

COMPANY NO: 03633101

Holders Technology UK Limited

Annual Report

Year ended 30 November 2018

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COMPANY INFORMATION

Directors	V M Blaisdell P K I Geraghty A S Rennick T G Bray
Secretary	P K I Geraghty
Registered office	27-28 Eastcastle Street London W1W 8DH
Registered number	03633101
Auditor	Grant Thornton UK LLP Victoria House 199 Avebury Boulevard Milton Keynes MK9 1AU
Bankers	HSBC Bank plc North London Corporate Centre 1 Old Street London EC1V 9HL

STRATEGIC REPORT

The directors have pleasure in submitting their report and the audited financial statements for the year ended 30 November 2018.

Principal activities

The principal activities of the company are:

- to provide specialised PCB materials, equipment and services,
- to provide LED and energy efficient products and solutions.

Holders Technology UK's strategy in the period was to strengthen its position in the PCB industry whilst increasing sales and profitability in its LED lighting activities. In 2019, the outlook for the PCB division is broadly stable. The LED division should continue to benefit from a strong sales team and complementary product range, particularly lighting controls.

Business review

The company comprises continuing divisions as detailed below:

- Holders Technology operates in the PCB industry. The PCB industry in the UK is oriented towards the aerospace and defence industries which require a broad range of products. Total PCB revenues decreased slightly in 2018. The division achieved a satisfactory out-turn for the year.
- Holders Components specialises in providing LED solutions to the general lighting market. The division achieved good growth during the year, benefiting from its improved product range.

NRGstar LED operations had poor results in the first quarter of 2017 and the activity was discontinued in 2017. The divisional results are shown under Discontinued Operations on the 2017 Income Statement.

Taxation

As announced by our parent company Holders Technology plc in 2015, the company has a UK tax liability in respect of EU Cross Border Group relief claims relating to its former Swedish and Dutch operations. £88,000 was paid during the year. The remaining liability, estimated at up to £43,000, is provided for in the 2018 accounts, and is subject to a court case decision involving a third party.

STRATEGIC REPORT continued

Key performance indicators

The directors believe that the following key performance indicators are of most significance to the assessment of the company's performance and financial position:

- **Turnover**
Continuing revenue increased from £3.1m to £3.2m.
- **Operating margin**
Profitability is largely a function of the gross margins achieved and management's success in containing administrative expenses in relation to turnover. These give rise to the operating margin, measured as operating profit divided by turnover. The operating margin from continuing operations was approximately.
- **Discontinued operations**
Discontinued operations comprise NRGstar division which was closed during the first half of 2017.

Principal risks and uncertainties

The directors believe that the following are the principal risks and uncertainties faced by the company:

- **Economic environment**
Demand in certain PCB industries is sensitive to the level of government spending.
- **Competition**
Supply to the PCB and LED industries is highly competitive and the company faces competition from a wide range of companies.
- **Customers**
The company closely monitors any customers with liquidity problems. The company insures its debtors, where possible, and maintains appropriate credit limits where insurance is not available.
- **Suppliers**
The company has a number of key suppliers. As in any distributor business, there is a dependency on maintaining supply.

Strategic Report

The Strategic Report on pages 3-4 was approved by the Board on 21 February 2019 and signed on its behalf by



P K I Geraghty
Director
21 February 2019

DIRECTORS' REPORT

Results and dividends

The company made a loss from continuing operations of £27,000 (2017: profit of £37,000), and a loss from discontinued operations of £nil (2017: loss of £42,000). No dividend was paid during the year (2017: £nil).

Directors

The directors currently holding office are listed on page 2. All the directors served throughout the year.

The directors had no interest in the share capital of the company at the year-end or at the previous year end. Where the directors of the company are directors of the holding company any interests in the share capital of the holding company are disclosed in the accounts of that company.

Statement of directors' responsibilities for the financial statements

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS101)). 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 and profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

DIRECTORS' REPORT (continued)

Statement of directors' responsibilities for the financial statements (continued)

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 may differ from legislation in other jurisdictions.

