

PLATINUM STAIRLIFTS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2019



PLATINUM STAIRLIFTS LIMITED

COMPANY INFORMATION

Directors	T C Frear M C Green M S McNulty M I Rees K A Still M A Slinger
Secretary	M C Green
Company number	03179671
Registered office	Unit 10 Cross Hills Business Park Cross Hills Keighley West Yorkshire BD20 7BW
Auditor	KPMG LLP 1 Sovereign Square Sovereign Street Leeds LS1 4DA

PLATINUM STAIRLIFTS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present the strategic report for the year ended 31 March 2019.

Principal activity and business review

On 9 February 2018 the entire issued share capital of the company was acquired by Hamsard 3465 Limited.

The principal activity of the company during the year continued to be the design, manufacture and distribution of stairlifts.

The company has continued to experience growth in its core markets in the UK and EU. Revenue for the year has grown from £19.1 million to £21.9 million. During the year, the company has incurred significant one off and non-recurring costs of £0.9 million (2018: £2.4 million). Those costs related to the reorganisation of the Platinum Stairlifts business following its acquisition by Hamsard 3465 Limited. The company has also invested in its people, strengthening the management team and bringing in additional industry and manufacturing specialists. The company reported EBITDA of £3.0 million (2018: £4.7 million) and profit before tax of £1.2 million (2018: £1.5 million).

Future developments

The markets in which the company operates are experiencing strong growth, reinforced by changing demographics in most developed western economies, with ageing populations and an increasing emphasis on social care. These macroeconomic drivers should continue to support the strong demand for the company's products in markets in the UK, across Europe and the rest of the world.

Following the acquisition of Platinum Stairlifts the company has augmented a capable management team with experience of developing and growing manufacturing businesses.

The company expects a significant investment in infrastructure to provide a robust and scalable platform to support future growth.

Principal risks and uncertainties

Credit risk

Credit risk arises from the granting of payment terms to customers in the UK, Europe, USA and Canada. These customers are established distributors of stairlifts and related products and trading relationships have been established over a number of years. Customers are routinely vetted using third party credit agencies, or through analysis of customer provided financial information.

Credit risk for such customers is managed through commercial contracts including the establishment of appropriate credit limits, and through credit insurance obtained by the company over its customers' debts.

Economy

The UK, Europe and the US are the principal markets for the company, and the main economies in these markets continue to perform strongly. This continues to present ongoing growth opportunities for the company.

Uncertainty over the UK exit from the European Union ('Brexit'), and the subsequent impact on the UK economy continues to present a significant risk for the company. In addition, the basis of future trading and customs relationships with EU member countries remains uncertain. It is possible that customs restrictions or tariffs, which may be applicable after Brexit, could have a negative impact on revenues and profits.

The company has sought advice as to the likely impact of Brexit and the directors consider that maintaining long term strategic relationships with customers outside the UK remains imperative to mitigate any such risks from Brexit.

PLATINUM STAIRLIFTS LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

Foreign exchange risk

The company is exposed to currency risk on sales made in foreign currencies, principally Euro, to overseas customers. This is offset by the purchase of some materials and components from overseas suppliers principally in Euro.

The company operates natural hedging through operating bank accounts in Euro and US dollars. It is the company's policy to hold sufficient foreign currency balances to settle future liabilities in that same currency. Surplus currency balances are sold into UK sterling from time to time at a spot or contracted rate.

Competition

The market for manufacture and supply of stairlifts is competitive with a number of much larger manufacturers also providing stairlift products to the company's customers. The company has a strong reputation for reliable products which help the company maintain its position in this competitive market.

The company is also continually investing in R&D and product development to ensure its products continue to perform to the highest standards of quality and reliability, as well as development of new product innovations.

Key performance indicators

The company manages and monitors its performance against a wide range of performance indicators across the business, including measures relating to customer service delivery, productivity and labour utilisation, quality and product reliability. The key financial performance indicators are:

Revenue

Revenue is measured by performance against budgets and forecasts and by reference to product mix against plan and prior periods. During the year ended 31 March 2019, revenue was £21.9 million (2018: £19.1 million).

Gross margin %

Gross margins for the year ended 31 March 2019 were 33.8% (2018: 36.7%).

EBITDA

EBITDA performance is measured against budgets and forecasts with comprehensive reporting and investigation of variances. EBITDA for the year ended 31 March 2019 was £3.0 million (2018: £4.7 million).

