
E92 PLUS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

E92 PLUS LIMITED

COMPANY INFORMATION

Directors	M K Gupta J Gascoine
Company secretary	M K Gupta
Registered number	02421724
Registered office	Unit C & Unit D Argent Court Hook Rise South Surbiton Surrey KT6 7NL
Independent auditor	Crossley Financial Accounting Limited Chartered Accountants & Statutory Auditors Star House Star Hill Rochester Kent ME1 1UX

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

The principle activity of the company remains that of Distribution of IT Security products to the reseller trade. The sector remains stable with no significant changes to the industry in the year.

Business review

The Directors of the Company are pleased to announce that in the year ending 31 December 2017, the Company has generated a profit after tax of £1,141,669. The company has increased profitability despite a highly competitive market. During the year to 31 December 2017 Turnover increase from £33,626,591 to £40,180,585 and Gross Profit increased from £2,918,822 in 2016 to £3,795,709 in 2017 which is as a result of efforts during the year to focus on margin retention. The company has a positive outlook towards the forthcoming year with anticipation of growth in both Turnover and Gross Profit due to increasing staff levels which will continue to accelerate growth into 2018. Net current assets and net assets have increased, principally due to investment in stock.

Principal risks and uncertainties

The Company continues to monitor the development of new products and technologies and constantly seeks new suppliers in order to maintain its competitive advantage.

Due to the nature of the industry the Company operates in, the main uncertainty facing the company is the loss of a key customer or key supplier.

Financial key performance indicators

Gross Margin Percentage increased from 8.68% in 2016 to 9.45% in 2017 and the company has managed to maintain the salary to turnover percentage, 4.9% in 2017 and 4.8% in 2016, which has resulted in the Profit after Tax Percentage increasing from 1.5% in 2016 to 2.84% in 2017. The increase was also helped by a positive foreign exchange gain.

This report was approved by the board on 25 September 2018 and signed on its behalf.

M K Gupta
Director

E92 PLUS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their report and the financial statements for the year ended 31 December 2017.

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £1,141,669 (2016 - £503,193).

The directors do not recommend a dividend.

Directors

The directors who served during the year were:

M K Gupta
J Gascoine

Future developments

Information on likely future developments in the business of the company has been included in the Strategic Report on page 1.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2017

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

Under section 487(2) of the Companies Act 2006, Crossley Financial Accounting Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on 25 September 2018 and signed on its behalf.

M K Gupta
Director

E92 PLUS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E92 PLUS LIMITED

Opinion

We have audited the financial statements of E92 Plus Limited (the 'Company') for the year ended 31 December 2017, which comprise the Income statement, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E92 PLUS LIMITED (CONTINUED)

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.

Opinion 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 the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

E92 PLUS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF E92 PLUS LIMITED (CONTINUED)

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

Trevor Rose FCA, CTA (Senior statutory auditor)

for and on behalf of

Crossley Financial Accounting Limited

Chartered Accountants
Statutory Auditors

Star House
Star Hill

INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	40,180,585	<i>33,626,591</i>
Cost of sales		(36,384,870)	<i>(30,707,769)</i>
Gross profit		3,795,709	<i>2,918,822</i>
Distribution costs		(111,012)	<i>(85,346)</i>
Administrative expenses		(2,290,001)	<i>(2,189,147)</i>
Operating profit	5	1,394,696	<i>644,329</i>
Interest receivable and similar income	9	18,607	-
Interest payable and similar expenses	10	-	<i>(1,586)</i>
Profit before tax		1,413,303	<i>642,743</i>
Tax on profit	11	(271,634)	<i>(139,550)</i>
Profit for the financial year		<u>1,141,669</u>	<i><u>503,193</u></i>

There were no recognised gains and losses for 2017 or 2016 other than those included in the income statement.

The notes on pages 12 to 27 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017	2016
		£	£
Fixed assets			
Tangible assets	12	152,342	204,090
		152,342	204,090
Current assets			
Stocks	13	1,098,305	327,210
Debtors: amounts falling due within one year	14	15,764,813	13,754,727
Cash at bank and in hand	15	280,942	300,482
		17,144,060	14,382,419
Creditors: amounts falling due within one year	16	(13,188,710)	(11,608,331)
Net current assets		3,955,344	2,774,088
Total assets less current liabilities		4,107,686	2,978,178
Provisions for liabilities			
Deferred tax	18	(17,349)	(29,510)
		(17,349)	(29,510)
Net assets		4,090,337	2,948,668
Capital and reserves			
Called up share capital	19	1,736	1,736
Profit and loss account		4,088,601	2,946,932
		4,090,337	2,948,668

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 September 2018.

