

**Complete Business Solutions Group
Limited**

**Strategic Report, Report of the Directors and
Financial Statements**

**Period
30 December 2015 to 28 December 2016**



Jolliffe Cork LLP
Chartered Accountants & Statutory Auditor
33 George Street
Wakefield
West Yorkshire
WF1 1LX

**Complete Business Solutions Group
Limited**

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for the period 30 December 2015 to 28 December 2016**

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**Complete Business Solutions Group
Limited**

**Company Information
for the period 30 December 2015 to 28 December 2016**

DIRECTORS:	Mr R Coulson Miss S M Bennett Mr C Newman Mr P A Sibson Mr S B Benev Mr L A Everington Mr C S Waters
SECRETARY:	Miss S M Bennett
REGISTERED OFFICE:	Daughters Court Silkwood Park Wakefield West Yorkshire WF5 9TQ
REGISTERED NUMBER:	03045607 (England and Wales)
AUDITORS:	Jolliffe Cork LLP Chartered Accountants & Statutory Auditor 33 George Street Wakefield West Yorkshire WF1 1LX
BANKERS:	HSBC Bank PLC 66 Westgate Wakefield WF1 1XB

Complete Business Solutions Group Limited

Strategic Report for the period 30 December 2015 to 28 December 2016

The directors present their strategic report for the period 30 December 2015 to 28 December 2016.

REVIEW OF BUSINESS

Results and Performance

We are delighted to be able to report that the group continued to develop during 2016.

Our EBITDA (earnings before interest, tax, depreciation and amortisation and pre-exceptional items) has increased from £1,357,579 for the period ended 29 December 2015 to £2,049,611 for the 12 month period ended 28 December 2016.

During this financial period, the group continued to trade in line with normal practice and principle activities. Our unique portfolio of services and products is enabling our transition into the Business Services Sector and the additional strategic acquisitions concluded during FY16 are again in line with our strategy to become a UK wide service provider.

We have made great progress over the last few years. We have expanded into a multisite, national Business Services company and at the same time we have strengthened our functions, our management team our proposition and our portfolio of products and services.

We are still in the early stages of our development, but the earlier investments into our infrastructure, services and the technology continue to enable us to grow both our revenues and our profitability. We are confident that our group will continue to grow and thrive organically and we intend to continue to support that growth through further targeted acquisitions in different regions throughout the UK in order to boost our national presence, and in different industry sectors in order to widen our portfolio of services.

During the first six months of 2016 Complete Business Solutions Group Holdings Limited acquired the share capital of six more competitors; Taalus Technical Solutions Limited, S.E.T (Office Supplies) Ltd, S.E.T (Swansea) Ltd, W & A Ross Limited, Corporate Safety Wear Limited, Martin Luck Group Limited (incorporating Brewers Group), with the trade and assets being 'hived-across' to Complete Business Solutions Group Limited.

Taalus Technical Solutions Limited takes us into the I.T/ Technical sector and has a high level of expertise in technical field service and technical repairs.

S.E.T (Office Supplies) Ltd brings with it a great team, fantastic logistics and a significant foothold in a thriving Welsh city of Cardiff. S.E.T (Swansea) Ltd brings a smaller team but again has solid logistics and foothold in another major city and coupled with S.E.T (Office Supplies) Ltd, it gives us a solid presence and unrivalled logistics and service in South Wales.

W & A Ross Limited gives us a foothold in Bristol, another city that is prospering, and access to the surrounding areas.

Corporate Safety Wear Limited strengthens our expertise in the workwear sectors and brings with it in house control of production and embroidering uniforms and workwear.

Martin Luck Group Limited gives us a foothold in Devon and Brewers give us a well-established, driven team in Cornwall, great logistics and excellent manufacturing capabilities in printed stationery and promotional goods sectors.

The acquisitions have transformed the group and company; they all fit well with our national growth strategy and our desire to become a leading UK wide Business Services Provider.

Challenges in this financial period

Margin was affected in H2 due to the unexpected and rapid decline in the Pound against the Euro/US Dollar shortly after the BREXIT vote which had a detrimental effect on purchasing prices. Actions to remedy those impacts were put into place and the margin is recovering.

Complete Business Solutions Group Limited

Strategic Report for the period 30 December 2015 to 28 December 2016

We have also faced many other challenges which are typical in 'buy and build' models. We have learned valuable lessons from each one and we will continually improve our processes to avoid these in the future.

