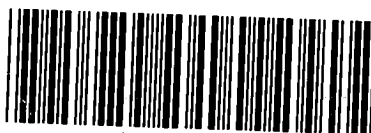


G. Lawrie

Company Registration No. SC501913 (Scotland)

EAGLE 25 LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 31 MAY 2018

THURSDAY



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07/02/2019 #28
COMPANIES HOUSE

EAGLE 25 LIMITED

COMPANY INFORMATION

Directors	M W Antliff A J Walker
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

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present the strategic report for the year ended 31 May 2018.

Fair review of the business

The principal activity of the company is that of a holding company. The principal activity of the group during the year continued to be the distribution and resale of consumer electronics and IT equipment.

The Key financial and other performance indicators during the year were as follows:

	2018 £'000	2017 £'000	Change %
Turnover	20,204	17,788	+13.6%
Gross Profit	2,486	2,207	+12.6%
Gross Margin	12.3%	12.4%	-0.1%
Operating Profit	593	437	+35.7%
Operating Margin	2.9%	2.5%	+0.4%
Profit before Tax	647	495	+30.7%
PBT Margin	3.2%	2.8%	+0.4%
Current assets as % of current liabilities ('quick ratio')	170%	165%	+5%
Average number of employees	44	41	+7.3%

Revenue growth remained strong this year in a highly competitive environment with turnover increasing by 13.6% to £20.204m (2017 - £17.788m). Our strategy was to create a more diverse offering across the group business. Gross Profit is up 12.6% to £2.486m (2017 - £2.207m) with Gross Margin having reduced slightly.

The growth in the financial strength of the company continues with an increased balance sheet value this year at £2.754m (2017 - £2.385m).

Principal risks and uncertainties

The company operates within a very competitive environment where pricing continues to be a significant risk. These risks are well compensated by having a highly competent and experienced management team in place.

On behalf of the board

M W Antiff

Director

..11/12/18.....

EAGLE 25 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MAY 2018

The directors present their annual report and their financial statements for the year ended 31 May 2018.

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

A J Walker

D A Cumming

(Resigned 13 March 2018)

Results and dividends

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

Ordinary dividends were paid amounting to £100,000. The directors do not recommend payment of a further dividend.

Auditor

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

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

M W Antliff

Director

Date: 11/12/18

EAGLE 25 LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MAY 2018

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.

EAGLE 25 LIMITED

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

Opinion

We have audited the financial statements of Eagle 25 Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 May 2018 which comprise Consolidated Profit and Loss Account, Group Balance Sheet, Company Balance Sheet, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Group 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 Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

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.

EAGLE 25 LIMITED

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our 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 in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the 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 and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

EAGLE 25 LIMITED

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

Auditor's responsibilities for the audit of the financial statements (continued)

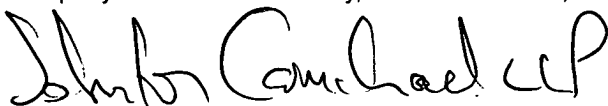
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

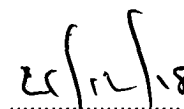
Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



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

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 2018

	Notes	2018 £	2017 £
Turnover (including share of joint venture)		20,204,821	17,787,532
Less share of joint venturer's turnover		(104,662)	(104,662)
Group turnover	3	20,100,159	17,682,870
Cost of sales		(17,613,856)	(15,476,318)
Gross profit		2,486,303	2,206,552
Distribution costs		(409,661)	(382,322)
Administrative expenses		(1,496,370)	(1,396,793)
Other operating income		12,850	9,900
Operating profit	4	593,122	437,337
Share of operating profit in joint venture	8	79,470	78,898
Interest payable and similar expenses	9	(25,582)	(21,048)
Profit before taxation		647,010	495,187
Taxation	10	(57,290)	(47,729)
Profit for the financial year	25	589,720	447,458
Total comprehensive income for the year		589,720	447,458

Total comprehensive income for the year is all attributable to the owners of the parent company.

