

Company Number: 11391127

VJ TECHNOLOGY TRADING LIMITED

Financial Statements

For the period

31 May 2018 to 31 December 2018



VJ TECHNOLOGY TRADING LIMITED

COMPANY INFORMATION

Directors
Alistair Paul Armstrong (appointed 31 May 2018)
Mark Gerald Tomlin (appointed 29 June 2018)
Hedley John Mayor (appointed 20 December 2018)
Lee Allen Martin (appointed 29 June 2018)
Ross James Bartlett (appointed 29 June 2018)
Anthony Stephen Aldgate (appointed 29 June 2018)

Registered Number 11391127

Registered Office
Technology House
Brunswick Road
Ashford
Kent
TN23 1EN

Independent auditor
Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
2nd Floor,
St John's House
Haslett Avenue
West Crawley
RH10 1HS

CONTENTS

	Page
Strategic report	3
Directors' report	6
Independent auditor's report	8
Statement of comprehensive income	13
Statement of financial position	14
Statement of changes in equity	15
Notes to the financial statements	16

STRATEGIC REPORT

For the period ended 31 December 2018

Business review

The company was incorporated on 31 May 2018 under the name of Fiji Bidco Limited. The name of the company was changed on 10th July 2018 to its current name of VJ Technology Trading Limited.

The principal activity of the company is that of a holding company. The company owns 100% of the share capital of VJ Technology Limited and carries on no other business. Consolidated accounts have not been prepared for the group as these are incorporated in the financial statements of VJ Technology Holdings Limited.

No separate strategic report has been prepared for this company, but the strategic report of VJ Technology Limited is reproduced below. That report reflects the business review, key performance indicators and principal risks and uncertainties for the group as a whole from an operating viewpoint. VJ Technology Trading Limited will continue to look at opportunities to grow the profitability of the group by considering further business acquisitions within the supply chain.

Business review

The company was incorporated on 14 March 2018 under the name of Specialist Fixings and Construction Products Limited. The name of the company was changed on 18 June 2018 to V.J. Technology Limited and on 20 July 2018 to VJT Tech Limited, before being changed on 2 August 2018 to its current name of VJ Technology Limited.

The principal business of the company is the provision of technical fixings and solutions to the construction industry. The company was created to buy out a division of SIG plc, that had been growing strongly and profitably over the last 20 year. The buyout was supported by management, Primary Capital, PNC and Investec. All investors saw the opportunity to further grow the current profitable business, by organic growth, regional expansion and selective acquisitions.

As expected the company has sustained a loss in first period of trading due to a number of exceptional and non-recurring costs. These relate to the acquisition of the business and subsequently investment in people and systems to give the company a sound footing on which to trade and expand. The company will continue to increase its national coverage and customer service excellence with a view to maximising sales and profitability. These measures will be in the directors' review of the key performance indicators for the business which they have considered to be as below:

Turnover	£16,717k
Gross profit	£7,233k
Gross profit percentage	43.3%
EBITDA (see note)	£1,493k
Retained (loss)	(£96k)

EBITDA is used within the business as a measure of the controllable day to day profitability, being the earnings before, interest, taxation, depreciation, amortisation and other exceptional and non-recurring costs. This equates to the operating profit of £169k plus the depreciation and amortisation charges and non-current exceptional costs of £925k.

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Principal risks and uncertainties

Brexit

The impact of Brexit on the company is difficult to quantify and the effects could range from difficulties delivering goods due to congestion in Kent, delays of our imported products, and lack of confidence in the construction industry, resulting in down turn in demand. Management are continually monitoring the situation and have taken some measures to mitigate some risks.

Construction market

There is a risk that the construction market has a significant down turn. Management monitor continually the state of the market and review industry data of new construction projects as well as continual dialog with our customers. This provides advance information to allow for major structural changes if required.

Systems risk

As a part of the buyout, there has been a significant investment in the systems of the business throughout 2018 and into 2019. These new systems which include, sales, purchasing, warehouse management and transport management, will have significant benefits to the company going forward.

Employee risk

The company is proud of its hard-working staff, many of whom have been with the business for more than 20 years. The company is fully aware of the need to reward, train and develop these key individuals; long-term incentive plans are being developed to retain key staff. Twelve members of the senior team have personally invested in the new group of companies.

Financial instrument risk

The company uses various financial instruments, including loans, cash and various items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below. The main risks arising from the company's financial instruments are interest rate risk, liquidity risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Interest rate risk

The company finances its operations through, bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest any cash assets safely and profitably. Short term flexibility is achieved by flexible banking facilities, that allows funds to be drawn and repaid without penalty. Debt is structured so repayments can be made out of cash generated through operations.