M K Gupta

Director

The notes on pages 12 to 27 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	1,736	2,946,932	2,948,668
Comprehensive income for the year			
Profit for the year	-	1,141,669	1,141,669
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,141,669	1,141,669
Total transactions with owners	-	-	-
At 31 December 2017	1,736	4,088,601	4,090,337

The notes on pages 12 to 27 form part of these financial statements.

E92 PLUS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	1,736	2,443,739	2,445,475
Comprehensive income for the year			
Profit for the year	-	503,193	503,193
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	503,193	503,193
Total transactions with owners	-	-	-
At 31 December 2016	1,736	2,946,932	2,948,668

The notes on pages 12 to 27 form part of these financial statements.

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E92 PLUS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	1,141,669	503,193
Adjustments for:		
Depreciation of tangible assets	60,618	64,854
Loss on disposal of tangible assets	-	(365)
Interest paid	-	1,586
Interest received	(18,607)	-
Taxation charge	271,634	139,550
(Increase)/decrease in stocks	(771,095)	172,883
(Increase) in debtors	(602,270)	(5,069,726)
(Increase) in amounts owed by groups	(1,407,816)	(224,670)
Increase in creditors	1,372,373	4,710,308
Corporation tax (paid)	(136,861)	(177,749)
Net cash generated from operating activities	(90,355)	119,864
Cash flows from investing activities		
Purchase of tangible fixed assets	(8,870)	(57,266)
Interest received	18,605	-
Net cash from investing activities	9,735	(57,266)
Cash flows from financing activities		
Other new loans	61,080	186,829
Interest paid	-	(1,588)
Net cash used in financing activities	61,080	185,241
Net (decrease)/increase in cash and cash equivalents	(19,540)	247,839
Cash and cash equivalents at beginning of year	300,482	52,643

Cash and cash equivalents at the end of year	<u>280,942</u>	<u>300,482</u>
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	280,942	300,482
	<u>280,942</u>	<u>300,482</u>

The notes on pages 12 to 27 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

1. General information

E92 Plus Limited is a private company, limited by shares, domiciled in England and Wales. The registered office is Unit C & Unit D, Argent Court, Hook Rise South, Surbiton, Surrey, KT6 7NL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue generated from the sale of licenses and associated support are recognised in their entirety as the obligation for providing the on-going support rests solely with the supplier.

Finance fees are recognised within other income when extended credit terms are provided to customers. The income is recognised over the period of credit provided.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.3 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 15 years straight line
Plant and equipment	- 15 years straight line
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 20% reducing balance
Office equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Income statement.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.5 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a

2. Accounting policies (continued)

2.5 Financial instruments (continued)

rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

2.6 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Income statement except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Income statement within 'other operating income'.

E92 PLUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.7 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Income statement on a straight line basis over the lease term.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Income statement when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Interest income

Interest income is recognised in the Income statement using the effective interest method.

2.10 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Income statement in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)**2.11 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Income statement, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Invoice discounting

The company discounts its trade debts. The accounting policy is to include trade debtors discounted with recourse under trade debtors due within one year and to record the returnable element of the proceeds under creditors due within one year. Discount fees are charged to the profit and loss account when payable. Bad debts are borne by the company and charged to the profit and loss account when reasonable foreseeable.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the company financial statements requires management to make judgements, estimates and assumptions in applying the Company's accounting policies to determine the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. These estimates and underlying assumptions are reviewed on an ongoing basis.

Judgements

Critical judgements, apart from those involving estimations that are applied in the preparation of the financial statements are discussed below;

Leases

Management exercises judgment in determining the classification of leases as finance or operating leases at the inception of the lease. Management considers the likelihood of exercising the break clauses or extension options in determining the lease term. Where the lease term constitutes substantially all the economic life of the asset, or where the present value of minimum lease payments amount to substantially all of the fair value of the property, the lease is classified as a finance lease. All other leases are classified as operating leases.

Estimates

The key assumptions about the future and other key sources of estimation uncertainty at the reporting period end that may have a significant risk of causing material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below;

Impairment of assets

Where there are indicators of impairment, management performs an impairment test. Recoverable amounts for cash-generating units are the higher of fair value less costs of disposal, and value in use.