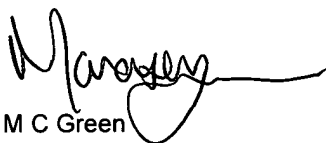
Free cash flow

Cash generation is critical to supporting business growth, servicing debt obligations and investing in the infrastructure of the business. Free cash flow is defined as operating cash flows after working capital movements and after investment in capital expenditure. As at 31 March 2019 the company held cash balances of £2.1 million (2018: £2.3 million).

Outlook

The directors are focussed on developing the company and its products such that they can continue to meet the demands of the company's key markets. The directors are confident that growth will continue within the company's key markets, and that the company will continue to develop its products and its infrastructure to build a scalable and sustainably growing business.

On behalf of the board



M C Green
Director

25 October 2019

PLATINUM STAIRLIFTS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2019

The directors present their annual report and financial statements for the year ended 31 March 2019.

Directors

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

T C Frear
M C Green (Appointed 22 May 2018)
M S McNulty
M I Rees
K A Still (Appointed 1 September 2018)
M J Marshall (Appointed 1 September 2018; Resigned 5 July 2019)
M A Slinger (Appointed 29 April 2019)

Dividends

Ordinary dividends of £2,224,439 (2018: £nil) were paid in the year. The directors do not recommend payment of a final dividend.

Research and development

The company continually invests in developing and enhancing its products to ensure continued improvements in performance and reliability. These activities include the development of new products, as well as the enhancement of existing products and are carried out by a dedicated research and development team. During the year, the company incurred costs of £236,000 in respect of such activities, all of which have been capitalised against specific development projects.

Auditor

KPMG LLP have expressed their willingness to continue in the office as auditor and a resolution proposing that they be re-appointed will be put at a General Meeting.

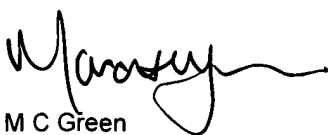
Statement of disclosure to auditor

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

Disclosure of information in the Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal activities, business review and future developments.

On behalf of the board



M C Green
Director

25 October 2019

PLATINUM STAIRLIFTS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

The directors are responsible for preparing the Strategic Report and 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 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 and then apply them consistently;
- make judgements and 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLATINUM STAIRLIFTS LIMITED

Opinion

We have audited the financial statements of Platinum Stairlifts Limited (the "company") for the year ended 31 March 2019 which comprise the Income Statement, the Statement of Financial Position, the Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended,
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of trade debtors and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PLATINUM STAIRLIFTS LIMITED (CONTINUED)

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Ian Beaumont (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
25 October 2019

PLATINUM STAIRLIFTS LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	3	21,861,827	19,120,007
Cost of sales		(14,470,073)	(12,108,631)
Gross profit		7,391,754	7,011,376
Administrative expenses		(6,217,924)	(5,502,566)
Other operating income		-	30,875
Operating profit	5	1,173,830	1,539,685
Made up of			
Earnings before interest, tax, depreciation and amortisation		3,035,676	4,749,718
Depreciation and amortisation		(1,002,958)	(680,665)
Impairment of fixed assets		-	(171,892)
Exceptional items	4	(858,888)	(2,357,476)
Interest receivable and similar income	9	752	462
Interest payable and similar charges	10	(18,237)	(26,122)
Profit on ordinary activities before taxation		1,156,345	1,514,025
Taxation on profit on ordinary activities	11	(58,389)	(538,995)
Profit for the financial year		1,097,956	975,030

All results relate to continuing operations.

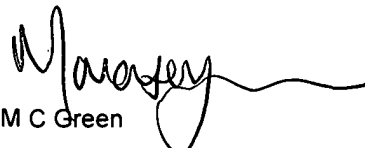
There was no other comprehensive income or expense in the periods presented, therefore no Statement of Comprehensive Income has been presented. Total comprehensive income is equal to the profit in the periods presented.

