

Company Registration No. 05896721 (England and Wales)

COUNTERLINE HOLDINGS LIMITED

**DIRECTORS' REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 30 JUNE 2017

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COUNTERLINE HOLDINGS LIMITED

COMPANY INFORMATION

Directors

S Dutton
T J C Flood
A Perry

Secretary

S Dutton

Company number

05896721

Registered office

Unit 12 Randles Road
Knowsley Business Park
Merseyside
L34 7HZ

Auditors

Royce Peeling Green Limited
~~The Copper Room~~
Deva Centre
Trinity Way
Manchester
M3 7BG

Bankers

National Westminster Bank Plc
28 Castle Street
Liverpool
L2 0UP

COUNTERLINE HOLDINGS LIMITED

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COUNTERLINE HOLDINGS LIMITED

STRATEGIC REVIEW

FOR THE YEAR ENDED 30 JUNE 2017

The Directors present their strategic review of the group for the year ended 30 June 2017.

REVIEW OF THE BUSINESS

The principal activity of the company continues to be the design, manufacture and installation of food service counters and food service display equipment.

The company operates in a competitive market and as a result it must continually review its market strategy. This financial year has seen an increased focus on identifying the more profitable products and areas of business. Targeting new geographical markets and sectors continues to be successful whilst maintaining the company's reputation for product development and quality service.

FINANCIAL PERFORMANCE

The company's evolving strategy referred to above has resulted in a turnover reduction. This reduction has been largely compensated by improved margin and a significant reduction in general overhead and finance costs. Allowing for some one-off extraordinary expenditure, the directors believe the company's performance to be satisfactory and similar to previous years. The company's balance sheet has strengthened through a ~~reducing structured debt and greater liquidity~~. The directors believe a full year effect of its strategy and restructuring will be seen in the next financial year.

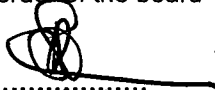
FUTURE DEVELOPMENTS

The directors are committed to the development of new products and use of new technologies. The company will also look to enhance its existing product range through aesthetic design and engineering. Significant further investment will be made in new plant, production space and facilities alongside its manufacturing and design software. The directors expect to see this result in increased sales volume and margin in the coming years.

PRINCIPAL RISKS AND UNCERTAINTIES

The company aims to identify all significant risks faced by it through a continual review of its activities and seeking external advice from others. Online fraud and cyber security are increasing risks and robust measures have been put in place to protect the business. The directors have drawn up business continuity plans which aim to cover many scenarios and keep all business critical functions active. The company is also well advanced in its obligation to satisfy new legislation on minimum energy performance standards (MEPS) across its product range.

By order of the board


S Dutton
DIRECTOR

31st May 2018

COUNTERLINE HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

The directors present their report and financial statements for the year ended 30 June 2017.

Principal activities

The principal activity of the group and its subsidiary in the year under review was that of the manufacture of food service counters and displays.

Results and dividends

The results for the year are set out on page 7.

Director

The following directors have held office since 1 July 2016:

S Dutton
T J C Flood
A Perry

The directors have no material interest, direct or indirect, in any contract entered into by the group.

Auditors

In accordance with the company's articles, a resolution proposing that Royce Peeling Green Limited be reappointed as auditors of the company and the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director 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 estimates that are reasonable and prudent;
- state whether applicable 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 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.

COUNTERLINE HOLDINGS LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all steps that they ought to have taken as directors in order to make themselves aware of all relevant information and to establish that the company's auditors are aware of that information.

By Order of the Board:

S Dutton
Secretary



31st May 2018

COUNTERLINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF COUNTERLINE HOLDINGS LIMITED

Opinion

We have audited the financial statements of Counterline Holdings Limited (the 'parent company') and its subsidiaries (the "group") for the year ended 30 June 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 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's affairs as at 30 June 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.

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.

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 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 or the parent 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.

COUNTERLINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COUNTERLINE HOLDINGS LIMITED

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.

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 our 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 have been prepared in accordance with applicable legal requirements.

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 Strategic Report and the Directors' Report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company's 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 Directors' Responsibilities Statement, 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 group'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.

