

EAGLE 25 LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MAY 2016

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EAGLE 25 LIMITED

COMPANY INFORMATION

Directors	M W Antliff A J Walker D A Cumming
Company number	SC501913
Registered office	19 Law Place Nerston Industrial Estate EAST KILBRIDE G74 4QL
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

EAGLE 25 LIMITED

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EAGLE 25 LIMITED

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 31 MAY 2016

I am pleased to present the Chairman's statement for the year ending 31 May 2016

Fair review of the business

Eagle 25 Ltd is the principal holding company for The Works Factory Ltd, Maxiim Ltd, Europc Ltd and Skuvue Ltd.

Group turnover for the year was up from £14.3m to £16.4m and total operating profit for the year increased from £51k to £110k.

The shareholders funds increased from £1.86m to £1.93m.

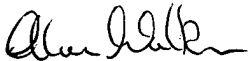
Overall we continued to see strong dialog and relationships for new offerings being managed by Maxiim Ltd, Europc Ltd and Skuvue Ltd, with continued new routes to market with retailers and manufacturers.

I am pleased that 2016/17 has started well and on track to continue with steady sales in all business segments.

The Board of our subsidiary The Works Factory Limited appointed a new Financial Non-Executive Director - Mr Charles Barnett. We are delighted to welcome Mr Barnett and look forward to benefitting from his extensive business experience.

The directors are satisfied with progress to date.

On behalf of the board



Alan J Walker

Chairman

23 December 2016

EAGLE 25 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present the strategic report and financial statements for the year ended 31 May 2016.

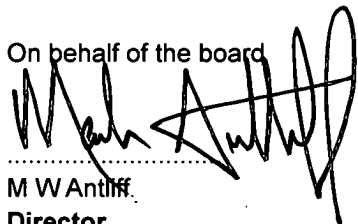
Fair review of the business

Eagle 25 Ltd is the holding company for The Works Factory Ltd, Maxiim Ltd, Europec Ltd and Skuvue Ltd.

The group principal activity is the distribution and resale of consumer electronics and IT equipment.

Group turnover for the year was up from £14.3m to £16.4m and total operating profit for the year increased from £51k to £110k. The shareholder funds increased from £1.86m to £1.93m. The directors are satisfied with the progress to date.

On behalf of the board



M W Antliff

Director

23/12/2016.....

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EAGLE 25 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2016

The directors present their annual report and their financial statements for the period ended 31 May 2016. The company was incorporated on 30 March 2015.

Principal activities

The group's principal activity was the distribution and resale of consumer electronics and IT equipment.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

M W Antliff	Appointed 30 March 2015
A J Walker	Appointed 30 March 2015
D A Cumming	Appointed 30 March 2015

Results and dividends

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

Ordinary dividends amounting to £90,026 were declared. The directors do not recommend the payment of a final dividend.

Auditor

Johnston Carmichael LLP were appointed auditor in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 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 group and company, and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

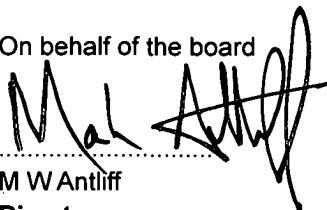
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

EAGLE 25 LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

On behalf of the board

A handwritten signature in black ink, appearing to be 'M W Antliff', written over a dotted line.

M W Antliff

Director

23/12/2016

EAGLE 25 LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLE 25 LIMITED

We have audited the financial statements of Eagle 25 Limited for the year ended 31 May 2016 which comprise the Consolidated Profit And Loss Account, the Consolidated Balance Sheet, the Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity, the Consolidated Statement of Cash Flows and the related notes. 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 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.

Respective responsibilities of directors and auditor

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. 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 group's and the parent 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 Annual Report 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 group's and the parent company's affairs as at 31 May 2016 and of its 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion 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.