Early in 2016, we aborted the acquisition of the shares of MWS Office Supplies Limited as they encountered extreme financial difficulties during diligence. However, we absorbed the trade and have incurred certain costs as part of this process, with almost 50% of which has been written off as an exceptional cost within these financial statements.

The Company has received accelerated payment and settlement notices from HM Revenue & Customs relating to historic employee rewards schemes. The Company has made arrangement to pay the necessary payments therefore the directors have included an exceptional provision of c£500k within these accounts to cover the period under review.

Key Performance Indicators

The most significant KPI's used by the Group are financial. Management monitor the performance of the business against forecast and prior year results.

The key operating KPI's are revenue, margin, gross profit, overheads, and EBITDA. Management also monitor performance by customer account and product category.

Management receive timely performance reports that include both financial and non-financial measures. The key non-financial KPI's are the order book and a variety of statistics on our ability to serve our customers' needs and demands.

The company's key financial performance indicators during the period were as follows:

	Period Ended 28.12.16	Period Ended 29.12.15
Turnover	£58,212,335	£30,884,891
Gross profit margin	35.69%	33.04%
EBITDA	£2,049,611	£1,357,579

Strategy

The Company will continue to progress in line with its strategic plan and will concentrate its efforts on achieving maximum growth in its existing market sectors both organically and by further acquisition.

Outlook and Future Developments

The commercial environment is expected to remain challenging in 2017 and we are proceeding on the basis that economic conditions in the markets we operate in will not improve. We also expect the BREXIT negotiations to generate uncertainty and volatility in the £/Euro/\$ which will contribute to ongoing price volatility, however, we have put strategies in place to help reduce the impact of any further purchasing prices volatility.

Looking ahead to the next 12 months and beyond into 2017, as of September 2017, the Company is projecting to deliver in the region of £3.5m EBITDA for FY18 therefore our confidence in achieving further organic growth and concluding other strategic acquisitions remains resolute and we strive continuously to meet any challenges we face head on in order to achieve our goals and targets and build the company we want to build.

We now operate from 16 locations throughout the UK and we are generating run rate revenues in excess of £80m per annum with improved profitability and we expect that to continue to increase year after year.

On the 22 January 2016 the Company was refinanced. The Board believes that this constitutes a significant step forward for the Company.

Complete Business Solutions Group Limited

Strategic Report for the period 30 December 2015 to 28 December 2016

The Board are determined to continue with the 'buy and build' strategy and understands the risks and challenges associated with this process.

The board are confident that a substantial external investment will be completed before the end of 2017. If successful, the investment will provide the capital required to expedite the Company's strategic plan.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors have considered the principal risks and uncertainties that may impact upon their operational capacity and trading activities as well as their strategies for mitigating loss, and list these as follows -

Cash flow and liquidity risk - The cash flow and liquidity risks of the company are addressed by focusing on profit growth and improvements in working capital. We maintain relevant control over working capital with key elements reviewed by the Management on a daily basis. The Company meets its day to day working capital requirements by use of a bank facility. The directors have prepared forecasts for the Company for the twelve months after the balance sheet was signed for the purposes of the going concern review and these forecasts show the Company will operate well within its facility throughout the forecast period.

Customer loss or bad debt - the company has a broad spread of debtors and therefore the impact of an individual customer loss or failure is not likely to have a material impact on the business.

Supplier failure or non supply - the company has reinstated links direct with the product manufacturers and with both industry wholesalers providing alternative source for every product at comparable prices and service levels.

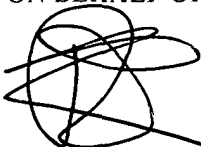
Withdrawal of financial credit facilities - with improving financial results the directors are confident of retaining their facilities. The company is operating well within the terms and covenants. The improved financial results provide the company with more opportunities to improve the facilities should the need arise.

Debt levels and non- performance of acquisitions in line with expectations - This is a key risk for a buy and build business. This risk is managed for each acquisition where deferred consideration is typically paid over two or three years and is linked to budgeted performance with ratchets to protect the company should the target business fail to perform at the agreed levels.

GOING CONCERN

The Group has prepared and maintains a forecast that shows that is capable of operating within the level of its current facilities for period of at least twelve months from the date of signature of these financial statements. In addition, there are no repayment obligations under our £5m RCF during 2017 as a result of the three year financing contract that was signed in January 2016.