COUNTERLINE HOLDINGS LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF COUNTERLINE HOLDINGS LIMITED

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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Royce Peeling Green Limited

Ian Wynn (Senior Statutory Auditor)
for and on behalf of Royce Peeling Green Limited

31/05/2018
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Chartered Accountants
Statutory Auditor

The Copper Room
Deva Centre
Trinity Way
Manchester
M3 7BG

COUNTERLINE HOLDINGS LIMITED
CONSOLIDATED PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	2016 £
Turnover: continuing operations	6	10,330,488	12,218,106
Cost of sales		(6,973,736)	(8,396,964)
Gross profit		3,356,752	3,821,142
Distribution Costs		(240,860)	(233,946)
Administration expenses		(2,874,563)	(3,300,772)
Group operating profit	7	241,329	286,424
Interest payable	8	(83,393)	(107,892)
Profit on ordinary activities before taxation		157,936	178,532
Tax on profit on ordinary activities	11	5,779	4,454
Profit for the year		163,715	182,986
Total comprehensive income for the year		163,715	182,986

The notes on pages 13 to 28 form part of these financial statements.

COUNTERLINE HOLDINGS LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 30 JUNE 2017

		Notes			
			2017		2016
			£	£	£
Fixed assets					
Intangible fixed assets	15		839,065		958,932
Tangible fixed assets	14		1,234,356		1,262,952
				2,073,421	2,221,884
Current assets					
Stocks	18		1,295,552		1,097,763
Debtors	19		2,648,275		3,139,297
Cash at bank and in hand			676,817		734,541
			4,620,644		4,971,601
Creditors: amounts falling due within one year	20		(4,003,875)		(4,530,312)
Net current liabilities				616,769	441,289
Total assets less current liabilities				2,690,190	2,663,173
Creditors: amounts falling due after more than one year	21		(441,991)		(588,473)
Provision for liabilities and charges	24		(24,784)		-
Net assets				2,223,415	2,074,700
Capital and reserves					
Share capital	25		1,200		1,200
Revaluation reserve			195,561		199,660
Capital Redemption reserve			57,777		57,777
Profit and loss account			1,968,877		1,816,063
Shareholders' funds				2,223,415	2,074,700

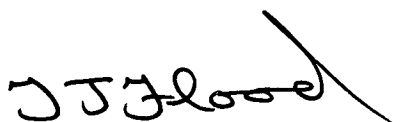
Approved by the Board and authorised for issue on.....

31st May 2018

S Dutton
Director



T J C Flood
Director



Company Registration No. 05896721

The notes on pages 13 to 28 form part of these financial statements.

COUNTERLINE HOLDINGS LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

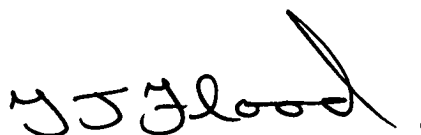
	Notes	2017 £	£	2016 £	£
Fixed assets					
Investments	16		2,302,065		2,302,065
Current assets					
Debtors	19	10,163		10,163	
Cash at bank		807		10,403	
Creditors:		10,970		20,566	
Amounts falling due within one year	20	(2,114,400)		(2,116,717)	
Net current assets			(2,103,430)		(2,096,151)
Total assets less current liabilities			198,635		205,914
Creditors: amounts falling due after more than one year	21		-		-
Net assets			198,635		205,914
Capital and reserves					
Share capital	25	1,200		1,200	
Share premium account		57,777		57,777	
Profit and loss account		139,658		146,937	
Shareholders' funds			198,635		205,914

Approved by the Board and authorised for issue on 31st May 2018

S Dutton
Director



T J C Flood
Director



Company Registration No. 05896721

The notes on pages 13 to 28 form part of these financial statements.