EAGLE 25 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF EAGLE 25 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Gavin Young (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

43/12/16

Chartered Accountants
Statutory Auditor

227 West George Street
GLASGOW
G2 2ND

EAGLE 25 LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	2015 £
Turnover (including share of joint venture)		16,411,985	14,267,193
Less share of joint venturer's turnover		(104,662)	(104,662)
Group turnover	3	16,307,323	14,162,531
Cost of sales		(14,594,492)	(12,634,407)
Gross profit		1,712,831	1,528,124
Distribution costs		(337,916)	(301,035)
Administrative expenses		(1,275,148)	(1,228,798)
Other operating income		10,586	52,385
Operating profit	4	110,353	50,676
Share of operating profit in joint venture	8	75,727	85,286
Interest payable and similar charges	9	(21,453)	(33,451)
Profit before taxation		164,627	102,511
Taxation	10	6,333	8,637
Profit for the financial year	22	170,960	111,148
Total comprehensive income for the year		170,960	111,148

The profit and loss account has been prepared on the basis that all operations are continuing operations.

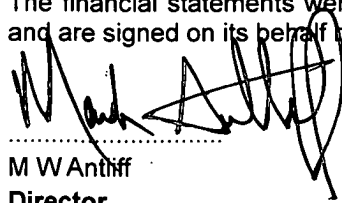
EAGLE 25 LIMITED

GROUP BALANCE SHEET

AS AT 31 MAY 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Intangible assets	12	246,214		323,403	
Tangible assets	13	100,668		110,697	
Investments	14	171,458		115,471	
		<u>518,340</u>		<u>549,571</u>	
Current assets					
Stocks	16	693,375		345,701	
Debtors	17	1,815,782		1,672,227	
Cash at bank and in hand		1,354,859		1,441,161	
		<u>3,864,016</u>		<u>3,459,089</u>	
Creditors: amounts falling due within one year	18	<u>(2,409,172)</u>		<u>(2,090,630)</u>	
Net current assets		<u>1,454,844</u>		<u>1,368,459</u>	
Total assets less current liabilities		<u>1,973,184</u>		<u>1,918,030</u>	
Provisions for liabilities	20	<u>(36,029)</u>		<u>(61,809)</u>	
Net assets		<u><u>1,937,155</u></u>		<u><u>1,856,221</u></u>	
Capital and reserves					
Called up share capital	21	866		866	
Merger reserve		143		143	
Profit and loss reserves	22	1,936,146		1,855,212	
Equity attributable to owners of the parent company		<u><u>1,937,155</u></u>		<u><u>1,856,221</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 23/12/2016 and are signed on its behalf by:


M W Antiff
Director

Company Registration No. SC501913

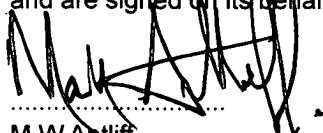
EAGLE 25 LIMITED

COMPANY BALANCE SHEET

AS AT 31 MAY 2016

	Notes	2016 £	£
Fixed assets			
Investments	14		866
Current assets			
Debtors	17	100,003	
Creditors: amounts falling due within one year	18	(90,026)	
Net current assets			9,977
Total assets less current liabilities			10,843
Capital and reserves			
Called up share capital	21		866
Profit and loss reserves	22		9,977
Total equity			10,843

The financial statements were approved by the board of directors and authorised for issue on 23/12/2016...
and are signed on its behalf by:



M W Antliff
Director

Company Registration No. SC501913

EAGLE 25 LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2016

	Notes	Share capital £	Merger reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2014		866	143	1,744,064	1,745,073
Period ended 31 May 2015:					
Profit and total comprehensive income for the year		-	-	111,148	111,148
Balance at 31 May 2015		866	143	1,855,212	1,856,221
Period ended 31 May 2016:					
Profit and total comprehensive income for the year		-	-	170,960	170,960
Dividends	11	-	-	(90,026)	(90,026)
Balance at 31 May 2016		866	143	1,936,146	1,937,155

EAGLE 25 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD ENDED 31 MAY 2016

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 30 March 2015		-	-	-
Period ended 31 May 2016:				
Profit and total comprehensive income for the year		-	100,003	100,003
Issue of share capital	21	866	-	866
Dividends	11	-	(90,026)	(90,026)
Balance at 31 May 2016		866	9,977	10,843