PLATINUM STAIRLIFTS LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 MARCH 2019**

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Intangible assets	13		1,487,138		1,822,880
Tangible assets	14		617,097		719,318
			<u>2,104,235</u>		<u>2,542,198</u>
Current assets					
Stocks	16	2,301,578		2,119,441	
Debtors	17	5,349,754		5,723,447	
Cash at bank and in hand		2,139,595		2,331,970	
		<u>9,790,927</u>		<u>10,174,858</u>	
Creditors: amounts falling due within one year	18	(4,760,325)		(3,753,105)	
		<u>9,790,927</u>		<u>10,174,858</u>	
Net current assets			5,030,602		6,421,753
Total assets less current liabilities			<u>7,134,837</u>		<u>8,963,951</u>
Creditors: amounts falling due after more than one year	19		(25,974)		(222,545)
Provisions for liabilities	21		(612,934)		(1,118,994)
			<u>6,495,929</u>		<u>7,622,412</u>
Net assets			<u>6,495,929</u>		<u>7,622,412</u>
Capital and reserves					
Called up share capital	24		100		100
Profit and loss account			6,495,829		7,622,312
			<u>6,495,929</u>		<u>7,622,412</u>
Total equity			<u>6,495,929</u>		<u>7,622,412</u>

The accompanying notes are an integral part of these financial statements.

The financial statements were approved by the board of directors and authorised for issue on 25 October 2019 and are signed on its behalf by:


M C Green

Director

PLATINUM STAIRLIFTS LIMITED
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Share capital	Profit and loss account	Total
	£	£	£
1 April 2018	100	7,622,312	7,622,412
Profit and total comprehensive income for the period	-	1,097,956	1,097,956
Dividends paid	-	(2,224,439)	(2,224,439)
	<hr/>	<hr/>	<hr/>
31 March 2019	100	6,495,829	6,495,929
	<hr/>	<hr/>	<hr/>
1 April 2017	100	6,647,282	6,647,382
Profit and total comprehensive income for the period	-	975,030	975,030
	<hr/>	<hr/>	<hr/>
31 March 2018	100	7,622,312	7,622,412
	<hr/>	<hr/>	<hr/>

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies

Company information

Platinum Stairlifts Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 10 Cross Hills Business Park, Cross Hills, Keighley, West Yorkshire, BD20 7BW.

The company's principal activities and nature of its operations are disclosed in the Strategic Report.

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 amendments to FRS 102, "Incremental improvements and clarifications", issued in December 2017 following the Triennial review 2017 have been early adopted and applied by the company in preparing these financial statements.

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.

Reduced disclosures

This 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:

- 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' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

Consolidated financial statements

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Platinum Stairlifts Limited is a wholly owned subsidiary of Hamsard 3465 Limited. The financial statements of the company are consolidated in the financial statements of Hamsard 3466 Limited. These consolidated financial statements are available from its registered office, Unit 10, Cross Hills Business Park, Cross Hills, Keighley, West Yorkshire, BD20 7BW.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Going concern

The company continues to be profitable and has both net assets and net current assets. Having considered the trading performance of the company as well as the requirements to provide cash in order to service the group's debt facilities, 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.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods provided in the normal course of business, and is shown net of VAT and other sales related taxes.

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.

Research and development expenditure

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

Intangible fixed assets other than goodwill

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

Intellectual property	20% straight line
Software	33% straight line
Development costs	20% straight line

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:

Plant and equipment	25% straight line
Office equipment	33% straight line
Motor vehicles	25% straight line
Development costs	20% 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 credited or charged to profit or loss.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Fixed asset investments

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

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

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

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

In the current year, the company changed its accounting policy in respect of stock. Having previously accounted for stock on a weighted average cost basis, the company changed its policy to account for stock using the standard cost basis. There was no material impact on the financial statements in either the current or the prior year and hence no restatement has been presented.

Work in progress is valued on the basis of direct costs and attributable overheads based on normal level of activity.

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

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments. Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

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

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts due to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Derecognition of financial liabilities

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

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Equity instruments

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

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting period.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

Employee benefits

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

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

1. Accounting policies (continued)

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

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

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

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

Exceptional items

Exceptional items are those items that, in the judgement of the directors, need to be disclosed separately by virtue of their nature, size or incidence. To ensure the business performance reflects the underlying results of the company, these exceptional items are disclosed separately in the Income Statement.

2. Judgements and key sources of estimation uncertainty

In the application of the company'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.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

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.

Useful lives of intangible and tangible fixed assets

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful life and residual value of each asset. These useful lives and residual values are re-assessed annually. They are amended where necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of these assets. Note 1 sets out the estimated useful lives of each category of fixed assets and notes 14 and 15 show the carrying amounts of intangible and tangible fixed assets.