COUNTERLINE HOLDINGS LIMITED**STATEMENTS OF CHANGES IN EQUITY****FOR THE YEAR ENDED 30 JUNE 2017****Consolidated statement of changes in equity**

	Share capital £	Capital redemption reserve £	Revaluation reserve £	Profit & loss £	Total £
At 1 July 2015	120,000	57,777	204,702	1,628,035	2,010,514
Total comprehensive income for the year	-	-	-	182,986	182,986
Transfer	-	-	(5,042)	5,042	-
Capital reduction	(118,800)	-	-	-	(118,800)
At 30 June 2016	1,200	57,777	199,660	1,816,063	2,074,700
At 1 July 2016	1,200	57,777	199,660	1,816,063	2,074,700
Total comprehensive income for the year	-	-	-	163,715	163,715
Transfer	-	-	(4,099)	4,099	-
Dividends	-	-	-	(15,000)	(15,000)
At 30 June 2017	1,200	57,777	195,561	1,968,877	2,223,415

Company statement of changes in equity

	Share capital £	Capital redemption reserve £	Profit & loss £	Total £
At 1 July 2015	120,000	57,777	151,525	329,302
Total comprehensive income for the year	-	-	(4,588)	(4,588)
Capital reduction	(118,800)	-	-	(118,800)
At 30 June 2016	1,200	57,777	146,937	205,914
At 1 July 2016	1,200	57,777	146,937	205,914
Total comprehensive income for the year	-	-	7,721	7,721
Dividends	-	-	(15,000)	(15,000)
At 30 June 2017	1,200	57,777	139,658	198,635

COUNTERLINE HOLDINGS LIMITED

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017		2016	
		£	£	£	£
Operating activities					
Net cash flow from operations	1	667,234		364,979	
Interest paid		(83,393)		(107,892)	
Taxation refunded		17,219		-	
Net cash flow from operating activities			601,060		257,087
Investing activities					
Payments to acquire tangible fixed assets		(57,672)		(68,985)	
Receipts from disposal of tangible fixed assets		-		12,401	
Net cash flow from investing activities			(57,672)		(56,584)
Financing activities					
Equity dividends paid		(15,000)		-	
Repayment of share capital		-		(118,800)	
New loans		-		200,000	
Repayment of loans		(512,499)		326,228	
Capital element of hire purchase payments		(73,613)		(92,360)	
Net cash flow from financing activities			(601,112)		315,068
Increase/(decrease) in cash in the year	2		(57,724)		515,571

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

1 Reconciliation of operating profit to net cash inflow from operating activities

	2017 £	2016 £
Group operating profit	241,329	286,424
Depreciation and amortisation charges	206,135	224,403
Loss/ (profit) on disposal of tangible fixed assets	-	40,677
(Increase)/decrease in stocks	(197,789)	504,037
(Increase)/decrease in debtors	504,366	(804,812)
Increase/(decrease) in creditors	(86,807)	114,250
	<u>667,234</u>	<u>364,979</u>

2 Analysis of net debt

	1 July 2016 £	Cash Flow £	Other £	30 June 2017 £
Net cash:				
Cash in hand and at bank	734,541	(57,724)	-	676,817
Debt:				
Amounts due within one year	(2,370,375)	416,894	-	(1,953,481)
Amounts due after more than one year	(507,434)	95,605	-	(411,829)
Finance lease obligations	(154,651)	73,613	-	(81,038)
	<u>(3,032,460)</u>	<u>586,112</u>	<u>-</u>	<u>(2,446,348)</u>
Net debt	<u>(2,297,919)</u>	<u>528,388</u>	<u>-</u>	<u>1,769,531</u>

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Company information

Counterline Holdings Limited is a company limited by shares incorporated in England and Wales. The registered office is Unit 12, Randles Road, Knowsley Business Park, Merseyside, L34 9HZ.

2 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

4 Accounting policies

4.1 Basis of consolidation

The group financial statements consolidate the financial statements of the parent undertaking and its subsidiary undertakings drawn up to 30 June 2017.

In accordance with section 408 of the Companies Act 2006, the company is exempt from the requirement to present its own profit and loss account; its result for the year is shown in note 13.

4.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

4.3 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

4.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

4.5 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Development costs

The costs are amortised on a straight line basis over the anticipated life of the benefits arising from the completed product. This is considered to be 10 years.