EAGLE 25 LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash generated from operations	27	26,889		351,544	
Interest paid		(1,713)		(10,005)	
Income taxes paid		(15,812)		(44,101)	
Net cash inflow from operating activities		9,364		297,438	
Investing activities					
Purchase of intangible assets		(53,719)		(87,269)	
Purchase of tangible fixed assets		(12,172)		(2,561)	
Net cash used in investing activities		(65,891)		(89,830)	
Financing activities					
Repayment of borrowings		(29,775)		(59,325)	
Dividends paid to equity shareholders		-		(150,000)	
Net cash used in financing activities		(29,775)		(209,325)	
Net decrease in cash and cash equivalents		(86,302)		(1,717)	
Cash and cash equivalents at beginning of year		1,441,161		1,442,878	
Cash and cash equivalents at end of year		1,354,859		1,441,161	

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

Company information

Eagle 25 Limited ("the Company") is a limited company domiciled and incorporated in Scotland. The registered office is 19 Law Place, Nerston Industrial Estate, EAST KILBRIDE, G74 4QL.

The Group consists of Eagle 25 Limited and all of its subsidiaries.

1.1 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 on the historical cost convention. The principal accounting policies adopted are set out below.

As permitted by s408 Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the period was £100,003.

1.2 Basis of consolidation

The consolidated financial statements incorporate those of Eagle 25 Limited and all of its subsidiaries (i.e. entities that the Group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 May 2016.

All intra-group transactions and balances between group companies are eliminated on consolidation.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the Group.

On 30 March 2015, the group carried out a restructuring which included the introduction of a new parent holding company, Eagle 25 Limited, which acquired the entire share capital of The Works Factory Limited by way of a share for share exchange. Given the consideration was wholly a share for share exchange and the rights of each shareholder relative to the other have remained the same, compliance with the Companies Act 2016 and FRS 102 section 19 allows the restructuring to be accounted for as a merger.

The group profit and loss account and cash flow statement have been prepared using merger accounting and are presented on a pro forma basis as if the new holding company has been in existence throughout both the current and prior periods. As Eagle 25 Limited has only been in existence since 30 March 2015, no comparative figures have been presented on the company balance sheet.

Share capital and reserves in the prior year's balance sheet have been stated on a pro forma basis. The pro forma share capital as at 31 May 2015 represents the nominal value of shares in issue by the company immediately after the restructuring.

1.3 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.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

1.4 Turnover

Turnover represents amounts receivable for goods and services and is stated net of VAT and trade discounts.

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.

Revenue from the provision of services is derived from retainer fees and recognised when the service has been performed.

1.5 Intangible fixed assets other than goodwill.

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.

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:

Software development costs	6 years straight line
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1.6 Tangible fixed assets

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

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

Fixtures and fittings	10 years straight line
Computer equipment	5 years straight line
Software	5 years straight line

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 recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting end date, the group 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.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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 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 the profit and loss account.

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) in prior years. A reversal of an impairment loss is recognised immediately in the profit and loss account.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost consists of purchase invoice price plus transport and handling costs less trade discounts where applicable.

Stock is valued based on the average cost price of each item multiplied by the number of items held.

At each reporting date, stocks are reviewed for slow-moving items and an appropriate provision is made against those. The provision is recognised as a loss in the profit and loss account. Such items are identified by reviewing the last date of purchase and the percentage of items sold in relation to the number of units held at the reporting date.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and cash balances held under invoice finance facilities.

1.10 Financial instruments

The group 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 group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors 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.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets 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 the profit and loss account.

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 the profit and loss account.

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 group 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 group after deducting all of its liabilities.

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

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

Derecognition of financial liabilities

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

1.11 Equity instruments

Equity instruments issued by the group 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 group.

1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

1 Accounting policies

(Continued)

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.

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. Deferred tax assets and liabilities are offset if, and only if, there is 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.

1.13 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 intangible fixed assets.

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

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.

