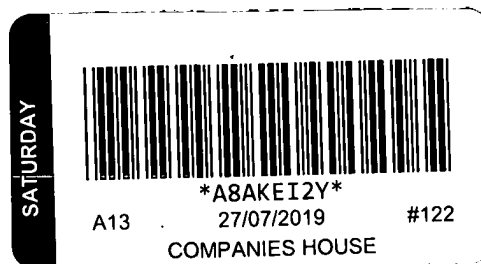


Registered number: 00955440

BOARDLINK LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018



BOARDLINK LIMITED

COMPANY INFORMATION

Directors	S P Kastenemi P O Lyon A D Morley S V Richardson P J Shepherd B W Still
Registered number	00955440
Registered office	Unit 10 K. U. S. Industrial Estate Manor Lane Hawarden Flintshire CH5 3PJ
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Royal Liver Building Liverpool L3 1PS

BOARDLINK LIMITED

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BOARDLINK LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Business review

Nature of the business and product portfolio

Boardlink Limited is a family owned business with the primary aim of providing a consistent return for its shareholders in the future.

To this end current and new business is reviewed and analysed to evaluate and ensure profitability and costs are continually examined and challenged. The business consists of five product sectors:

1. Cartonboard (sheeting of folded board mainly for merchants, printers and packaging companies).
2. Laminating (laminating various boards mainly for display board for printers and luxury packaging).
3. Plates (conversion of board to paper plates).
4. Trays (conversion of board to food trays).
5. Wipes (conversion of tissue to industrial wipes).

The range of products is there to help stabilise returns by spreading risk as short term decreases in one sector can usually be offset by another.

The industry market and competitive environment

Cartonboard is a key medium in the global packaging market which continues to grow in an environment that is influenced by many factors: environmental issues leading towards reduced packaging currently being offset by the trend towards single serve packs, developments in printing electronics, and an ageing population driving the need for more sophisticated packaging. The paper plate and tray markets are also forecast to continue to grow into the foreseeable future, and the UK non-woven dry wipes market still offers specific niches to be serviced by more specialist suppliers.

Boardlinks' offering in all its five sectors is differentiated by shorter lead times and a flexible approach to our customers' needs allowing us to preserve our place in this challenging market.

Principal market and business risks

In the opinion of the directors the principal market and operational risks of the group are as follows:

Market risks

- Raw material price increases cannot be fully passed onto customers and margins are eroded as a result.
- Lack of financial strength of the main customer base, for example, printers and carton makers.

Operational risks

- Stability of raw material supplies.
- Key members of staff may leave or turnover of staff may increase.
- Unfavourable economic conditions and general market uncertainty leading to reduced availability of credit insurance and lower credit limits restricting the ability to trade freely.
- National minimum wage.

BOARDLINK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Financial review

Revenues and Margin

Overall turnover remained fairly flat at a year on year 1.6% increase but there were fluctuations between the product sectors with 2018 proving to be the "year of the plate" but also later in the year the downward trend in the laminating sector reversed to show an overall increase year on year and together with plates more than offset an unprecedented decline in Cartonboard where our decreases were mainly due to availability of raw materials. As predicted Plates and Trays are well positioned to take advantage of the increasing demand for paper instead of plastic and where 2018 saw proportionally big plate sales, 2019 will see proportionally big tray sales. Our cartonboard sales are constrained by supply but the increased demand for laminating should stay strong into 2019 with Wipes remaining fairly constant.

Operating Expenses

Main increases here are utilities and labour rate increases.

Fixed Assets

2018 saw extensions to our use of renewable energy with all office heating now fired by the biomass boiler.

Investment was made in a sheeter and new tooling to increase our tray range together with various upgrades to machinery and replacement factory fixtures and fittings.

The directors do not envisage any need for significant expenditure on replacement assets but rather moderate expenditure on improvements and refurbishments to extend the life of assets currently in use.

Net Working Capital

Net working capital is defined as stock, trade debtors and trade creditors. Levels have increased year on year due to timing on payments by two key debtors and an increased stockholding for the forecast increase in tray sales.

Financing

The business continues to use an invoice financing scheme to fund short term cash needs and has no external long-term debt.

BOARDLINK LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2018

Key performance indicators

The following key performance indicators have been identified by the board as most relevant to measure the performance of the company:

	2018	2017
Net revenue	20,722,413	20,396,928
Net revenue growth	1.60%	7.04%
Gross profit	4,796,781	4,765,992
Gross profit percentage	23.15%	23.37%
Operating margin	1,246,156	1,259,642
Operating margin percentage	6.01%	6.18%
Net current asset	2,936,791	2,975,262
Current ratio	1.76	1.72

The company has maintained a consistent return with the five sectors experiencing movements at a gross margin level. Support costs saw increases in labour rates and utilities resulting in a slightly decreased operating margin

Company Prospects

As one trading company; Boardlink Limited branding has been stronger and clearer, and the restructure has given greater financial strength to all areas of the business. The company occupies a niche in the market and with its experience, skills and service levels we will continue to further exploit existing markets and develop new opportunities to maintain our position.