Provisions for impairment in inventory

The company designs, manufactures and supplies stairlifts. As part of ongoing development of its products the company regularly reviews and changes its product components and manufacturing processes. As a result it is necessary to consider the future expected use of certain components as they are replaced or substituted and the extent to which these are required to be carried as spare parts for sale, or for warranty replacement. When calculating the inventory provision the directors consider the extent to which these parts are likely to be required in future, the period these items are required to be held and the potential for recovery of inventory cost from sale of spare parts. Note 18 sets out the carrying value of inventory items and any associated provisions.

Impairment of debtors

The company makes an estimate of the recoverable amount of trade debtors, and makes provision for those trade debtors where recoverability in whole or in part is doubtful. When assessing impairment of trade and other debtors management considers the ageing profile of debtors, the possibility of recovery through debt collection processes and any ongoing trading relationship with the customer. Note 19 sets out the carrying amount of trade debtors and the associated impairment provision.

3. Turnover and other revenue

	2019 £	2018 £
Sale of goods	21,861,827	19,120,007

The company has derived 77.5% (2018: 79.8%) of its turnover from supplying geographical markets outside of the United Kingdom.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

4. Exceptional items

	2019 £	2018 £
Dilapidation and property related expenses	-	348,929
Provisions for bad debts and claims	266,642	888,357
Provisions for warranty liabilities	-	358,101
Transaction and restructuring costs	60,000	511,027
Non-recurring consultancy costs	467,193	-
Non-recurring restructuring costs	37,678	-
Other costs	27,375	251,062
	<u>858,888</u>	<u>2,357,476</u>

5. Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(13,656)	(45,175)
Research and development costs	33,761	216,010
Depreciation of tangible fixed assets	332,278	343,943
Impairment of tangible fixed assets	-	171,892
Amortisation of intangible assets	670,680	336,722
Cost of stocks recognised as an expense	10,148,278	8,358,186
Operating lease charges	245,116	222,809
	<u></u>	<u></u>

6. Employees

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

	2019 Number	2018 Number
Production staff	120	89
Distribution staff	6	11
Administrative staff	37	23
	<u>163</u>	<u>123</u>

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

6. Employees (continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	4,237,286	3,314,809
Social security costs	390,755	300,513
Pension costs	104,633	65,013
	<hr/>	<hr/>
	4,732,674	3,680,335
	<hr/>	<hr/>

7. Directors' remuneration

The company's directors have received the following remuneration for their services to both the company and the group as a whole:

	2019 £	2018 £
Remuneration for qualifying services	545,895	307,336
Company pension contributions to defined contribution schemes	25,400	1,641
	<hr/>	<hr/>
	571,295	308,977
	<hr/>	<hr/>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2018: 5).

Remuneration disclosed above includes the following amounts in respect of the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	118,490	225,820
Company pension contributions to defined contribution schemes	5,600	337
	<hr/>	<hr/>
	124,090	226,157
	<hr/>	<hr/>

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

8. Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
For audit services		
Audit of the financial statements of the company	17,000	17,000
	<hr/>	<hr/>
For other services		
Taxation compliance services	12,000	6,250
All other non-audit services	8,000	-
	<hr/>	<hr/>
	20,000	6,250
	<hr/>	<hr/>

9. Interest receivable and similar income

	2019 £	2018 £
Interest on bank deposits	752	462
	<hr/>	<hr/>

10. Interest payable and similar charges

	2019 £	2018 £
Interest on finance leases and other hire purchase contracts	11,503	26,122
Other interest payable	6,734	-
	<hr/>	<hr/>
	18,237	26,122
	<hr/>	<hr/>

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

11. Taxation

	2019 £	2018 £
Current tax		
UK corporation tax on profits for the current period	131,510	435,657
Adjustments in respect of prior periods	25,724	416,438
	<hr/>	<hr/>
Total current tax	157,234	852,095
	<hr/>	<hr/>
Deferred tax		
Origination and reversal of timing differences	(112,166)	(92,409)
Changes in tax rates	-	(20,334)
Adjustments in respect of prior periods	13,321	(200,357)
	<hr/>	<hr/>
Total deferred tax	(98,845)	(313,100)
	<hr/>	<hr/>
Total tax charge	58,389	538,995
	<hr/>	<hr/>

The total tax charge for the period included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	1,156,345	1,514,025
	<hr/>	<hr/>
Expected tax based on the standard UK tax rate of 19%	219,706	287,665
Expenses not deductible for tax purposes	14,587	117,494
Adjustments in respect of prior years	25,724	416,438
Effect of change in corporation tax rate	-	(20,334)
Group relief	(214,949)	(44,697)
Research and development tax credit	-	(17,214)
Deferred tax adjustments in respect of prior years	13,321	(200,357)
	<hr/>	<hr/>
	58,389	538,995
	<hr/>	<hr/>