ON BEHALF OF THE BOARD:



Mr R Coulson - Director

15 December 2017

Complete Business Solutions Group Limited

Report of the Directors for the period 30 December 2015 to 28 December 2016

The directors present their report with the financial statements of the company for the period 30 December 2015 to 28 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of distributors of commercial stationery and office supplies.

DIVIDENDS

No dividends will be distributed for the period ended 28 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 30 December 2015 to the date of this report.

Mr R Coulson
Miss S M Bennett
Mr C Newman
Mr P A Sibson

Other changes in directors holding office are as follows:

Mr B Bleything - resigned 18 November 2016
Mr A D Holmes - resigned 18 November 2016
Mr S Heath - resigned 1 January 2016
Mr S B Benev - appointed 1 January 2016
Mr L A Everington - appointed 1 January 2016
Mr C S Waters - appointed 1 January 2016

Mr A M Hunt ceased to be a director after 28 December 2016 but prior to the date of this report.

EMPLOYEES

Employment of Disabled Persons

The policy in respect of employment persons is as follows:

- To give full and fair consideration for all type of vacancies. Applications for employment by disabled persons are always fully considered, bearing in mind their respective abilities
- To retain newly disabled employees, wherever possible for rehabilitating and training and every effort is made to ensure their employment with the Group continues, and
- To give equal opportunities for training, career development and promotion and where appropriate to modify equipment and premises to use special employment aids or to restructure job positions

Employee Involvement

- Consultations with employees has continued at all levels, with the aim of ensuring that views are taken into account when decisions are made that are likely to have an effect on their interests.
- The group is committed to the principle in achieving equal opportunities in employment. Policies are designed to provide such equality irrespective of race, sex or religion.
- Sufficient emphasis is placed on employee involvement and communications through variety of methods.

**Complete Business Solutions Group
Limited**

**Report of the Directors
for the period 30 December 2015 to 28 December 2016**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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 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.

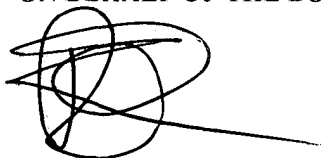
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 company'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 company's auditors are aware of that information.

AUDITORS

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

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, consisting of a stylized 'R' and 'C' intertwined, with a long horizontal line extending to the right.

Mr R Coulson - Director

15 December 2017

Report of the Independent Auditors to the Members of Complete Business Solutions Group Limited

We have audited the financial statements of Complete Business Solutions Group Limited for the period ended 28 December 2016 on pages nine to thirty two. 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 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 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page six, 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

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 Strategic Report and the Report of the Directors 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 December 2016 and of its profit for the period 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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.

Report of the Independent Auditors to the Members of Complete Business Solutions Group Limited

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.



Adam Perkin FCA (Senior Statutory Auditor)
for and on behalf of Jolliffe Cork LLP
Chartered Accountants & Statutory Auditor
33 George Street
Wakefield
West Yorkshire
WF1 1LX

15 December 2017

**Complete Business Solutions Group
Limited**

**Income Statement
for the period 30 December 2015 to 28 December 2016**

		Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
	Notes		
TURNOVER	3	58,212,335	30,884,891
Cost of sales		<u>37,431,163</u>	<u>20,680,326</u>
GROSS PROFIT		20,781,172	10,204,565
Administrative expenses		<u>19,321,462</u>	<u>9,106,983</u>
		1,459,710	1,097,582
Other operating income		<u>5,600</u>	<u>6,057</u>
OPERATING PROFIT	6	1,465,310	1,103,639
PAYE & NI assessment on employee rewards schemes	7	(519,635)	-
Costs of reorganisation post group acquisitions	7	<u>(468,209)</u>	<u>(103,255)</u>
		477,466	1,000,384
Interest payable and similar expenses	8	<u>436,066</u>	<u>254,042</u>
PROFIT BEFORE TAXATION		41,400	746,342
Tax on profit	9	<u>(80,654)</u>	<u>177,901</u>
PROFIT FOR THE FINANCIAL PERIOD		<u>122,054</u>	<u>568,441</u>

The notes form part of these financial statements

**Complete Business Solutions Group
Limited**

**Other Comprehensive Income
for the period 30 December 2015 to 28 December 2016**

	Notes	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
PROFIT FOR THE PERIOD		122,054	568,441
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>122,054</u>	<u>568,441</u>