Credit risk

The principal credit risk arises from its trade debtors. In order to manage credit risk, the directors review payment history, third party credit references, debt ageing and collection history on a regular basis. Where appropriate trade debtors are insured. There is no over dependency on any one customer, most of whom have been loyal to us over many years.

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STRATEGIC REPORT

For the period ended 31 December 2018

Post balance sheet events

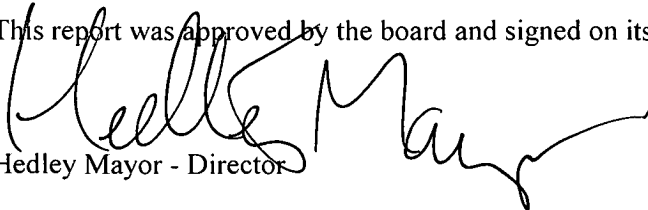
The company has traded profitably in 2019 and fully opened its Scottish branch in March 2019. Subsequently, it has opened two depots in greater London to better serve its customers in those regions. The company is looking to further expand regionally in the second half of 2019.

In May 2019 the VJ Technology group acquired Mainline Products (UK) Limited seeing this as an excellent opportunity to diversify the offering of the VJT group, in what is a core, specialist market by adding a quality product and well-recognised brand.

The market place for construction fixings and tools is competitive. We are optimistic that the company is well positioned in its diversity to continue its growth whilst continuing to deliver excellent service quality and value for money to our customers. The company is focussed on supplying quality products with great focus on delivering outstanding service to our customers.

The above report of VJ Technology Limited was approved by its board on 28 June 2019.

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



Hedley Mayor - Director

Date: 28 June 2019

VJ TECHNOLOGY TRADING LIMITED

DIRECTORS' REPORT

For the period ended 31 December 2018

The directors present their report and the financial statements for the period ended 31 December 2018.

Results and dividends

The loss for the period, after taxation, amounted to £904k

Directors

The directors who served during the period were:

	<u>Date of appointment</u>	<u>Date of resignation</u>
Alistair Paul Armstrong	31 May 2018	
Mark Gerald Tomlin	29 June 2018	
Hedley John Mayor	20 December 2018	
Lee Allen Martin	29 June 2018	
Kelly Anne Bedding	29 June 2018	22 May 2019
Ross James Bartlett	29 June 2018	
Anthony Stephen Aldgate	29 June 2018	

Directors' responsibilities statement

The directors are responsible for preparing the company strategic report, the directors' report and the company 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.

DIRECTORS' REPORT

For the period ended 31 December 2018

Matters covered in the strategic report

Information in respect of future developments, financial risk management and exposure to risks are not shown in the Directors' report because they are presented in the Strategic Report in accordance with s414c(ii) of the Companies Act 2006.

Going Concern

As indicated above, the company has sustained a loss during its first period of trading and therefore has a deficit on its profit and loss account carried forward. However, a review of the group's forecasts and projections indicate that its trading investment will generate sufficient cash resources to fund the company's ongoing obligations for the foreseeable future. As a result the directors are satisfied that the company and its group have adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

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 each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- each 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.

Auditor

Grant Thornton UK LLP were appointed on 4 August 2018 to fill a casual vacancy in accordance with section 485(3) of the Companies Act 2006. In accordance with s484(4) of the Companies Act 2006, a resolution to reappoint Grant Thornton UK LLP as auditors will be proposed at the Annual General Meeting.

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

A handwritten signature in black ink, appearing to read 'Hedley Mayor', with a stylized flourish at the end.

Hedley Mayor - Director

Date: 28 June 2019

Opinion

Our opinion on the financial statements is unmodified

We have audited the financial statements of VJ Technology Trading Limited (the 'company') for the period ended 31 December 2018, which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its loss for the period 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 UK, including the FRC's Ethical Standard as applied to listed entities, 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.

Overview of our audit approach



Grant Thornton

- Overall materiality: £263,000, which represents 1.5% of the company's total assets;
- The key audit matters identified were the accuracy of accounting for the significant acquisition and accounting for the significant funding transactions during the period; and
- We performed full scope audit procedures on the financial statements of the company.