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

12. Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Note	2019 £	2018 £
In respect of:			
Tangible fixed assets	13	-	171,892
Recognised in:			
Administrative expenses		-	171,892

13. Intangible fixed assets

	Intellectual property £	Software £	Development costs £	Assets under construction £	Total £
Cost					
At 1 April 2018	158,528	630,617	1,561,860	-	2,351,005
Additions: internally developed	-	205,221	3,217	126,500	334,938
At 31 March 2019	158,528	835,838	1,565,077	126,500	2,685,943
Amortisation					
At 1 April 2018	158,528	134,657	234,940	-	528,125
Charge for year	-	352,960	317,720	-	670,680
At 31 March 2019	158,528	487,617	552,660	-	1,198,805
Net book value					
At 31 March 2019	-	348,221	1,012,417	126,500	1,487,138
At 31 March 2018	-	495,960	1,326,920	-	1,822,880

The net carrying value of intangible fixed assets includes an amount of £77,786 (2018: £218,768) in respect of software assets held under finance leases.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

14. Tangible fixed assets

	Plant and machinery £	Office equipment £	Motor vehicles £	Development costs £	Assets under construction £	Total £
Cost						
At 1 April 2018	1,579,343	247,271	18,800	179,321	-	2,024,735
Additions	67,742	159,795	-	-	6,597	234,134
Disposals	-	-	(18,800)	(179,321)	-	(198,121)
At 31 March 2019	1,647,085	407,066	-	-	6,597	2,060,748
Depreciation						
At 1 April 2018	929,794	182,437	13,865	179,321	-	1,305,417
Provision for year	268,974	62,446	858	-	-	332,278
Disposals	-	-	(14,723)	(179,321)	-	(194,044)
At 31 March 2019	1,198,768	244,883	-	-	-	1,443,651
Net book value						
At 31 March 2019	448,317	162,183	-	-	6,597	617,097
At 31 March 2018	649,549	64,834	4,935	-	-	719,318

The net carrying value of tangible fixed assets includes plant and equipment of £239,346 (2018: 432,397) in respect of assets held under finance leases.

15. Subsidiaries

Details of the company's subsidiaries at 31 March 2019 are as follows:

Name	Nature of business	Class of shares held	% Held	
			Direct	Indirect
Platinum Precision Sheet Metal Limited	Sheet metal fabrication and light engineering	Ordinary	100	
Platinum Rails Limited	Dormant company	Ordinary	100	

The registered office of all subsidiary companies is Unit 10 Cross Hills Business Park, Cross Hills, Keighley, West Yorkshire, BD20 7BW.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

16. Stocks

	2019 £	2018 £
Raw materials and consumables	1,800,344	1,899,135
Work in progress	474,820	192,594
Finished goods and goods for resale	26,414	27,712
	<u>2,301,578</u>	<u>2,119,441</u>

During the year, an impairment loss on stock of £nil (2018: £252,706) was recognised within cost of sales.

17. Debtors

Amounts falling due within one year:	2019 £	2018 £
Trade debtors	4,308,339	3,384,223
Amounts owed by group undertakings	387,396	1,695,811
Other debtors	308,753	426,657
Prepayments and accrued income	345,266	216,756
	<u>5,349,754</u>	<u>5,723,447</u>

18. Creditors: amounts falling due within one year

	Notes	2019 £	2018 £
Obligations under finance leases	20	196,410	217,468
Trade creditors		3,135,030	2,076,981
Amounts owed to group undertakings		22,500	-
Corporation tax		785,069	561,552
Other taxation and social security		151,681	118,249
Accruals and deferred income		469,635	778,855
		<u>4,760,325</u>	<u>3,753,105</u>

Included within accruals is £25,519 (2018: £11,434) of pension commitments.

19. Creditors: amounts falling due after more than one year

	Notes	2019 £	2018 £
Obligations under finance leases	20	25,974	222,545

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

20. Finance lease obligations

	2019 £	2018 £
Future minimum lease payments due under finance leases:		
Less than one year	196,410	217,468
Between one and five years	25,974	222,545
	<u>222,384</u>	<u>440,013</u>

Finance lease payments represent rentals payable by the company for certain items of plant and equipment. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments. All obligations are secured on the assets to which they relate.