The notes form part of these financial statements

**Complete Business Solutions Group
Limited (Registered number: 03045607)**

**Balance Sheet
28 December 2016**

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	11		2,220,432		429,394
Tangible assets	12		1,351,267		974,609
Investments	13		<u>1,275</u>		<u>1,275</u>
			3,572,974		1,405,278
CURRENT ASSETS					
Stocks	14	2,632,607		1,455,331	
Debtors	15	21,930,568		12,540,144	
Cash at bank and in hand		<u>414,267</u>		<u>62,786</u>	
		24,977,442		14,058,261	
CREDITORS					
Amounts falling due within one year	16	<u>21,997,036</u>		<u>12,873,854</u>	
NET CURRENT ASSETS			<u>2,980,406</u>		<u>1,184,407</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			6,553,380		2,589,685
CREDITORS					
Amounts falling due after more than one year	17		(4,218,232)		(297,738)
PROVISIONS FOR LIABILITIES	21		<u>(20,271)</u>		<u>(99,124)</u>
NET ASSETS			<u><u>2,314,877</u></u>		<u><u>2,192,823</u></u>

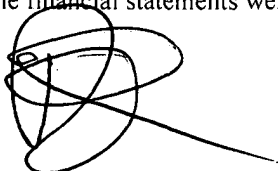
The notes form part of these financial statements

**Complete Business Solutions Group
Limited (Registered number: 03045607)**

**Balance Sheet - continued
28 December 2016**

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	22	10,000	10,000
Share premium	23	263,144	263,144
Retained earnings	23	<u>2,041,733</u>	<u>1,919,679</u>
SHAREHOLDERS' FUNDS		<u>2,314,877</u>	<u>2,192,823</u>

The financial statements were approved by the Board of Directors on 15 December 2017 and were signed on its behalf by:



Mr R Coulson - Director

The notes form part of these financial statements

**Complete Business Solutions Group
Limited**

**Statement of Changes in Equity
for the period 30 December 2015 to 28 December 2016**

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 31 December 2014	10,000	1,351,238	263,144	1,624,382
Changes in equity				
Total comprehensive income	-	568,441	-	568,441
Balance at 29 December 2015	10,000	1,919,679	263,144	2,192,823
Changes in equity				
Total comprehensive income	-	122,054	-	122,054
Balance at 28 December 2016	10,000	2,041,733	263,144	2,314,877

The notes form part of these financial statements

Complete Business Solutions Group Limited

Notes to the Financial Statements for the period 30 December 2015 to 28 December 2016

1. STATUTORY INFORMATION

Complete Business Solutions Group 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 Company Information page.

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.

These financial statements for the period ended 28 December 2016 are the first financial statements that comply with FRS 102. The transition date was 31 December 2014.

The directors have also considered whether in applying the accounting policies required by FRS 102 the restatement of comparative items was required. No restatements were required, other than amounts due from group undertakings which, under the provisions of FRS and without any fixed repayment terms, are deemed to be repayable on demand.

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**Complete Business Solutions Group
Limited**

**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

2. ACCOUNTING POLICIES - continued

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in the next financial year are:

Estimated useful lives of intangible and tangible fixed assets

The annual amortisation and depreciation charges for intangible and tangible fixed assets is sensitive to changes in the estimated useful lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Stock provisions

When calculating the stock provisions or write offs, management considers the nature and condition of the stock, as well as applying assumptions around anticipated saleability.

Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Turnover

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

The company recognises turnover when: (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably and (d) it is probable that future economic benefits will flow to the company.

Complete Business Solutions Group Limited

Notes to the Financial Statements - continued for the period 30 December 2015 to 28 December 2016

2. ACCOUNTING POLICIES - continued

Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of assets given, liabilities incurred or assumed, and equity instruments issued by the company in exchange for control of the acquiree plus costs directly attributable to the business combination. Any excess of the cost of the business combination over the company's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill.

Intangible assets

Intangible assets are recognised at cost less accumulated amortisation and any accumulated impairment losses. Goodwill is assessed for impairment when there are indicators of impairment and any impairment is charged to the income statement.