Directors' indemnity arrangements

The company has purchased and maintained throughout the year directors' and officers' liability insurance in respect of its directors. The directors also have the benefit of the indemnity provision contained in the company's Articles of Association. These provisions, which are qualifying third party indemnity provisions as defined by the Companies Act, were in force since 30 April 2007, when the shareholders approved the Articles of Association, and are currently in force.

Auditor

The auditors Grant Thornton UK LLP are willing to continue in office and a resolution to reappoint them as auditors of the company will be proposed at the forthcoming Annual General Meeting.

By order of the board



P K I Geraghty
Secretary

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLDERS TECHNOLOGY UK LIMITED

Opinion

We have audited the financial statements of Holders Technology UK Limited (the 'company') for the year ended 30 November 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, and 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 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLDERS TECHNOLOGY UK LIMITED continued

Other information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report has been prepared in accordance with applicable legal requirements.

Matter 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 strategic report or the directors' report.

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HOLDERS TECHNOLOGY UK LIMITED continued

Auditor's responsibilities for the audit of the financial statements

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

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

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

Jeremy Read

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Milton Keynes

21 February 2019

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 November 2018

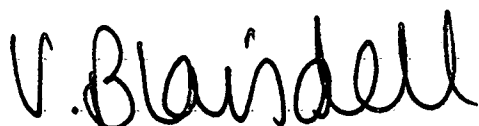
	Note	2018 £'000	2017 £'000
Turnover – Continuing operations	4	3,173	3,092
Cost of sales		(2,203)	(2,086)
Gross profit		970	1,006
Distribution costs		(140)	(156)
Administrative expenses		(858)	(795)
Other operating income/ (expenses)		1	(18)
Operating (loss)/ profit	6	(27)	37
Interest receivable		-	3
Interest payable		-	(6)
(Loss)/ profit on ordinary activities before taxation		(27)	34
Tax (charge)/ credit on profit on ordinary activities	7	-	3
(Loss)/ profit for the year from continuing operations		(27)	37
Loss for the year from discontinued operations	9	-	(42)
Other comprehensive income for the year		-	-
Total comprehensive loss for the year		(27)	(5)

BALANCE SHEET

At 30 November 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Tangible fixed assets	10	71	66
Current assets			
Stocks	11	477	662
Debtors	12	868	982
Cash at bank and in hand		239	305
		1,584	1,949
Creditors: amounts falling due within one year	13	(455)	(788)
Net current assets		1,129	1,161
Total assets less current liabilities		1,200	1,227
Non-current liabilities			
Provisions for liabilities	14	(9)	(9)
Net assets		1,191	1,218
Capital and reserves			
Called up share capital	15	100	100
Profit and loss account	16	1,091	1,118
Shareholders' funds		1,191	1,218

The financial statements were approved by the Board on 21 February 2019
and signed on its behalf by:



V M Blaisdell

Director

Company number: 03633101

The accompanying accounting policies and notes form part of these financial statements

STATEMENT OF CHANGES IN EQUITY

	Share Capital £'000	Retained earnings £'000	Total Equity £'000
Balance at 30 November 2016	100	1,123	1,223
Dividends	-	-	-
Transactions with owners	-	-	-
Loss for the year	-	(5)	(5)
Total comprehensive loss for the year	-	(5)	(5)
Balance at 30 November 2017	100	1,118	1,218
Dividends	-	-	-
Transactions with owners	-	-	-
Loss for the year	-	(27)	(27)
Total comprehensive loss for the year	-	(27)	(27)
Balance at 30 November 2018	100	1,091	1,191

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

1 Company Information

Holders Technology UK Ltd is a limited liability company limited by shares and is registered in England and Wales company number 03633101. Its principal place of business is Units 1-4, Block 9, Tweedbank Industrial Estate, Galashiels TD1 3RS UK.

The financial statements are presented in Sterling (£) and have been presented in round thousands (£'000).