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

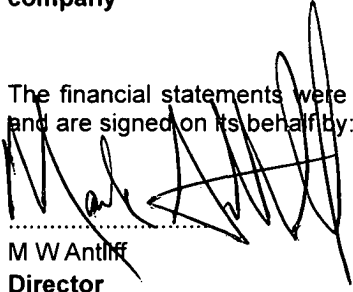
EAGLE 25 LIMITED

GROUP BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Intangible assets	12		133,918		181,951
Tangible assets	15		78,131		84,086
Investments	13		302,186		234,456
			<u>514,235</u>		<u>500,493</u>
Current assets					
Stocks	17	1,214,525		928,558	
Debtors	18	2,596,065		2,566,935	
Cash at bank and in hand		1,677,922		1,351,434	
		<u>5,488,512</u>		<u>4,846,927</u>	
Creditors: amounts falling due within one year	19	(3,229,875)		(2,934,051)	
Net current assets			<u>2,258,637</u>		<u>1,912,876</u>
Total assets less current liabilities			<u>2,772,872</u>		<u>2,413,369</u>
Provisions for liabilities	21		(18,539)		(28,756)
Net assets			<u><u>2,754,333</u></u>		<u><u>2,384,613</u></u>
Capital and reserves					
Called up share capital	23		758		866
Capital redemption reserve	25		108		-
Merger reserve	25		143		143
Profit and loss reserves	25		2,753,324		2,383,604
Equity attributable to owners of the parent company			<u><u>2,754,333</u></u>		<u><u>2,384,613</u></u>

The financial statements were approved by the board of directors and authorised for issue on 11/12/18 and are signed on its behalf by:


M W Anthiff
Director

Company Registration No. SC501913

EAGLE 25 LIMITED

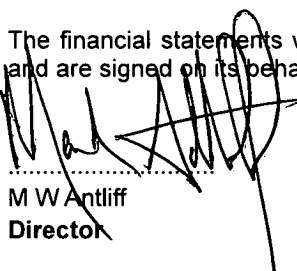
COMPANY BALANCE SHEET

AS AT 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Investments	13		866		866
Current assets					
Debtors	18	101,007		10,007	
Creditors: amounts falling due within one year	19	<u>(100,030)</u>		<u>(30)</u>	
Net current assets			977		9,977
Total assets less current liabilities			<u>1,843</u>		<u>10,843</u>
Capital and reserves					
Called up share capital	23		758		866
Other reserves	25		108		-
Profit and loss reserves	25		977		9,977
Total equity			<u>1,843</u>		<u>10,843</u>

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 £211,000.

The financial statements were approved by the board of directors and authorised for issue on 11/12/18 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 2018

	Notes	Share capital £	Merger reserve £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 June 2016		866	143	-	1,936,146	1,937,155
Year ended 31 May 2017:						
Profit and total comprehensive income for the year		-	-	-	447,458	447,458
Balance at 31 May 2017		866	143	-	2,383,604	2,384,613
Year ended 31 May 2018:						
Profit and total comprehensive income for the year		-	-	-	589,720	589,720
Dividends	11	-	-	-	(100,000)	(100,000)
Own shares acquired		-	-	-	(120,000)	(120,000)
Redemption of shares	23	(108)	-	108	-	(108)
Balance at 31 May 2018		758	143	108	2,753,324	2,754,333

EAGLE 25 LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 2018

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 30 March 2015		866	-	9,977	10,843
Period ended 31 May 2017:					
Profit and total comprehensive income for the year		-	-	-	-
Balance at 31 May 2017		866	-	9,977	10,843
Year ended 31 May 2018:					
Profit and total comprehensive income for the year		-	-	211,000	211,000
Dividends	11	-	-	(100,000)	(100,000)
Own shares acquired		-	-	(120,000)	(120,000)
Redemption of shares	23	(108)	108	-	(108)
Balance at 31 May 2018		758	108	977	1,843