Software development costs are recognised when the company can demonstrate that there is the intention and ability to complete and use the software, how the software will generate probable future economic benefits and the ability to measure reliably the expenditure attributable to the software during its development.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, using the straight-line method. Intangible assets are amortised over the following useful economic lives:

Goodwill	- 10 years
Software development costs	- 33% on reducing balance

If there is an indication that there has been a significant change in amortisation rate or residual value of an asset, the amortisation of that asset is revised prospectively to reflect the new expectations. During the period ended 28 December 2016, an amount of £337,542 included in goodwill additions was considered by the directors to have an estimated useful life of 3 years and the amortisation charge has been revised accordingly in this respect. This amount relates solely to acquiring the business of MWS Office Supplies Limited, a company in liquidation.

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.

Short leasehold	- Over the term of the lease
Fixtures, plant & equipment	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 33% on reducing balance

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price and costs directly attributable to bring the asset to its working condition for its intended use.

Stocks

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

**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the 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 period 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing agreements

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Where the company retains substantially all the risks and rewards of ownership of the asset subject to the lease, as lessor, the asset is shown within tangible fixed assets. The tangible asset is depreciated over its useful life. Rental income from these operating leases is recognised on a straight line basis over the period of the lease. Operating lease incentives offered by the company are accounted for as a reduction of the rental income and are allocated over the shorter of the lease term and the period to the first rent review where market rentals will be receivable.

Where the company does not retain the risks and rewards of ownership of the asset subject to the lease, the applicable rentals paid under these operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

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

**Complete Business Solutions Group
Limited**

**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

2. ACCOUNTING POLICIES - continued

Fixed asset investments

Fixed asset investments are valued at cost less any provision for impairment.

Employee rewards scheme

The company has established an employer rewards scheme for the benefit of its officers, employees and their wider families.

In accordance with the guidance in FRS 102 (previously in UITF 32 on "intermediate payment arrangements") the company does not include the assets and liabilities of the scheme on its balance sheet to the extent that it considers that it will not retain any future economic benefit from the assets of the scheme and will not have the control of the rights or other access to those future economic benefits.

Exceptional items

The company classifies certain one-off charges or credits that have a material impact on the company's financial results as 'exceptional items'. These are disclosed separately to provide further understanding of the financial performance of the company.

Provisions and contingent liabilities

Provisions are recognised when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Contingent liabilities are not recognised. Contingent liabilities arise as a result of past events when (i) it is not probable that there will be an outflow of resources or that the amount cannot be reliably measured at the reporting date or (ii) when the existence will be confirmed by the occurrence or non-occurrence of uncertain future events not wholly within the company's control. Contingent liabilities are disclosed in the financial statements unless the probability of an outflow of resources is remote.

Financial instruments

Basic financial assets, including trade and other receivables, cash and bank balances and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
United Kingdom	<u>58,212,335</u>	<u>30,884,891</u>
	<u><u>58,212,335</u></u>	<u><u>30,884,891</u></u>

During the financial period, Complete Business Solutions Group Holdings Limited had two significant acquisitions which, after absorbing the trade and assets of the acquisitions' activities as part of a formalised 'hive-across' agreement, have contributed to the increased turnover in this company as follows:

On 11 February 2016, the Group acquired the control of Taalus Technical Solutions Limited through the purchase of 100% of the share capital. The revenue from Taalus Technical Solutions Limited included in the company's income statement for the period 11 February 2016 to 28 December 2016 was £5,537,268. Taalus Technical Solutions Limited also contributed profit of £1,178,348 over the same period.

On 17 June 2016, the Group acquired the control of the SET group of companies (incorporating S.E.T (Office Supplies) Ltd, S.E.T (Swansea) Ltd, W & A Ross Limited, Corporate Safety Wear Limited and Martin Luck Group Limited) through the purchase, both directly and indirectly, of 100% of the share capital of these companies. The revenue from the SET group of companies included in the company's income statement for the period 17 June 2016 to 28 December 2016 was £15,709,172. SET group of companies also contributed profit of £1,016,285 over the same period.