4.6 Goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

4.7 Tangible fixed assets and depreciation

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is provided at rates calculated to write off the cost or valuation, less the estimated residual value of each asset over its expected useful life. The rates generally applicable are:

Leasehold land and buildings	2% straight line basis
Plant and equipment	10% reducing balance basis
Computer equipment	33% straight line basis
Motor vehicles	10% reducing balance basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit and loss.

4.8 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount.

An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

4.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

4.10 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

4.11 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method. Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

4.12 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

4.13 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

4.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

4.15 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

4.16 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

4.17 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

5 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount 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 that are considered to be relevant. Actual results may differ from these estimates.

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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Depreciation and amortisation

Depreciation is accounted for in accordance with FRS102. The depreciation expense is the recognition of the decline in the value of the asset and allocation of the cost of the asset over the periods in which the asset will be used. Judgments are made on the estimated useful life of the assets which are regularly reviewed to reflect the changing environment.

COUNTERLINE HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****6 Turnover**

An analysis of the company's turnover is as follows:

	2017	2016
	£	£
Turnover	<u>10,330,488</u>	<u>12,218,106</u>

Turnover analysed by geographical market

	2017	2016
	£	£
United Kingdom	7,962,217	9,306,935
Europe	924,760	978,419
Rest of the World	1,443,511	1,932,752

7 Operating profit

Group operating profit is stated after charging or crediting:

	2017	2016
	£	£
Auditors' remuneration - audit of the group's annual accounts	13,000	15,000
Goodwill amortisation	119,867	119,867
Amortisation of deferred research and development expenditure	-	2,263
Depreciation	86,268	102,273
Loss/ (profit) on disposal of fixed assets	-	40,677
Cost of stocks recognised as an expense	4,470,441	5,674,320
Operating leases	122,192	133,934
Difference on foreign exchange	(2)	1,167
Directors' emoluments:		
Emoluments for qualifying services	254,304	299,745
Highest paid director's emoluments	99,412	109,769

Total and the highest paid director's emoluments include pension contributions of £31,560 (2016: £30,933) and £11,201 (2016: £11,626) respectively. Retirement benefits are accruing under money purchase pension schemes for three directors (2016: three).

8 Interest payable

Group	2017	2016
	£	£
Bank loans and overdrafts	19,294	30,765
Other loans	7,279	4,588
Finance leases and hire purchase interest	8,203	11,277
Other interest	48,617	61,262
	<u>83,393</u>	<u>107,892</u>

COUNTERLINE HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****9 Employees**

Staff costs, including directors, during the year were as follows:

Group	2017 £	2016 £
Wages and salaries	3,661,921	4,099,484
Social security costs	323,128	391,435
Other pension costs	170,554	179,414
	<u>4,155,603</u>	<u>4,670,333</u>

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

Group	2017 Number	2016 Number
Directors	3	3
Office	38	45
Production	103	116
	<u>144</u>	<u>164</u>

The company has no employees other than the directors.

10 Defined contribution schemes

The group operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £170,554 (2016 - £179,414).

11 Taxation

Group	2017 £	2016 £
Current year tax		
UK corporation tax	(15,541)	-
Adjustment for prior years	(34,740)	(36,937)
	<u>(50,281)</u>	<u>(36,937)</u>
Total current tax		
Total deferred tax	44,502	32,483
	<u>(5,779)</u>	<u>(4,454)</u>
Total tax charge/ (credit)		

COUNTERLINE HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017****Factors affecting the tax charge for the year**

Profit on ordinary activities before taxation	157,936	178,532
Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19% (2016: 20%)	30,008	35,706
Effects of:		
Non-deductible expenses/ (non taxable income)	8,112	39,885
Non tax deductible amortisation of goodwill	22,775	23,973
Fixed asset differences	-	
R&D tax credits	(77,868)	(133,137)
Tax effect of utilisation of tax losses not previously recognised	(34,740)	(22,439)
Permanent capital allowances in excess of depreciation	-	18,157
Deferred taxation movement	44,502	32,483
Other tax adjustments	1,432	918
	(35,787)	(40,160)
Tax expense/ (income) for the year	(5,779)	(4,454)

12 Dividends paid

During the year the shareholders approved dividend payments of £15,000 (2016: £Nil).