EAGLE 25 LIMITED

GROUP STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MAY 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	29	526,731		19,223	
Interest paid		(13,842)		(5,232)	
Income taxes paid		(29,375)		(53,909)	
Net cash inflow/(outflow) from operating activities		483,514		(39,918)	
Investing activities					
Purchase of intangible assets		(29,030)		(29,036)	
Purchase of tangible fixed assets		(21,916)		(10,934)	
Net cash used in investing activities		(50,946)		(39,970)	
Financing activities					
Purchase of shares		(120,000)		-	
Repayment of borrowings		-		50,000	
Net cash (used in)/generated from financing activities		(120,000)		50,000	
Net increase/(decrease) in cash and cash equivalents		312,568		(29,888)	
Cash and cash equivalents at beginning of year		1,324,971		1,354,859	
Cash and cash equivalents at end of year		1,637,539		1,324,971	
Relating to:					
Cash at bank and in hand		1,677,922		1,351,434	
Bank overdrafts included in creditors payable within one year		(40,383)		(26,463)	

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

Company information

Eagle 25 Limited ("the company") is a private 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 under the historical cost convention. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

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 £211,000.

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 2018.

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.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

1 Accounting policies

(Continued)

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.

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
----------------------------	-----------------------

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 2018

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 2018

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 2018

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 Retirement benefits

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

1.15 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.

1.16 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 2018

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:

	2018 £	2017 £
Turnover analysed by class of business		
Sale of goods and services	20,100,159	17,682,870
	<u>20,100,159</u>	<u>17,682,870</u>
	2018 £	2017 £
Turnover analysed by geographical market		
UK	19,679,906	17,398,520
Non-UK	420,253	284,350
	<u>20,100,159</u>	<u>17,682,870</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(16,410)	5,111
Depreciation of owned tangible fixed assets	27,871	27,516
Amortisation of intangible assets	77,063	93,299
Cost of stocks recognised as an expense	17,473,481	15,376,881
Operating lease charges	101,662	105,662
	<u>17,473,481</u>	<u>15,376,881</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

5 Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	1,000	1,000
Audit of the financial statements of the company's subsidiaries	18,000	18,000
	<u>19,000</u>	<u>19,000</u>

6 Employees

The company had no employee during the year. The average monthly number of persons (including directors) employed by the group during the year was:

	2018 Number	2017 Number
Administration	24	29
Selling and distribution	20	12
	<u>44</u>	<u>41</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	1,017,091	938,971
Social security costs	71,690	66,700
Pension costs	7,358	2,456
	<u>1,096,139</u>	<u>1,008,127</u>

7 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	<u>59,371</u>	<u>47,461</u>

8 Interest receivable and similar income

	2018 £	2017 £
Interest income		
Share of operating profit in joint venture	<u>79,470</u>	<u>78,898</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

9 Interest payable and similar expenses

	2018 £	2017 £
Interest on financial liabilities measured at amortised cost:		
Share of joint venture interest payable	11,740	15,816
Other interest	13,842	5,232
	<u>25,582</u>	<u>21,048</u>

10 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	71,706	70,063
Adjustments in respect of prior periods	(4,199)	(15,061)
Total current tax	<u>67,507</u>	<u>55,002</u>
Deferred tax		
Origination and reversal of timing differences	(10,217)	(8,446)
Changes in tax rates	-	(2,188)
Adjustments in respect of prior periods	-	3,361
Total deferred tax	<u>(10,217)</u>	<u>(7,273)</u>
Total tax charge	<u>57,290</u>	<u>47,729</u>

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

	2018 £	2017 £
Profit before taxation	<u>647,010</u>	<u>495,187</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.83%)	122,932	98,196
Tax effect of expenses that are not deductible in determining taxable profit	100	633
Adjustments in respect of prior years	(4,199)	(15,045)
Effect of change in corporation tax rate	-	(768)
Research and development tax credit	-	(23,717)
Deferred tax adjustments in respect of prior years	(5,401)	9,656
Deferred tax not recognised	(56,142)	(21,226)
Taxation charge for the year	<u>57,290</u>	<u>47,729</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

11 Dividends

	2018 £	2017 £
Dividends declared	100,000	-
	<u>100,000</u>	<u>-</u>

12 Intangible fixed assets

Group	Software development costs
	£
Cost	
At 1 June 2017	818,659
Additions - separately acquired	29,030
At 31 May 2018	<u>847,689</u>
Amortisation and impairment	
At 1 June 2017	636,708
Amortisation charged for the year	77,063
At 31 May 2018	<u>713,771</u>
Carrying amount	
At 31 May 2018	<u>133,918</u>
At 31 May 2017	<u>181,951</u>

The company had no intangible fixed assets at 31 May 2018.