4. EMPLOYEES AND DIRECTORS

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Wages and salaries	10,993,974	4,799,089
Social security costs	1,068,837	371,713
Other pension costs	<u>711,606</u>	<u>529,005</u>
	<u><u>12,774,417</u></u>	<u><u>5,699,807</u></u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

4. EMPLOYEES AND DIRECTORS - continued

The average monthly number of employees during the period was as follows:

	Period 30.12.15 to 28.12.16	Period 31.12.14 to 29.12.15
Administrative staff	<u>582</u>	<u>202</u>

5. DIRECTORS' EMOLUMENTS

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Directors' remuneration	443,901	303,677
Directors' pension contributions to money purchase schemes	<u>14,813</u>	<u>26,600</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>9</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Emoluments etc	125,000	52,333
Pension contributions to money purchase schemes	<u>1,250</u>	<u>-</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

6. OPERATING PROFIT

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

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Other operating leases	14,370	13,263
Depreciation - owned assets	161,283	90,681
Depreciation - assets on hire purchase contracts and finance leases	145,313	124,470
(Profit)/loss on disposal of fixed assets	(3,074)	22,519
Goodwill amortisation	280,779	16,270
Auditors' remuneration	23,000	23,000
Foreign exchange differences	3,522	-
Auditors remuneration - taxation	<u>8,000</u>	<u>11,550</u>

7. EXCEPTIONAL ITEMS

	28.12.16 £	29.12.15 £
Costs of reorganisation post group acquisitions	468,209	103,255
PAYE & NI assessment on employee rewards schemes	<u>519,635</u>	<u>-</u>
	<u>987,844</u>	<u>103,255</u>

The reorganisation costs relate to the cost of redundancies and legal fees in connection with group acquisitions in the period and the integration and 'hive-across' of the trade and assets of these businesses, together with the refinancing of the company's banking facility in January 2016 from Barclays Bank plc to HSBC Bank plc. The key item included within reorganisation costs relates to absorbing the trade of MWS Office Supplies Limited (in liquidation), and assuming the liabilities of a company experiencing financial difficulty at the time. Costs incurred amounting to £380,502 in connection with the business of MWS Office Supplies Limited have been provided above.

The PAYE & NI assessment on employee rewards schemes relates to accelerated payment and settlement notices issued to the company to date by HM Revenue & Customs in respect of historic contributions to these schemes.

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Bank loan interest	117,674	48,007
Factoring charges	262,271	169,009
Other similar charges	25,992	13,659
Interest on corporation tax	-	1,091
Hire purchase	30,129	22,276
	<u>436,066</u>	<u>254,042</u>

9. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the period was as follows:

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Current tax:		
UK corporation tax	883	163,648
CT under/(over) provision in prior years	<u>3,109</u>	<u>4,575</u>
Total current tax	3,992	168,223
Deferred tax	<u>(84,646)</u>	<u>9,678</u>
Tax on profit	<u>(80,654)</u>	<u>177,901</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

9. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

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

	Period 30.12.15 to 28.12.16 £	Period 31.12.14 to 29.12.15 £
Profit before tax	<u>41,400</u>	<u>746,342</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	8,280	149,268
Effects of:		
Expenses not deductible for tax purposes	45,032	14,427
Depreciation in excess of capital allowances	10,115	7,586
Utilisation of tax losses	(64,541)	(10,275)
Adjustments to tax charge in respect of previous periods	3,109	4,575
Group relief	-	(4,233)
Deferred tax on acquisitions	(73,590)	17,708
Deferred tax opening balance adjustment	(9,059)	(3,175)
Change in the rate of tax	-	2,020
Total tax (credit)/charge	<u>(80,654)</u>	<u>177,901</u>

10. PENSION SCHEME

Employer Rewards Scheme

The company has, in order to motivate and incentivise its officers and employees, established an employer rewards scheme for the benefit of the company's officers, employees and their wider families. The scheme contributions made during the period amounted to £525,000 (2015: £430,000).

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

11. INTANGIBLE FIXED ASSETS

	Goodwill £	Development costs £	Totals £
COST			
At 30 December 2015	473,764	-	473,764
Additions	<u>1,853,207</u>	<u>218,610</u>	<u>2,071,817</u>
At 28 December 2016	<u>2,326,971</u>	<u>218,610</u>	<u>2,545,581</u>
AMORTISATION			
At 30 December 2015	44,370	-	44,370
Amortisation for period	<u>280,779</u>	<u>-</u>	<u>280,779</u>
At 28 December 2016	<u>325,149</u>	<u>-</u>	<u>325,149</u>
NET BOOK VALUE			
At 28 December 2016	<u>2,001,822</u>	<u>218,610</u>	<u>2,220,432</u>
At 29 December 2015	<u>429,394</u>	<u>-</u>	<u>429,394</u>