Independent auditor's report to the members of VJ Technology Trading Limited

For the period ended 31 December 2018

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those that had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters

How the matter was addressed in the audit

Accounting for the significant acquisition of a subsidiary

Due to the significant acquisition of a subsidiary during the period, we identified the accounting for the transaction as a significant risk. This was due to the possible complexity and the fact the transaction was outside the normal activity of the company. This was one of the most significant assessed risks of material misstatement.

Our audit work included, but was not restricted to:

- considering the appropriateness of the company's accounting for investments by corroborating the transactions to signed agreements to assess whether they had been accounted for in accordance with the terms set out therein; and
- assessing whether the accounting treatment applied was in accordance with United Kingdom Generally Accepted Accounting Practice.

Key observations

Our procedures, as set out above, identified that £1.7m of costs relating to the transaction had not been capitalised correctly. These costs have now been capitalised as part of the investment value, rather than expenses during the year.

We did not identify any other material misstatement in respect of the investment completed by the Company during the period.

Accounting for the significant funding transactions

Due to the significant funding originated during the period, we identified the accounting for these transactions as a significant risk. This was due to the possible complexities surrounding financial instruments being issued to raise finance. This was one of the most significant assessed risks of material misstatement.

Our audit work included, but was not restricted to:

- considering the appropriateness of the company's accounting for, loan notes, bank loans and interest by corroborating the transactions to signed agreements to assess whether they had been accounted for in accordance with the terms set out therein;
- assessing whether the accounting treatment applied was in accordance with United Kingdom Generally Accepted Accounting Practice, in particular the requirements surrounding financial instruments; and
- performing a recalculation of the expected interest charge based on the signed agreements and contracted interest rates across the term of the loan and comparing it to the company's calculations.

Key observations

Our procedures, as set out above, did not identify any material misstatement in respect of the funding transactions completed by the Company during the period.

VJ TECHNOLOGY TRADING LIMITED

Independent auditor's report to the members of VJ Technology Trading Limited

For the period ended 31 December 2018

Our application of materiality

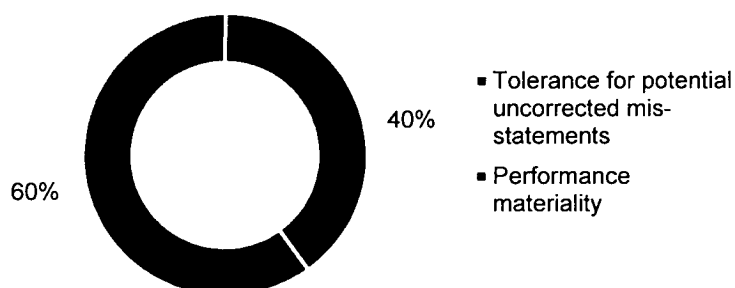
We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality in determining the nature, timing and extent of our work and in evaluating the results of that work.

We determined materiality for the audit of the financial statements as a whole to be £263,000, which is 1.5% of the company's total assets. This benchmark is considered the most appropriate because the company's primary focus is the holding of its investment.

We use a different level of materiality, performance materiality, to drive the extent of our testing and this was set at 60% of financial statement materiality.

The graph below illustrates how performance materiality interacts with our overall materiality and the tolerance for potential uncorrected misstatements.

Overall materiality



We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions.

We determined the threshold at which we will communicate misstatements to the audit committee to be £13,000. In addition we will communicate misstatements below that threshold that, in our view, warrant reporting on qualitative grounds.

An overview of the scope of our audit

Our audit approach was a risk-based approach founded on a thorough understanding of the company's business, its environment and risk profile and in particular included:

- undertaking a planning visit to evaluate the company's internal control environment and selecting items relating to the acquisition and funding transactions to test during our procedures at the final audit stage; and
- performing full scope audit procedures on the financial statements of the company.

Independent auditor's report to the members of VJ Technology Trading Limited

For the period ended 31 December 2018

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Our opinion on other matters prescribed by the Companies Act 2006 is unmodified

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.

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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 for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 6, 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.

VJ TECHNOLOGY TRADING LIMITED

Independent auditor's report to the members of VJ Technology Trading Limited

For the period ended 31 December 2018

Auditor's responsibilities for the audit of the financial statements

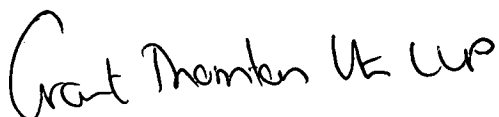
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

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.