13 Retained profit for the year

As permitted by Section 408 Companies Act 2006, these financial statements do not include a separate profit and loss account for the parent company. The parent company's (loss)/profit for the financial year was (£7,279) (2016: £4,588).

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

14 Tangible fixed assets
Group

	Leasehold land and buildings	Plant and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 July 2016	942,004	691,200	196,198	209,722	2,039,124
Additions	38,477	-	19,195	-	57,672
Disposals	-	-	-	-	-
At 30 June 2017	980,481	691,200	215,393	209,722	2,096,796
Depreciation and impairment					
At 1 July 2016	161,388	284,707	182,795	147,282	776,172
Depreciation charged in the year	18,786	41,088	7,534	18,860	86,268
Eliminated in respect of disposals	-	-	-	-	-
At 30 June 2017	180,174	325,795	190,329	166,142	862,440
Carrying amount					
At 30 June 2017	800,307	365,405	25,064	43,580	1,234,356
At 30 June 2016	780,616	406,493	13,403	62,440	1,262,952

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Fixtures, fittings and equipment	194,491	216,090
Motor vehicles	18,572	24,672
Computer equipment	40,162	41,020
	<u>253,225</u>	<u>281,782</u>
Depreciation charge for the year in respect of leased assets	<u>28,557</u>	<u>27,867</u>

COUNTERLINE HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED 30 JUNE 2017**

The group's land and buildings were revalued at 24 September 2014 by Mason Owen and Partners Limited, external valuers, at open market value. Valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Valuation - Professional Standards (January 2014). The surplus arising was credited to the revaluation reserve. The above valuation was elected to be the deemed cost on transition to FRS 102. All other tangible assets are stated at historical cost.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017	2016
	£	£
Cost	750,243	711,766
Accumulated depreciation	(148,160)	(133,473)
Carrying value	<u>602,083</u>	<u>578,293</u>

15 Intangible fixed assets

	Goodwill	Development costs	Total
	£	£	£
Cost			
At 1 July 2016 and 30 June 2017	2,017,870	22,612	2,040,482
Amortisation and impairment			
At 1 July 2016	1,058,938	22,612	1,081,550
Amortisation charged for the year	119,867	-	119,867
At 30 June 2017	1,178,805	22,612	1,201,417
Carrying amount			
At 30 June 2017	839,065	-	839,065
At 30 June 2016	958,932	-	958,932

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

16 Fixed asset investments

Company	Shares in subsidiary undertakings £
Cost and net book value	
At 1 July 2016 and 30 June 2017	2,302,065

Name	Country of registration	Nature of business
Counterline Limited	England & Wales	Manufacture of food service counters and displays

The company owns 100% of the ordinary share capital of Counterline Limited.

17 Financial instruments

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	2,514,781	10,163	2,975,305	10,163
Equity instruments measured at cost less impairment	-	2,302,065	-	2,302,065
	2,514,781	2,312,228	2,975,305	2,312,228
	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Carrying amount of financial liabilities				
Measured at amortised cost	4,117,000	2,114,400	5,118,785	2,116,717

18 Stock

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Raw materials and consumables	378,791	-	442,077	-
Work in progress	537,442	-	434,434	-
Finished goods and goods for resale	379,319	-	221,252	-
	1,295,552	-	1,097,763	-

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

19 Debtors

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Trade debtors	2,504,618	-	2,944,589	-
Corporation tax	50,281	-	36,937	-
Other debtors	10,163	10,163	10,998	10,163
Deferred tax	-	-	19,718	-
Prepayments and accrued income	83,213	-	127,055	-
	<u>2,648,275</u>	<u>10,163</u>	<u>3,139,297</u>	<u>10,163</u>

Trade debtors are subject to an invoice discounting arrangement.