Depreciation of property, plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives. The selection of these residual values and estimated lives requires the exercise of management judgement.

Stock

Inventories are stated at the lower of cost and net realisable value. Provisions are recognised where the net realisable value is assessed to be lower than cost.

4. Turnover

Analysis of turnover by country of destination:

United Kingdom	38,701,267	<i>32,010,717</i>
Rest of Europe	1,443,288	<i>1,586,967</i>
Rest of the world	36,030	<i>28,907</i>
	<u>40,180,585</u>	<i><u>33,626,591</u></i>

5. Operating profit

The operating profit is stated after charging:

	2017	<i>2016</i>
	£	<i>£</i>
Depreciation of tangible fixed assets	60,618	<i>64,854</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,500	<i>12,500</i>
Exchange differences	(228,748)	<i>(8,978)</i>
Other operating lease rentals	50,183	<i>65,958</i>
Defined contribution pension cost	<u>12,624</u>	<i><u>10,636</u></i>

6. Auditor's remuneration

	2017	<i>2016</i>
	£	<i>£</i>
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	12,500	<i>12,500</i>
	<u>12,500</u>	<i><u>12,500</u></i>

E92 PLUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2017	<i>2016</i>
	£	<i>£</i>
Wages and salaries	1,839,771	<i>1,509,872</i>
Social security costs	205,765	<i>176,839</i>
Cost of defined contribution scheme	12,624	<i>10,636</i>
	<u>2,058,160</u>	<i><u>1,697,347</u></i>

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

	2017	<i>2016</i>
	No.	<i>No.</i>
Directors	2	<i>2</i>
Selling	31	<i>26</i>
Technical & support	6	<i>10</i>
Administrative	13	<i>10</i>
	<u>52</u>	<i><u>48</u></i>

8. Directors' remuneration

	2017	<i>2016</i>
	£	<i>£</i>
Directors' emoluments	92,698	<i>101,322</i>
Company contributions to defined contribution pension schemes	602	<i>634</i>
	<u>93,300</u>	<i><u>101,956</u></i>

During the year retirement benefits were accruing to 2 directors (*2016 - 2*) in respect of defined contribution pension schemes.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

9. Interest receivable

	2017 £	<i>2016</i> <i>£</i>
Other interest receivable	18,607	-
	<u>18,607</u>	<u>-</u>

10. Interest payable and similar expenses

	2017 £	<i>2016</i> <i>£</i>
Bank interest payable	-	<i>1,586</i>
	<u>-</u>	<u><i>1,586</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Taxation

	2017	<i>2016</i>
	£	£
Corporation tax		
Current tax on profits for the year	283,321	<i>136,861</i>
Adjustments in respect of previous periods	474	<i>-</i>
	283,795	<i>136,861</i>
Total current tax	283,795	<i>136,861</i>
Deferred tax		
Origination and reversal of timing differences	(12,161)	<i>2,689</i>
Total deferred tax	(12,161)	<i>2,689</i>
Taxation on profit on ordinary activities	271,634	<i>139,550</i>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than *(2016 - higher than)* the standard rate of corporation tax in the UK of 19.25% *(2016 - 20%)*. The differences are explained below:

	2017	<i>2016</i>
	£	£
Profit on ordinary activities before tax	1,413,303	<i>642,743</i>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	272,012	<i>128,548</i>
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,983	<i>7,665</i>
Capital allowances for year in excess of depreciation	9,326	<i>648</i>
Adjustments to tax charge in respect of prior periods	474	<i>-</i>
Other differences leading to an increase (decrease) as a result of deferred tax	(12,161)	<i>2,689</i>
Total tax charge for the year	271,634	<i>139,550</i>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

12. TANGIBLE FIXED ASSETS

	S/Term Leasehold Property	Plant & machinery	Motor vehicles	Fixtures & fittings	Office equipment	Total
	£	£	£	£	£	£
Cost or valuation						
At 1 January 2017	82,526	10,180	150,070	24,447	340,806	608,029
Additions	-	-	-	1,561	7,309	8,870
Disposals	-	-	-	-	(27,056)	(27,056)
At 31 December 2017	82,526	10,180	150,070	26,008	321,059	589,843
Depreciation						
At 1 January 2017	25,334	3,168	87,145	13,135	275,156	403,938
Charge for the year on owned assets	5,501	678	15,731	2,373	36,335	60,618
Disposals	-	-	-	-	(27,056)	(27,056)
At 31 December 2017	30,835	3,846	102,876	15,508	284,435	437,500
Net book value						
At 31 December 2017	51,691	6,334	47,194	10,500	36,624	152,343
At 31 December 2016	57,191	7,012	62,925	11,312	65,650	204,090