Jonathan Maile Bsc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Crawley
28 June 2019

VJ TECHNOLOGY TRADING LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 December 2018

	Note	2018 £'000
Administrative expenses		(45)
Interest payable and similar charges	6	(859)
		<hr/>
Loss on ordinary activities before taxation	7	(904)
Tax on loss on ordinary activities	9	-
		<hr/>
Loss for the financial period		<u>(904)</u>
		<hr/>
Total comprehensive income		<u>(904)</u>

The notes on pages 16 to 22 form part of these financial statements

There was no other comprehensive income in the period

VJ TECHNOLOGY TRADING LIMITED

STATEMENT OF FINANCIAL POSITION

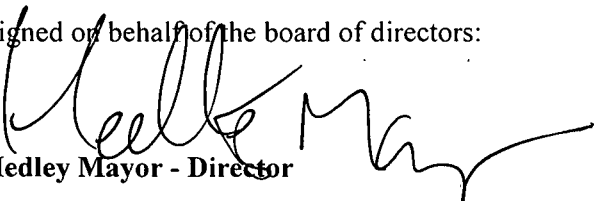
As at 31 December 2018

	Note	2018 £'000
Fixed assets		
Investments	10	<u>14,167</u>
Current assets		
Debtors	11	3,351
Creditors: amounts falling due within one year	12	<u>(3,603)</u>
Net current (liabilities)		<u>(252)</u>
Total assets less current liabilities		13,915
Creditors: amounts falling due after more than one year	13	<u>(14,819)</u>
Net (liabilities)		<u><u>(904)</u></u>
Capital and reserves		
Called up share capital	14	-
Profit and loss account		(904)
		<u><u>(904)</u></u>

The notes on pages 16 to 22 form part of these financial statements

The financial statements were approved by the Board of Directors on 28 June 2019.

Signed on behalf of the board of directors:


Hedley Mayor - Director

Company registration no: 11391127

VJ TECHNOLOGY TRADING LIMITED

STATEMENT OF CHANGES IN EQUITY

For period ended 31 December 2018

	Called-up share capital	Share premium account	Profit and loss account	Total
	£ '000	£ '000	£ '000	£ '000
Loss and total comprehensive income for the period	-	-	(904)	(904)
Transactions with owners:				
Issue of shares (£1)	-	-	-	-
At 31 December 2018	-	-	(904)	(904)

The notes on pages 16 to 22 form part of these financial statements

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

1 Company information

The company was incorporated in England on 31 May 2018 under the name of Fiji Bidco Limited. The name of the company was changed on 10th July 2018 to its current name of VJ Technology Trading Limited. The registered office, which is also the principal place of business, is Technology House, Brunswick Road, Ashford, Kent TN23 1EN.

These are the first set of financial statements for the company and have been prepared to coincide with the calendar year and therefore cover the period from incorporation to 31 December 2018.

The principal activity of the company is that of a holding company.

2 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The directors have early adopted the amendments to FRS102, issued in December 2017 – triennial review. The financial statements have been prepared on the historical cost basis except for the modification to a fair value basis for certain financial instruments as specified in the accounting policies below.

The individual accounts of VJ Technology Trading Limited have also adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - categories of financial instruments,
 - items of income, expenses, gains or losses relating to financial instruments, and
 - exposure to and management of financial risks.

The financial statements are presented in Sterling (£).

The company has taken advantage of the exemption from preparing consolidated financial statements contained in Section 400 of the Companies Act 2006 on the basis that it is a subsidiary undertaking and its results are included within the consolidated financial statements of its parent undertaking, VJ Technology Holdings Limited, a company incorporated in the United Kingdom.

3 Going concern

As indicated above, the company has sustained a loss during its first period of trading and therefore has a deficit on its profit and loss account carried forward. However, a review of the group's forecasts and projections indicate that its trading investment will generate sufficient cash resources to fund the company's ongoing obligations for the foreseeable future. As a result the directors are satisfied that the company and its group have adequate resources to continue in operational existence for the foreseeable future. The group therefore continues to adopt the going concern basis in preparing its consolidated financial statements.

For the period ended 31 December 2018

4 Significant judgements and estimates

In preparing these financial statements management has made a number of significant judgements and estimates. These include:

Inter-co balances have been included at full value on the basis that all group companies are solvent and have liquid funds to repay the debts on demand.

5 Principal accounting policies

Investment in subsidiaries

Investments in subsidiaries are accounted for at cost less impairment in the individual financial statements. Consolidated accounts have not been prepared.

Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment

Creditors

Short term trade creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

Deferred tax is recognised when income or expenses from a subsidiary or associate have been recognised, and will be assessed for tax in a future period, except where:

- the group is able to control the reversal of the timing difference; and
- it is probable that the timing difference will not reverse in the foreseeable future.

A deferred tax liability or asset is recognised for the additional tax that will be paid or avoided in respect of assets and liabilities that are recognised in a business combination. The amount attributed to goodwill is adjusted by the amount of deferred tax recognised.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors. Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities, and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Turnover

Currently, the company makes no supply of goods or services. Accordingly, there is no turnover.

6 Interest Payable

	2018
	£'000
Bank Interest	108
Loan stock	751
	859

7 Loss on ordinary activities before taxation

Fees payable to the company's auditor for the audit of the company's financial statements are paid by the subsidiary company

8 Directors and employees

The company has no employees.

No remuneration was paid by the company to any director during the period.

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

9 Tax on loss on ordinary activities

The tax (credit)/charge is based on the profit for the period and represents:

	2018 £'000
UK Corporation Tax	-
Tax on results on ordinary activities	-

The tax charged for the period is higher than the standard rate of corporation tax in the United Kingdom at 19%. The differences are explained as follows:

Loss on ordinary activities before tax	(904)
Loss on ordinary activities multiplied by standard rate of corporation tax in the United Kingdom of 19%	(172)
Expenses not deductible for tax purposes	168
Losses not recoverable in foreseeable future	4
Tax on results on ordinary activities	-

10 Investments

Total fixed asset investments comprise:

	2018 £'000
Interests in subsidiaries	<u>14,167</u>

Interests in subsidiaries

At 2018 the company had interests in the following subsidiary:

Subsidiary	Type of shares held	Proportion held (%)	Country of incorporation	Nature of business
VJ Technology Limited	Ordinary	100%	United Kingdom	Sale of construction fittings and tools

The registered office of VJ Technology Limited is the same as VJ Technology Trading Limited: Technology House, Brunswick Road, Ashford, Kent. TN23 1EN.

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

	Investment in subsidiaries £'000
Cost	
Additions in the period:	
Initial purchase of share capital	7,514
Legal and profession fees	1,653
Further shares purchased	5,000
At 31 December 2018	<u>14,167</u>
Accumulated impairment	
Impairment loss	-
At 31 December 2018	<u>-</u>
Net book amount at 31 December 2018	<u><u>14,167</u></u>

11 Debtors

	2018 £'000
Amounts owed by subsidiary undertaking	3,351
	<u>3,351</u>

Amounts owed by subsidiary undertaking are payable on demand and interest free

12 Creditors: amounts falling due within one year

	2018 £'000
Bank Loan	2,058
Amounts owed to parent undertaking	739
Other creditors	33
Accruals	773
	<u>3,603</u>

The bank loan is repayable in June 2019. Interest is charged quarterly at 3.5% above base rate. This is not secured on assets of the company.

Amounts owed to parent undertaking are payable on demand and interest free.

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

13 Creditors: amounts falling due after more than one year

	2018 £'000
Loan notes	14,819
	<u>14,819</u>

The Loan Notes of £14,819k were created based on an Instrument constituting £20,000,000 10% Fixed Rate Secured Loan Notes dated 29 June 2018. These are secured by a fixed and floating charge over all property of the company.

	2018 £'000
Within one year	-
Between one to two years	-
Between two to five years	-
More than five years	14,819
	<u>14,819</u>

14 Called up share capital

	2018
Authorised, allotted and fully paid: one deferred share of 1p each	<u>£1</u>

Consideration received for the allotment of shares during the period was £1 being the one subscriber share which was allotted with a nominal value of £1 on 31st May 2018.

15 Capital commitments

The company had no capital commitments at 31 December 2018.

VJ TECHNOLOGY TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2018

16 Transactions with related parties

The group has taken advantage of the exemptions provided in section 33.1A of Financial Reporting Standard 102 from the requirement to disclose transactions with wholly owned group members.

2018
£'000

Accrual of Loan Note interest payable to Primary Capital IV (Nominees) Limited, all of which was outstanding at the balance date

751

The parent undertaking is VJ Technology Holdings Limited and the ultimate controlling party of the group is Primary Capital Partners LLP.

17 Post balance sheet event

In May 2019 the company acquired Mainline Products (UK) Limited seeing this as an excellent opportunity to diversify the offering of the VJT group, in what is a core, specialist, high-margin market by adding a quality product and well-recognised brand. The consideration paid, including cash received, was £4,605k which has been financed by further bank debt and cash generated from operations.