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

1.15 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.

2 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.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

2 Judgements and key sources of estimation uncertainty

(Continued)

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.

Provision for stock obsolescence

As described in note 1.8 to the financial statements, stocks are reviewed at each reporting date for slow-moving items and an appropriate provision is made against those. Such items are identified by reviewing the last date of purchase, known customer ordering patterns and the percentage of items sold in relation to the number of units held at the reporting date.

Recoverability of debtors

Debtors are stated in the accounts at their transaction price less any appropriate provision for irrecoverable amounts. In determining if a provision is required, the directors exercise judgement considering both the overall economic environment and how this impacts each debtor as well as considering any specific indicators that the recoverability of the balance may be in doubt.

Useful life of intangible assets

The estimated useful lives of tangible assets are outline in note 1.5. Useful lives have been assessed based on historical experience and the periods over which management believe economic benefits to be derived.

3 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Sale of goods and services	16,307,323	14,162,531
	<u> </u>	<u> </u>
Other significant revenue		
Share of operating profit in joint venture	75,727	85,286
	<u> </u>	<u> </u>
Turnover analysed by geographical market		
	2016 £	2015 £
UK	16,182,231	13,840,194
Non-UK	125,092	322,337
	<u> </u>	<u> </u>
	16,307,323	14,162,531
	<u> </u>	<u> </u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

4 Operating profit

	2016 £	2015 £
Operating profit is stated after charging/(crediting):		
Exchange losses/(gains)	(20,113)	(92)
Depreciation of owned tangible fixed assets	22,201	46,583
Amortisation of intangible assets	130,908	117,546
Cost of stocks recognised as an expense	14,566,494	12,613,690
Operating lease charges	104,662	104,662
	<u> </u>	<u> </u>

5 Auditors' remuneration

	2016 £	2015 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the group and company	1,000	1,000
Audit of the company's subsidiaries	16,550	14,500
	<u> </u>	<u> </u>
	17,550	15,500
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the group during the year was:

	2016 Number	2015 Number
Administration	20	21
Selling and distribution	12	11
	<u> </u>	<u> </u>
	32	32
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	766,355	795,670
Social security costs	77,929	76,284
	<u> </u>	<u> </u>
	844,284	871,954
	<u> </u>	<u> </u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

7 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	37,648	42,648

8 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Share of operating profit in joint venture	75,727	85,286

9 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Share of joint venture interest payable	19,740	23,446
Other interest	1,713	10,005
	21,453	33,451

10 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	52,493	48,858
Adjustments in respect of prior periods	(33,046)	(44,381)
Total current tax	19,447	4,477
Deferred tax		
Origination and reversal of timing differences	(19,599)	(13,114)
Changes in tax rates	(6,181)	-
Total deferred tax	(25,780)	(13,114)
Total tax charge	(6,333)	(8,637)

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

10 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	164,627	102,511
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.83%)	32,925	21,353
Tax effect of expenses that are not deductible in determining taxable profit	547	2,372
Adjustments in respect of prior years	(33,046)	(44,381)
Effect of change in corporation tax rate	(4,003)	-
Other permanent differences	2,756	12,381
Tax at marginal rate	-	(135)
Other adjustments	(5,512)	(227)
Tax expense for the year	(6,333)	(8,637)

11 Dividends

	2016 £	2015 £
Dividends declared	90,026	-
	90,026	-

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

12 Intangible fixed assets

Group	Software development costs
	£
Cost	
At 1 June 2015	735,904
Additions - internally developed	53,719
At 31 May 2016	789,623
Amortisation and impairment	
At 1 June 2015	412,501
Amortisation charged for the year	130,908
At 31 May 2016	543,409
Carrying amount	
At 31 May 2016	246,214
At 31 May 2015	323,403

The company had no intangible fixed assets at 31 May 2016.