12. TANGIBLE FIXED ASSETS

	Short leasehold £	Fixtures, plant & equipment £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 30 December 2015	503,089	103,296	920,725	267,991	1,795,101
Additions	27,854	242,985	413,651	22,228	706,718
Disposals	<u>-</u>	<u>-</u>	<u>(29,704)</u>	<u>-</u>	<u>(29,704)</u>
At 28 December 2016	<u>530,943</u>	<u>346,281</u>	<u>1,304,672</u>	<u>290,219</u>	<u>2,472,115</u>
DEPRECIATION					
At 30 December 2015	225,270	35,621	334,332	225,269	820,492
Charge for period	52,710	32,059	202,823	19,004	306,596
Eliminated on disposal	<u>-</u>	<u>-</u>	<u>(6,240)</u>	<u>-</u>	<u>(6,240)</u>
At 28 December 2016	<u>277,980</u>	<u>67,680</u>	<u>530,915</u>	<u>244,273</u>	<u>1,120,848</u>
NET BOOK VALUE					
At 28 December 2016	<u>252,963</u>	<u>278,601</u>	<u>773,757</u>	<u>45,946</u>	<u>1,351,267</u>
At 29 December 2015	<u>277,819</u>	<u>67,675</u>	<u>586,393</u>	<u>42,722</u>	<u>974,609</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

12. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Motor vehicles £
COST	
At 30 December 2015	837,825
Additions	140,533
Transfer to ownership	<u>(47,596)</u>
At 28 December 2016	<u>930,762</u>
DEPRECIATION	
At 30 December 2015	321,689
Charge for period	145,313
Transfer to ownership	<u>(22,134)</u>
At 28 December 2016	<u>444,868</u>
NET BOOK VALUE	
At 28 December 2016	<u>485,894</u>
At 29 December 2015	<u>516,136</u>

13. FIXED ASSET INVESTMENTS

	Unlisted investments £
COST	
At 30 December 2015 and 28 December 2016	<u>1,275</u>
NET BOOK VALUE	
At 28 December 2016	<u>1,275</u>
At 29 December 2015	<u>1,275</u>

The investments represents shares in Sheffield United Football Club.

14. STOCKS

	2016 £	2015 £
Stocks	<u>2,632,607</u>	<u>1,455,331</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	11,503,417	6,520,516
Amounts owed by group undertakings	9,444,493	5,129,007
Other debtors	88,936	249,936
S455 Recoverable	35,546	35,546
Directors' current accounts	202,177	217,594
Prepayments and accrued income	655,999	387,545
	<u>21,930,568</u>	<u>12,540,144</u>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 18)	763,669	249,411
Other loans (see note 18)	178,758	253,154
Hire purchase contracts and finance leases (see note 19)	152,123	210,495
Trade creditors	8,457,791	6,360,837
Sales ledger financing	8,626,855	4,228,028
Tax	164,531	275,006
Corporation tax (acquisitions)	249,317	114,832
Social security and other taxes	388,156	170,320
VAT	1,264,648	379,647
Other creditors	381,889	358,466
Directors' current accounts	145,326	-
Accruals and deferred income	1,223,973	273,658
	<u>21,997,036</u>	<u>12,873,854</u>

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

	2016	2015
	£	£
Bank loans (see note 18)	4,127,182	45,699
Other loans (see note 18)	-	78,758
Hire purchase contracts and finance leases (see note 19)	91,050	173,281
	<u>4,218,232</u>	<u>297,738</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

18. LOANS

An analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year or on demand:		
Bank overdrafts	742,616	119,223
Bank loans	21,053	130,188
Other loans	178,758	253,154
	<u>942,427</u>	<u>502,565</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	20,239	19,409
Other loans - 1-2 years	-	78,758
	<u>20,239</u>	<u>98,167</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>4,106,943</u>	<u>26,290</u>

19. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts		Finance leases	
	2016	2015	2016	2015
	£	£	£	£
Net obligations repayable:				
Within one year	150,051	208,423	2,072	2,072
Between one and five years	90,705	170,863	345	2,418
	<u>240,756</u>	<u>379,286</u>	<u>2,417</u>	<u>4,490</u>
			Non-cancellable operating leases	
			2016	2015
			£	£
Within one year			975,430	554,717
Between one and five years			2,036,185	1,431,025
In more than five years			2,357,625	2,654,575
			<u>5,369,240</u>	<u>4,640,317</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

20. SECURED DEBTS

The following secured debts are included within creditors:

	2016	2015
	£	£
Bank overdrafts	742,616	119,223
Bank loans	4,148,235	175,887
Hire purchase contracts and finance leases	243,173	383,776
Sales ledger financing	8,626,855	4,228,028
	<u>13,760,879</u>	<u>4,906,914</u>

The bank overdraft and bank loans are secured by a debenture dated 29 January 2016 over all of the assets of the company. The sales ledger financing is secured by a floating charge dated 7 January 2016 with HSBC Bank Plc also over all of the assets of the company.