2. Accounting Policies

Statement of Compliance

These financial statements have been prepared in accordance with applicable accounting standards and in accordance with Financial Reporting Standard 101 – 'The Reduced Disclosure Framework' (FRS101). The principal accounting policies adopted in the preparation of these financial statements are set out below. The policies have all been consistently applied throughout the year unless otherwise stated.

The financial statements have been prepared on a historical cost basis.

Going Concern

The company has net assets of £1,191,000 at the balance sheet date. Accordingly, having reviewed the business and cash flow forecasts, the directors have every expectation that the company has adequate resources to continue in operational existence for the foreseeable future and continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Turnover

Turnover comprises the value of sale of goods and services supplied in the period, net of value added tax. Turnover on the sale of goods is recognised when substantially all of the risks and rewards in the product have passed to the customer, which is usually upon delivery to the customer. Services are recorded as they are delivered. Turnover is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow into the company.

Parent Company

The company is a wholly owned subsidiary of Holders Technology plc which prepares publicly available consolidated financial statements in accordance with EU-adopted IFRS. This company is included in the consolidated financial statements of Holders Technology plc for the year ended 30 November 2018. Once filed, these accounts will be available from Companies House in Cardiff.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

2. Accounting Policies (continued)

Disclosure exemptions adopted

In preparing these financial statements the Company has taken advantage of all disclosure exemptions conferred by FRS 101. Therefore, these financial statements do not include:

- A statement of cash flows and related notes
- the requirement to produce a balance sheet at the beginning of the earliest comparative period
- the requirements of IAS 24 related party disclosures to disclose related party transactions entered in to between two or more members of the Group as they are wholly owned within the Group
- Presentation of comparative reconciliations for tangible assets and intangible assets
- Disclosure of key management personnel compensation
- Capital management disclosures
- Presentation of comparative reconciliation of the number of shares outstanding at the beginning and at the end of the period
- The effect of future accounting standards not adopted
- Certain share-based payment disclosures
- Business combination disclosures
- Disclosures in relation to impairment of assets
- Disclosures in respect of financial instruments (other than disclosures required as a result of recording financial instruments at fair value)
- Fair value measurement disclosures (other than disclosures required as a result of recording financial instruments at fair value)

Tangible Fixed Assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is calculated to write off assets by equal instalments over their expected useful lives. Where there is evidence of impairment, fixed assets are written down to the recoverable amount. Depreciation is calculated at the following rates:

Leasehold land and buildings	- over the period of the lease
Motor vehicles	- 20% on either cost or written down value
Plant and machinery	- 20% - 33% on written down value
Fixtures, fittings and office equipment	- 25% on cost

Stocks

Stocks are valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in first-out basis. Net realisable value is based on the estimated sales price after allowing for all further costs of completion and disposal.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates that have been enacted or substantively enacted by the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

2. Accounting Policies (continued)

Taxation (continued)

Deferred tax is provided using the balance sheet liability method, providing for timing differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured using the tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the asset is realised, or the liability settled. Deferred tax is not discounted.

Provision is made where it is likely that dividends will be paid within the foreseeable future.

A deferred tax asset is recognised only when it is probable that suitable taxable profits will be available in the foreseeable future from which the reversal of the temporary differences can be deducted.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. The company considers all highly liquid investments with original maturity dates of three months or less to be cash equivalents.

Trade and other receivables

Trade and other receivables do not carry interest and are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate, as reduced by appropriate allowances for estimated irrecoverable amounts. A provision for impairment of trade receivables is established when there is evidence that the company will not be able to collect all amounts due according to the original terms of these receivables. The amount of the provision is the difference between the carrying value and the present value of estimated future cash flows, discounted at the effective interest rate. Impairment losses are recognised in the income statement.

Trade and other payables

Trade and other payables are not interest bearing and are initially stated at fair value and subsequently measured at amortised cost using the effective interest rate.

Derivative financial Instruments

The company uses derivative financial instruments to mitigate its exposure to foreign exchange risks arising from operational, financing and investment activities. In accordance with Group treasury policy, the company does not hold or issue derivative financial instruments for trading purposes.