13 Tangible fixed assets

Group	Fixtures and fittings £	Computer equipment £	Software £	Total £
Cost				
At 1 June 2015	160,735	192,167	97,289	450,191
Additions	1,674	2,750	7,748	12,172
At 31 May 2016	162,409	194,917	105,037	462,363
Depreciation and impairment				
At 1 June 2015	84,943	162,927	91,624	339,494
Depreciation charged in the year	12,846	11,412	(2,057)	22,201
At 31 May 2016	97,789	174,339	89,567	361,695
Carrying amount				
At 31 May 2016	64,620	20,578	15,470	100,668
At 31 May 2015	75,792	29,240	5,665	110,697

The company had no tangible fixed assets at 31 May 2016.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2016

14 Fixed asset investments

	Notes	Group 2016 £	2015 £	Company 2016 £
Investments in subsidiaries	26	-	-	866
Unlisted investments		171,458	115,471	-
		<u>171,458</u>	<u>115,471</u>	<u>866</u>

Movements in fixed asset investments Group

	Interest in joint venture £
Cost or valuation	
At 1 June 2015	115,471
Share of profits	55,987
At 31 May 2016	<u>171,458</u>
Carrying amount	
At 31 May 2016	<u>171,458</u>
At 31 May 2015	<u>115,471</u>

Movements in fixed asset investments Company

	Shares £
Cost or valuation	
At 30 March 2015	-
Additions	866
At 31 May 2016	<u>866</u>
Carrying amount	
At 31 May 2016	<u>866</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

15 Financial instruments

	Group 2016 £	2015 £	Company 2016 £
Carrying amount of financial assets			
Debt instruments measured at amortised cost	2,985,883	2,930,340	100,003
Equity instruments measured at cost less impairment	171,458	115,471	866
	<u> </u>	<u> </u>	<u> </u>
Carrying amount of financial liabilities			
Measured at amortised cost	2,174,645	1,973,917	90,026
	<u> </u>	<u> </u>	<u> </u>

16 Stocks

	Group 2016 £	2015 £	Company 2016 £
Finished goods and goods for resale	693,375	345,701	-
	<u> </u>	<u> </u>	<u> </u>

17 Debtors

	Group 2016 £	2015 £	Company 2016 £
Amounts falling due within one year:			
Trade debtors	549,139	751,372	-
Amounts due from subsidiary undertakings	-	-	100,003
Other debtors	1,081,953	737,807	-
Prepayments and accrued income	184,690	183,048	-
	<u> </u>	<u> </u>	<u> </u>
	1,815,782	1,672,227	100,003
	<u> </u>	<u> </u>	<u> </u>

Included within trade debtors is £110,098 (2015: £345,801) subject to an invoice finance arrangement.

18 Creditors: amounts falling due within one year

	Notes	Group 2016 £	2015 £	Company 2016 £
Loans and overdrafts	19	-	29,775	-
Corporation tax payable		52,493	48,858	-
Other taxation and social security		148,018	40,976	-
Trade creditors		1,896,344	1,808,851	-
Dividends payable		90,026	-	90,026
Other creditors		188,275	135,291	-
Accruals and deferred income		34,016	26,879	-
		<u> </u>	<u> </u>	<u> </u>
		2,409,172	2,090,630	90,026
		<u> </u>	<u> </u>	<u> </u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

19 Loans and overdrafts

	Group 2016 £	2015 £	Company 2016 £
Other loans	-	29,775	-
Payable within one year	-	29,775	-

Loans are unsecured.

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

Group	Liabilities 2016 £	Liabilities 2015 £
Accelerated capital allowances	36,029	61,809

The company has no deferred tax assets or liabilities.

Movements in the year:	Group 2016 £	Company 2016 £
Liability at 1 June 2015	61,809	-
Credit to profit and loss	(25,780)	-
Liability at 31 May 2016	36,029	-

The deferred tax liability set out above is expected to reverse in future years and relates to accelerated capital allowances that are expected to mature.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

21 Share capital

	Group 2016 £	2015 £
Ordinary share capital Issued and fully paid 86,557 Ordinary shares of 1p each	866	866
	<u>866</u>	<u>866</u>
	Company 2016 £	
Ordinary share capital Issued and fully paid 86,557 Ordinary shares of 1p each	866	
	<u>866</u>	

22 Reserves

Profit and loss reserves

Profit and loss reserves represent accumulated comprehensive income or expenditure for the year and prior periods less dividends paid.