21. Provisions for liabilities

	Deferred taxation (Note 22) £	Property dilapidations £	Warranties and claims £	Rectification costs £	Total £
At 1 April 2018	172,840	325,000	584,859	36,295	1,118,994
Utilised in year	(98,845)	-	(370,920)	(36,295)	(506,060)
	<u>73,995</u>	<u>325,000</u>	<u>213,939</u>	<u>-</u>	<u>612,934</u>

Property dilapidations

The company operates from a number of leased premises in Cross Hills, Keighley. The company engaged a third party to undertake an assessment of potential dilapidations liabilities which would be expected to crystallise at the end of each lease, and as a result of this assessment the company has made provision for those potential liabilities identified. These liabilities would normally be expected to be incurred upon termination of each specific lease. Current leases on properties occupied by the company terminate on various dates between August 2020 and September 2023.

Warranties and claims

The company offers a two-year manufacturer's warranty on all new stairlifts supplied. The company makes provision for the potential cost of warranty claims on all stairlifts currently installed with customers which are still within their manufacturer's warranty period, based on the historic costs of warranty claims actually made.

Rectification costs

During the year ended 31 March 2018, the company identified a specific matter occurring on stairlifts supplied during the year that required rectification at the company's cost. Specific provision has been made for these costs and this rectification exercise was completed by 31 July 2018.

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

22. Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	2019 £	2018 £
Accelerated capital allowances	78,333	174,784
Other timing differences	(4,338)	(1,944)
	<hr/>	<hr/>
Deferred tax liability	73,995	172,840
	<hr/>	<hr/>

23. Retirement benefit schemes

	2019 £	2018 £
Defined contribution schemes		
Charge to the profit and loss in respect of defined contribution schemes	104,633	65,013
	<hr/>	<hr/>

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

24. Share capital

	2019 £	2018 £
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

The company's shares have full rights to voting, dividend entitlement and participation in capital distribution. They are irredeemable other than by way of capital reduction.

25. Financial commitments, guarantees and contingent liabilities

The company has provided a joint guarantee and debenture with Platinum Precision Sheet Metal Limited relating to loans provided to Hamsard 3465 Limited by NorthEdge Capital Nominee Limited that contains fixed and floating charges on all property and undertakings of the company. At 31 March 2019, the total amount of loans outstanding was £20,294,990 (2018: £18,294,990).

The company has provided a joint guarantee and debenture with Platinum Precision Sheet Metal Limited relating to loans provided to Hamsard 3465 Limited by HSBC Bank PLC that contains fixed and floating charges on all property and undertakings of the company. At 31 March 2019, the total amount of loans outstanding was £12,260,000 (2018: £12,500,000).

Under a group registration, the company is jointly and severally liable for Value Added Tax with other group companies. At 31 March 2019, the tax was in a recoverable position (2018: recoverable).

PLATINUM STAIRLIFTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

26. Operating lease commitments

Lessee

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

	2019 £	2018 £
Within one year	180,166	238,719
Between one and five years	397,618	582,904
	<hr/>	<hr/>
	577,784	821,623
	<hr/>	<hr/>

27. Related party transactions

During the year, the company paid rent of £62,500 (2018: £53,124) to the Platinum Rails Directors Pension Scheme, the beneficiaries of which are Mr T C Frear and the estate of R Blacka deceased.

During the year, the company paid an amount of £nil (2018: £3,416,453) to Mr T C Frear, and the balance of £2,067,057 due from Mr T C Frear to the company was settled on the sale of the company's share capital on 9 February 2018.

During the year, the company paid an amount of £nil (2018: £497,510) to Frear Holdings Limited (formerly Platinum Rails Holdings Limited), a company controlled by Mr T C Frear. At 31 March 2019, an amount of £nil remained outstanding between the company and Frear Holdings Limited (2018: £nil).

28. Parent company and ultimate parent company

During the year ended 31 March 2018 the company became a subsidiary of Hamsard 3465 Limited.

The smallest and largest group for which consolidated financial statements including the company are prepared is that headed by Hamsard 3466 Limited. These consolidated financial statements are available from its registered office, Unit 10 Cross Hills Business Park, Cross Hills, Keighley, West Yorkshire, United Kingdom, BD20 7BW.

The ultimate parent undertaking is NorthEdge Capital Fund II L.P.