Financial assets

Financial assets are loans and receivables where changes in fair value are charged or credited to the Income Statement. Financial assets are initially recognised at transaction price when the company becomes party to contractual obligations.

Financial liabilities

Financial liabilities are loans and payables where changes in fair value are charged or credited to the Income Statement. Financial liabilities are initially recognised at transaction price when the company becomes party to contractual obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

2. Accounting Policies (continued)

Leased assets

Rentals payable under operating leases are charged to the profit and loss account on a straight-line basis over the periods of the leases.

Foreign currencies

Assets and liabilities denominated in foreign currency are translated at the rate of exchange ruling at each period-end. All other currency differences are taken to the profit and loss account.

Research expenditure

Expenditure on pure and applied research is written off in the year it is incurred.

Cash flow statement

The company is exempt from publishing a cash flow statement as it is a wholly owned subsidiary of Holders Technology plc, which publishes a consolidated cash flow statement.

Holiday pay

A provision for annual leave accrued by employees as a result of services rendered, and which employees are entitled to carry forward and use within the next 12 months is recognised in the current period. The provision is measured at the salary cost payable for the period of absence.

Equity and Reserves

The company's ordinary shares are classified as equity. Dividends paid on the company's ordinary shares are recognised directly in equity. A liability for unpaid dividends is recognised when the dividends have been approved in a general meeting prior to the reporting date.

Discontinued operations

A discontinued operation is a component of the company that has either been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations or
- is part of a single co-ordinated plan to dispose of a separate line of business or geographical area of operations or
- is a subsidiary acquired exclusively with a view to re-sale.

3. Critical accounting judgements in applying the Company's accounting policies

Income taxes

The determination of the Company's tax liabilities requires the interpretation of tax law. The Company obtains appropriate professional advice from its tax advisors in relation to all significant tax matters. The directors believe that the judgements made in determining the Company's tax liabilities are reasonable and appropriate; however, actual experience may differ and materially affect future tax charges.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

4. Turnover

An analysis of turnover by geographical market is as follows:

	2018 £'000	2017 £'000
Continuing Operations		
United Kingdom	2,969	2,932
Europe	148	75
Rest of world	<u>56</u>	<u>85</u>
Total Continuing operations	3,173	3,092
Discontinued Operations		
United Kingdom	-	50
Total turnover	<u>3,173</u>	<u>3,142</u>

Revenue from one customer amounted to £291,000 (2017: £298,000).

5. Employees and employee remuneration

	2018 £'000	2017 £'000
Wages and salaries	496	467
Social security costs	53	49
Other pension costs	<u>18</u>	<u>8</u>
Total continuing operations	567	524
Discontinued Operations	-	36
Wages and salaries	-	4
Social security costs		
Total operations	<u>567</u>	<u>564</u>

Other pension costs represent company contributions to certain employees' stakeholder pension plans.

Average monthly number of employees, including directors

	2018 No	2017 No
Administration and sales	10	10
Service and fabrication	<u>5</u>	<u>5</u>
	15	15

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

5. Employees and employee remuneration (continued)

Directors

	2018 £'000	2017 £'000
Directors emoluments	168	151
Company contributions to directors' pension schemes	4	3

1 director (2017: 1) made contributions to a pension scheme.

6. Operating Profit/ (Loss)

Operating profit/ (loss) is stated after charging/ (crediting):

	2018 £'000	2017 £'000
Costs of stocks recognised as an expense	1,937	2,023
Depreciation of tangible fixed assets	20	25
Operating leases - land and buildings	55	55
Exchange losses/ (gains)	1	(17)
Fees payable to the company's auditor for the audit of the financial statements	18	19
Fees payable to the company's auditor for non-audit services: taxation services	5	5

7. Taxation

Analysis of tax charge in the period	2018 £'000	2017 £'000
Current tax on result for the year	-	-
Tax on previous years	-	-
Adjustment in respect of prior years	-	-
Current taxation	-	-
Deferred taxation:		
(Charge)/ credit in respect of prior years	-	3
Total tax	-	3