23 Operating lease commitments

Lessee

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

	Group 2016 £	2015 £	Company 2016 £
Within one year	104,662	104,662	-
Between two and five years	322,708	418,648	-
In over five years	-	8,722	-
	<u>427,370</u>	<u>532,032</u>	<u>-</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	312,216	319,337
	<u>312,216</u>	<u>319,337</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

24 Related party transactions

(Continued)

Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2016	2015	2016	2015
	£	£	£	£
Group				
Entities under common control	-	2,969	-	1,335
Other related parties	81,267	62,869	-	-
	<u>81,267</u>	<u>65,838</u>	<u>-</u>	<u>1,335</u>
	Costs recharged		Services received	
	2016	2015	2016	2015
	£	£	£	£
Group				
Entities over which the entity has control, joint control or significant influence	<u>23,673</u>	<u>16,915</u>	<u>104,662</u>	<u>104,662</u>
	Loan transactions		Allocation of profits	
	2016	2015	2016	2015
	£	£	£	£
Group				
Entities over which the entity has control, joint control or significant influence	70,337	587,894	55,987	61,840
Key management personnel	(30,000)	(60,000)	-	-
	<u>40,337</u>	<u>527,894</u>	<u>55,987</u>	<u>61,840</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed to related parties	
	2016	2015
	£	£
Group		
Key management personnel	-	30,000
	<u>-</u>	<u>30,000</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

24 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties 2016		Amounts owed by related parties 2015	
	Balance £	Net £	Balance £	Net £
Group				
Entities over which the group has control, joint control or significant influence	147,252	147,252	130,828	130,828
Other related parties	9,725	9,725	6,562	6,562
	<u>156,977</u>	<u>156,977</u>	<u>137,390</u>	<u>137,390</u>
Group				
Entities over which the company has control, joint control or significant influence	658,231	658,231	587,894	587,894
	<u>658,231</u>	<u>658,231</u>	<u>587,894</u>	<u>587,894</u>

A group company has provided a cross guarantee in respect of the bank borrowings of an entity over which the group has joint control.

The company has taken advantage of the exemption available in FRS 102 Section 33 "Related Party Disclosures" whereby it has not disclosed transactions with any wholly owned subsidiary undertaking of the group.

25 Controlling party

The ultimate controlling party is M W Antliff.

26 Subsidiaries

Details of the company's subsidiaries at 31 May 2016 are as follows:

Name of undertaking and country of incorporation or residency		Nature of business	Class of shareholding	% Held Direct Indirect	
The Works Factory Limited	Scotland	Holding company	Ordinary	100.00	
Maxiim Limited	Scotland	Mobile IT devices distributor	Ordinary		100.00
Euopc Limited	Scotland	Mobile IT devices reseller	Ordinary		100.00
EuPC Limited	Scotland	Dormant	Ordinary		100.00
Skuvue Limited	Scotland	Mobile IT devices distributor	Ordinary		100.00
Enterprise Zing Limited	Scotland	Dormant	Ordinary		100.00
Enterprise Zing (Scotland) Limited	Scotland	Value added software reseller	Ordinary		100.00

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2016

26 Subsidiaries

(Continued)

In addition, the company is a joint venture party in Red Rock Estates LLP, which has a principal activity of property investment.

27 Cash generated from operations	2016 £	2015 £
Profit for the year after tax	170,960	111,148
Adjustments for:		
Taxation credited	(6,333)	(8,637)
Finance costs	21,453	33,451
Investment income	(75,727)	(85,286)
Amortisation and impairment of intangible assets	130,908	117,546
Depreciation and impairment of tangible fixed assets	22,201	46,583
Movements in working capital:		
(Increase) in stocks	(347,674)	(606)
(Increase) in debtors	(143,555)	(316,917)
Increase in creditors	254,656	454,262
Cash generated from operations	26,889	351,544