20 Creditors: amounts falling due within one year

	Note	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Proceeds of factored debts (i)	22	1,860,116	-	2,277,010	-
Bank loans and overdrafts (i)	22	93,365	-	93,365	-
Finance lease and hire purchase contracts (i)	23	50,876	-	73,612	-
Trade creditors		1,308,653	-	1,473,867	-
Corporation tax		-	-	-	-
Other taxes and social security		297,155	-	306,106	-
Other creditors		64,844	-	49,577	-
Accruals and deferred income		328,866	-	256,775	-
Intra group balances		-	2,114,400	-	2,116,717
		<u>4,003,875</u>	<u>2,114,400</u>	<u>4,530,312</u>	<u>2,116,717</u>
Debt (i)		<u>2,004,357</u>	<u>-</u>	<u>2,443,987</u>	<u>-</u>

The bank loan and invoice finance facility are secured by way of a debenture creating a first legal charge over the company and its subsidiary's current and future assets.

The proceeds of factored debts relate to a facility with RBS Invoice Finance Limited which is secured against trade debtors of £2,212,587 (2016: £2,944,589).

Amounts owed under finance leases are secured against the underlying assets to which the finance relates.

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

21 Creditors: amounts falling due after more than one year

	Note	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Bank loans	22	411,829	-	507,434	-
Finance lease and hire purchase contracts	23	30,162	-	81,039	-
		441,991	-	588,473	-

22 Borrowings

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Total debt excluding hire purchase	2,365,310	-	2,877,809	-
Less amount included in current liabilities	(1,953,481)	-	(2,370,375)	-
Payable after one year	411,829	-	507,434	-

The bank loan and invoice finance facility are secured by way of a debenture creating a first legal charge over the company and its subsidiary's current and future assets.

Amounts owed under finance leases are secured against the underlying assets to which the finance relates.

23 Net obligations under hire purchase contracts/finance leases

Future minimum lease payments due under hire purchase contracts/ finance leases are:

	Group 2017 £	Company 2017 £	Group 2016 £	Company 2016 £
Repayable within one year	57,197	-	81,831	-
Repayable between one and five years	34,089	-	91,287	-
	91,286	-	173,118	-
Finance charge allocated to future periods	(10,248)	-	(18,467)	-
	81,038	-	154,651	-
Included in current liabilities	(50,876)	-	(73,612)	-
	30,162	-	81,039	-

Net obligations under hire purchase contracts/finance leases represent rentals payable by the group for certain items of plant and machinery. Leases include purchase options at the end of the lease

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. The liabilities are secured by fixed charges on the assets concerned.

24 Provisions for liabilities and charges

Group	Deferred Taxation £
Balance at 1 July 2016	(19,718)
Profit and loss account	44,502
Balance at 30 June 2017	24,784
The deferred tax liability is made up as follows	
Accelerated capital allowances	63,726
Other timing differences	(38,942)
	24,784

25 Share capital

	Number	£
Allotted, issued and fully paid		
Ordinary shares of £1 each	1,200	1,200

26 Finance commitments

Lessee

At the reporting end date the group and company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Within one year	90,452	70,971	-	-
Between two and five years	184,269	206,725	-	-
In over five years	206,250	251,250	-	-
	480,971	528,946	-	-

COUNTERLINE HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

27 Financial commitments, guarantees and contingent liabilities

There is an unlimited intercompany guarantee dated 24 February 2010 in favour of National Westminster Bank plc between Counterline Holdings Limited and Counterline Limited.

National Westminster Bank plc holds a legal charge dated 26 February 2010 over the property of the company, Unit 12, Randles Road, Knowsley Business Park, Prescot, Merseyside, L34 9HZ.

National Westminster Bank plc hold a debenture dated 24 February 2010 over all the assets of the company.

28 Related party transactions

The remuneration of key management personnel, including the directors, is as follows.

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Aggregate amounts	254,304	299,745	-	-

No guarantees have been given or received.

Other transactions

The company operates from premises leased from the The Harsant SIPP (an entity of which the directors are trustees and members) and during the year paid a fair market rent of £45,000 (2016: £45,000).

29. Controlling party

During the year the company was controlled by Mr T Flood, Mr A Perry and Mr S Dutton.