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

7. Taxation (continued)

Tax reconciliation	2018 £'000	2017 £'000
(Loss)/ Profit on ordinary activities before taxation	(27)	34
Theoretical tax at UK corporation tax rate of 19.0% (2017: 19.75%)	(5)	7
Effects of:		
Differences between capital allowances and depreciation	-	3
Taxation losses	5	-
Tax on discontinued activities	-	(7)
	-	3

8. Dividends

	2018 £'000	2017 £'000
No dividend declared	-	-

9. Discontinued operations

During the first quarter of 2017, it was decided to discontinue with NRGstar operations. Revenue and expenses relating to the discontinuation of this activity have been eliminated from the Income Statement continuing operations and are presented as a single line.

	2017 £'000
Revenue	50
Cost of materials	(45)
Distribution costs	(1)
Employee costs	(43)
Other costs	(3)
Loss from discontinued operations before tax	(42)
Taxation	-
Loss from discontinued operations after tax	(42)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

10. Tangible Assets

	Leasehold land and buildings £'000	Motor vehicles £'000	Plant and machinery £'000	Fixtures, fittings and office equipment £'000	Total £'000
Cost					
At 1 December 2017	92	15	429	120	656
Additions	-	-	24	3	27
Disposals	-	(15)	(1)	(20)	(34)
At 30 November 2018	92	-	452	103	647
Depreciation					
At 1 December 2017	92	11	373	114	590
Provided in year	-	2	14	4	20
Disposals	-	(13)	(1)	(20)	(34)
At 30 November 2018	92	-	386	98	576
Net book value					
At 30 November 2018	-	-	66	5	71
At 30 November 2017	-	4	56	6	66

Depreciation expense of £20,000 (2017 - £25,000) has been charged in administrative expenses.

11. Stocks

	2018 £'000	2017 £'000
Goods for resale	477	662

The replacement cost of the above stocks would not be significantly different from the values stated. Stocks recognised in cost of sales during the year as an expense were £1,937,000 (2017: £2,023,000). An impairment charge of £42,000 (2017: credit of £3,000) was recognised in cost of sales during the year due to slow moving and obsolescent stock.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

12. Debtors

	2018 £'000	2017 £'000
Trade debtors	712	909
Amounts due from group undertakings	125	38
Prepayments	31	35
	868	982

13. Creditors: Amounts Falling Due Within One Year

	2018 £'000	2017 £'000
Trade creditors	159	394
Amounts due to group undertakings	9	30
Taxation	43	122
Other taxation and social security	132	91
Accruals	79	71
Other creditors	33	80
	455	788

14. Deferred Taxation

	2018 £'000	2017 £'000
At 1 December	9	12
Transfer to profit and loss account	-	(3)
At 30 November	9	9

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

14. Deferred Taxation (continued)

Deferred taxation comprises the following:

	Amounts provided	
	2018 £'000	2017 £'000
Accelerated capital allowances	9	9
	<u>9</u>	<u>9</u>

The provided capital allowance deferred tax amounts will be released when the accelerated capital allowances and depreciation are equal.

15. Share Capital

	2018 £'000	2017 £'000
Allotted and fully paid		
100,000 ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

16. Reserves

Called-up share capital – represents the nominal value of shares that have been issued.

Profit and loss account – includes all current and prior period retained profits and losses.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 November 2018

17. Financial Commitments

Operating lease commitments

The annual commitment for lease payments under non-cancellable operating leases expiring as follows:

	2018 £'000	2017 £'000
Land and buildings, leases expiring		
No later than one year	42	42
Later than one year and no later than five years	19	61

18. Related Party Transactions

The company has taken advantage of the disclosure exemption in relation to transactions with group companies 100% owned by the parent company.

19. Parent Company

The ultimate parent and controlling company is Holders Technology plc, a company incorporated in England and Wales. Its registered address is as per this company and shown on page 2, and its financial statements may be obtained from Companies House in Cardiff.