13 Fixed asset investments

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Investments in subsidiaries	14	-	-	866	866
Unlisted investments		302,186	234,456	-	-
		<u>302,186</u>	<u>234,456</u>	<u>866</u>	<u>866</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

13 Fixed asset investments

(Continued)

Movements in fixed asset investments Group

Investments
other than
loans
£

Cost or valuation

At 1 June 2017

234,456

Share of profits

67,730

At 31 May 2018

302,186

Carrying amount

At 31 May 2018

302,186

At 31 May 2017

234,456

Movements in fixed asset investments Company

Shares in
group
undertakings
£

Cost or valuation

At 1 June 2017 and 31 May 2018

866

Carrying amount

At 31 May 2018

866

At 31 May 2017

866

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

14 Subsidiaries

Details of the company's subsidiaries at 31 May 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct	Indirect
Enterprise Zing (Scotland) Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Value added software reseller	Ordinary		100
Enterprise Zing Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Dormant	Ordinary		100
EuPC Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Dormant	Ordinary		100
Europc Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Mobile IT devices reseller	Ordinary		100
Maxiim Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Consumer electronic devices distributor	Ordinary		100
Skuvue Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Software services	Ordinary		100
The Works Factory Limited	19 Law Place, Nerston Industrial Estate, East Kilbride, Glasgow, G74 4QL	Holding company	Ordinary	100	

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

15 Tangible fixed assets

Group	Fixtures and fittings £	Computer equipment £	Software £	Total £
Cost				
At 1 June 2017	162,409	205,851	105,037	473,297
Additions	-	11,123	10,793	21,916
At 31 May 2018	162,409	216,974	115,830	495,213
Depreciation and impairment				
At 1 June 2017	109,703	184,712	94,796	389,211
Depreciation charged in the year	11,897	10,503	5,471	27,871
At 31 May 2018	121,600	195,215	100,267	417,082
Carrying amount				
At 31 May 2018	40,809	21,759	15,563	78,131
At 31 May 2017	52,706	21,139	10,241	84,086

The company had no tangible fixed assets at 31 May 2018.

16 Financial instruments

	Group 2018 £	2017 £	Company 2018 £	2017 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	4,013,453	3,680,858	101,007	10,007
Equity instruments measured at cost less impairment	302,186	234,456	866	866
Carrying amount of financial liabilities				
Measured at amortised cost	2,841,296	2,658,662	100,030	30

17 Stocks

	Group 2018 £	2017 £	Company 2018 £	2017 £
Finished goods and goods for resale	1,214,525	928,558	-	-

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

18 Debtors

	Group 2018 £	2017 £	Company 2018 £	2017 £
Amounts falling due within one year:				
Trade debtors	1,554,324	1,655,871	-	-
Amounts owed by group undertakings	-	-	101,007	10,007
Other debtors	821,590	700,016	-	-
Prepayments and accrued income	220,151	211,048	-	-
	<u>2,596,065</u>	<u>2,566,935</u>	<u>101,007</u>	<u>10,007</u>

19 Creditors: amounts falling due within one year

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Loans and invoice finance	20	40,383	26,463	-	-
Other borrowings	20	50,000	50,000	-	-
Trade creditors		2,626,109	2,460,312	-	-
Corporation tax payable		91,718	53,586	-	-
Other taxation and social security		219,375	144,317	-	-
Other creditors		158,002	121,887	100,030	30
Accruals and deferred income		44,288	77,486	-	-
		<u>3,229,875</u>	<u>2,934,051</u>	<u>100,030</u>	<u>30</u>

Invoice financing is secured over the debtors to which it relates.