Hire purchase contracts and finance leases are secured on the assets to which they relate..

21. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax	<u>20,271</u>	<u>99,124</u>
		Deferred tax
		£
Balance at 30 December 2015		99,124
Credit to Income Statement during period		(84,646)
Adj for group acquisitions / transfer of assets		5,793
		<u>20,271</u>
Balance at 28 December 2016		

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016	2015
			£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

23. RESERVES

	Retained earnings £	Share premium £	Totals £
At 30 December 2015	1,919,679	263,144	2,182,823
Profit for the period	<u>122,054</u>		<u>122,054</u>
At 28 December 2016	<u>2,041,733</u>	<u>263,144</u>	<u>2,304,877</u>

24. CONTINGENT LIABILITIES

A potential claim has been made against the company by the liquidator of MWS Office Supplies Limited in connection with the value attributed to the business and assets at the point it was taken over by Complete Business Solutions Group Limited. The company has been advised that it is possible, but not probable, that any further action taken will succeed; accordingly no provision for any liability has been made in these financial statements.

Complete Business Solutions Group Limited is party to an Intercreditor Deed dated 17 June 2016 between HSBC Bank PLC, HSBC Invoice Finance (UK) Limited and the following group undertakings:

Complete Business Solutions Group Holdings Limited
Discount Desks & Chairs (U.K.) Limited
Taalus Technical Solutions Limited
S.E.T. (Office Supplies) Ltd
S.E.T. (Swansea) Ltd
W & A Ross Limited
Corporate Safety Wear Limited
Martin Luck Group Limited

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the periods ended 28 December 2016 and 29 December 2015:

	2016 £	2015 £
Mr A M Hunt		
Balance outstanding at start of period	186,211	68,712
Amounts advanced	84,000	201,499
Amounts repaid	(85,000)	(84,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>185,211</u>	<u>186,211</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
for the period 30 December 2015 to 28 December 2016**

25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Mr R Coulson

Balance outstanding at start of period	13,174	-
Amounts advanced	239,500	542,701
Amounts repaid	(252,674)	(529,527)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>-</u>	<u>13,174</u>

Miss S M Bennett

Balance outstanding at start of period	-	-
Amounts advanced	622	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>622</u>	<u>-</u>

Mr B Bleything

Balance outstanding at start of period	5,413	4,746
Amounts advanced	7,992	7,932
Amounts repaid	(13,405)	(7,265)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>-</u>	<u>5,413</u>

Mr P A Sibson

Balance outstanding at start of period	10,022	-
Amounts advanced	78,096	78,096
Amounts repaid	(80,000)	(68,074)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>8,118</u>	<u>10,022</u>

Mr A D Holmes

Balance outstanding at start of period	2,774	776
Amounts advanced	7,582	10,280
Amounts repaid	(10,356)	(8,282)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>-</u>	<u>2,774</u>

**Complete Business Solutions Group
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**Notes to the Financial Statements - continued
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25. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Mr C S Waters

Balance outstanding at start of period	-	-
Amounts advanced	6,580	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>6,580</u>	<u>-</u>

Mr C Newman

Balance outstanding at start of period	-	-
Amounts advanced	631	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>631</u>	<u>-</u>

Mr S B Benev

Balance outstanding at start of period	-	-
Amounts advanced	580	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>580</u>	<u>-</u>

Mr L A Everington

Balance outstanding at start of period	-	-
Amounts advanced	435	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of period	<u>435</u>	<u>-</u>

Mr B Bleything and Mr A D Holmes resigned as directors on 18 November 2016, and Mr A M Hunt on 2 August 2017.

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**Notes to the Financial Statements - continued
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26. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The company is a wholly owned subsidiary of *Complete Business Solutions Group Holdings Limited*. The largest group in which the results of the company are consolidated is that headed by *Complete Business Solutions Group Holdings Limited*, whose registered office is:

Daughters Court
Silkwood Park
Wakefield
West Yorkshire
WF5 9TQ