>100,080</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.