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Stocks

	2017 £	<i>2016</i> <i>£</i>
Finished goods and goods for resale	1,098,305	<i>327,210</i>
	<u>1,098,305</u>	<u><i>327,210</i></u>

14. Debtors

	2017 £	<i>2016</i> <i>£</i>
Trade debtors	12,663,861	<i>12,082,547</i>
Amounts owed by group undertakings	2,902,345	<i>1,494,529</i>
Other debtors	157,426	<i>115,783</i>
Prepayments and accrued income	41,181	<i>61,867</i>
	<u>15,764,813</u>	<u><i>13,754,726</i></u>

15. Cash and cash equivalents

	2017 £	<i>2016</i> <i>£</i>
Cash at bank and in hand	280,942	<i>300,482</i>
	<u>280,942</u>	<u><i>300,482</i></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

16. Creditors: Amounts falling due within one year

	2017	<i>2016</i>
	£	<i>£</i>
Trade creditors	10,539,109	<i>9,102,194</i>
Other loans	660,196	<i>599,117</i>
Corporation tax	283,321	<i>136,387</i>
Other taxation and social security	1,104,084	<i>1,269,439</i>
Other creditors	27,756	<i>20,856</i>
Accruals and deferred income	574,250	<i>480,338</i>
	<u>13,188,716</u>	<i><u>11,608,331</u></i>

Included within other loans are amounts owned in respect of invoice discounting obligations. The total amounts owed included above are £660,196 (2016 - £599,117) and these balances are secured against the company's trade debtors.

Barclays Bank Plc hold a fixed and floating charged dated 27 September 2012 over all property and assets of the company.

17. Financial instruments

	2017	<i>2016</i>
	£	<i>£</i>
Financial assets		
Financial assets measured at fair value through profit or loss	280,942	<i>300,482</i>
Financial assets that are debt instruments measured at amortised cost	15,723,631	<i>13,717,449</i>
	<u>16,004,573</u>	<i><u>14,017,931</u></i>
Financial liabilities		
Financial liabilities measured at amortised cost	(11,741,330)	<i>(10,179,222)</i>
	<u>(11,741,330)</u>	<i><u>(10,179,222)</u></i>

Financial assets measured at fair value through profit or loss comprise cash and bank.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, amounts owed by group companies and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, bank loans, overdrafts and other creditors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

18. Deferred taxation

	2017
	£
At beginning of year	29,510
Charged to the profit or loss	(12,161)

At end of year	<u>17,349</u>
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The provision for deferred taxation is made up as follows:

	2017 £	<i>2016</i> <i>£</i>
Accelerated capital allowances	17,349	<i>29,510</i>
	<u>17,349</u>	<i><u>29,510</u></i>

19. Share capital

	2017 £	<i>2016</i> <i>£</i>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	<i>1,000</i>
186 C Ordinary shares of £1 each	186	<i>186</i>
550 B Ordinary shares of £1 each	550	<i>550</i>
	<u>1,736</u>	<i><u>1,736</u></i>

20. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £12,624 (2016 - £10,636). Contributions totalling £Nil (2016 - £10,368) were payable to the fund at the balance sheet date and are included in creditors.

E92 PLUS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Commitments under operating leases

At 31 December 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017	<i>2016</i>
	£	<i>£</i>
Land and Buildings		
Not later than 1 year	35,000	<i>35,000</i>
Later than 1 year and not later than 5 years	140,000	<i>140,000</i>
Later than 5 years	140,000	<i>175,000</i>
	<u>315,000</u>	<i><u>350,000</u></i>

22. Transactions with directors

During the year the company made the following advances to a director:

The maximum outstanding during the year was £4,801 and the balance at the year end was £4,801 (2016 - £4,801).

The advances were made interest free and were repayable on demand.

23. Controlling party

The ultimate parent company is E92 Plus Group Limited. The ultimate controlling party is M K Gupta.