20 Loans and invoice finance

	Group 2018 £	2017 £	Company 2018 £	2017 £
Invoice finance	40,383	26,463	-	-
Other loans	50,000	50,000	-	-
	<u>90,383</u>	<u>76,463</u>	<u>-</u>	<u>-</u>
Payable within one year	<u>90,383</u>	<u>76,463</u>	<u>-</u>	<u>-</u>

Loans are unsecured.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

21 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:

	Liabilities 2018 £	Liabilities 2017 £
Group		
Accelerated capital allowances	18,539	28,756
	<u>18,539</u>	<u>28,756</u>
	Group 2018 £	Company 2018 £
Movements in the year:		
Liability at 1 June 2017	28,756	-
Credit to profit and loss	(10,217)	-
	<u>18,539</u>	<u>-</u>
Liability at 31 May 2018	18,539	-

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.

22 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	7,358	2,456
	<u>7,358</u>	<u>2,456</u>

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

23 Share capital

	Group and company 2018 £	2017 £
Ordinary share capital Issued and fully paid		
75,800 Ordinary shares of 1p each	758	866
	<u>758</u>	<u>866</u>

24 Merger reserve

The merger reserve shows the premium paid for the purchase of equity investments through a share for share swap.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

25 Reserves

Capital redemption reserve

Capital redemption reserve represents amounts retained as fixed capital following redemptions of share capital under companies legislation.

Profit and loss reserves

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

26 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 2018 £	2017 £	Company 2018 £	2017 £
Within one year	104,662	104,662	-	-
Between two and five years	113,384	218,046	-	-
	<u>218,046</u>	<u>322,708</u>	<u>-</u>	<u>-</u>

27 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>396,935</u>	<u>364,358</u>

Transactions with related parties

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

	Sale of goods	
	2018 £	2017 £
Group		
Other related parties	<u>94,186</u>	<u>82,130</u>

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MAY 2018

27 Related party transactions

(Continued)

	Costs recharged		Services received	
	2018	2017	2018	2017
	£	£	£	£
Group				
Entities over which the entity has control, joint control or significant influence	23,555	28,744	104,662	104,662
	<u>23,555</u>	<u>28,744</u>	<u>104,662</u>	<u>104,662</u>
	Loan transactions		Allocation of profits	
	2018	2017	2018	2017
Company				
Entities over which the entity has control, joint control or significant influence	82,235	75,935	67,730	62,998
	<u>82,235</u>	<u>75,935</u>	<u>67,730</u>	<u>62,998</u>

The following amounts were outstanding at the reporting end date:

	Amounts owed by related parties		Amounts owed by related parties	
	2018		2017	
	Balance	Net	Balance	Net
	£	£	£	£
Group				
Entities over which the group has control, joint control or significant influence	184,178	184,178	168,310	168,310
Other related parties	13,398	13,398	6,111	6,111
	<u>184,178</u>	<u>184,178</u>	<u>168,310</u>	<u>168,310</u>
Company				
Entities over which the company has control, joint control or significant influence	816,401	816,401	734,166	734,166
	<u>816,401</u>	<u>816,401</u>	<u>734,166</u>	<u>734,166</u>

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.

28 Controlling party

The ultimate controlling party is M W Antliff.

EAGLE 25 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MAY 2018

29 Cash generated from group operations

	2018	2017
	£	£
Profit for the year after tax	589,720	447,458
Adjustments for:		
Taxation charged	57,290	47,729
Finance costs	25,582	21,048
Investment income	(79,470)	(78,898)
Amortisation and impairment of intangible assets	77,063	93,299
Depreciation and impairment of tangible fixed assets	27,871	27,516
Movements in working capital:		
(Increase) in stocks	(285,967)	(235,183)
(Increase) in debtors	(29,130)	(751,152)
Increase in creditors	143,772	447,406
Cash generated from operations	526,731	19,223