Results

The after tax profit for the year amounted to £995,336 (2017: £1,089,319).

Financial risk management objectives and policies

Liquidity is managed through an invoice financing scheme which has sufficient headroom to ensure all business operating cash needs are satisfied.

The company has little exposure to foreign currency exchange rate fluctuations through its current activities and does not operate any special schemes to manage exposure to interest rate changes, however, the financing costs are monitored on a regular basis.

Credit terms and receivable balances are monitored on an on-going basis and a credit insurance scheme is used to limit exposure where possible with provision for bad debts being made when necessary.

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



S V Richardson
Director

Date: 24/07/2019

BOARDLINK LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

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

Results and dividends

The profit for the year, after taxation, amounted to £995,336 (2017: £1,089,319).

The total distribution of dividends for the year was £453,805 (2017: £737,365).

Directors

The directors who served during the year were:

S P Kastenieni
P O Lyon
A D Morley
S V Richardson
P J Shepherd
B W Still

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, 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 and 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 accounting estimates that are reasonable and prudent;
- 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 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.

BOARDLINK LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP who were appointed as auditor during the year, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

S V Richardson

S V Richardson
Director

Date: 24/07/2019



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BOARDLINK LIMITED

Opinion

We have audited the financial statements of Boardlink Limited (the 'company') for the year 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.



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

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and financial statements, 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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.



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

Responsibilities of directors for the financial statements

As explained more fully in the Directors' responsibilities statement 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, 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.

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.

Grant Thornton UK LLP

Jennifer Woods FCA
Senior statutory auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Liverpool
Date: 24/7/19

BOARDLINK LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	Restated 2017 £
Turnover - continuing operations	4	20,722,413	20,396,928
Cost of sales		(15,925,632)	(15,630,936)
Gross profit		4,796,781	4,765,992
Selling and distribution costs		(1,861,628)	(1,517,632)
Administrative expenses		(1,688,997)	(1,988,718)
Operating profit - continuing operations	5	1,246,156	1,259,642
Interest receivable and similar income	9	23,858	26,064
Interest payable and expenses	10	(30,234)	(27,443)
Profit before tax		1,239,780	1,258,263
Tax on profit	11	(244,444)	(168,944)
Profit for the financial year		995,336	1,089,319

There was no other comprehensive income for 2018 (2017: £Nil).

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

BOARDLINK LIMITED
REGISTERED NUMBER:00955440

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	13	76,747	95,720
Tangible assets	14	1,682,720	1,365,016
		<u>1,759,467</u>	<u>1,460,736</u>
Current assets			
Stocks	15	1,528,196	1,437,280
Debtors: amounts falling due within one year	16	5,747,447	5,358,479
Cash at bank and in hand	17	227,213	286,078
		<u>7,502,856</u>	<u>7,081,837</u>
Creditors: amounts falling due within one year	18	(4,566,065)	(4,106,575)
Net current assets		<u>2,936,791</u>	<u>2,975,262</u>
Total assets less current liabilities		<u>4,696,258</u>	<u>4,435,998</u>
Provisions for liabilities			
Deferred tax	19	(104,863)	(156,134)
		<u>(104,863)</u>	<u>(156,134)</u>
Net assets		<u><u>4,591,395</u></u>	<u><u>4,279,864</u></u>
Capital and reserves			
Called up share capital	20	4,450	4,450
Share premium account	21	24,875	24,875
Capital redemption reserve	21	800	800
Profit and loss account	21	4,561,270	4,249,739
		<u>4,591,395</u>	<u>4,279,864</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on
24/7/2019

S V Richardson
S V Richardson
Director

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

BOARDLINK LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2018	4,450	24,875	800	4,249,739	4,279,864
Comprehensive income for the year					
Profit for the year	-	-	-	995,336	995,336
Total comprehensive income for the year	-	-	-	995,336	995,336
Dividends: Equity capital	-	-	-	(453,805)	(453,805)
Capital contribution to fellow subsidiary undertaking	-	-	-	(230,000)	(230,000)
Total transactions with owners	-	-	-	(683,805)	(683,805)
At 31 December 2018	4,450	24,875	800	4,561,270	4,591,395

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

	Called up share capital	Share premium account	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£	£
At 1 January 2017	4,450	24,875	800	3,997,785	4,027,910
Comprehensive income for the year					
Profit for the year	-	-	-	1,089,319	1,089,319
Total comprehensive income for the year	-	-	-	1,089,319	1,089,319
Dividends: Equity capital	-	-	-	(737,365)	(737,365)
Capital contribution to fellow subsidiary undertaking	-	-	-	(100,000)	(100,000)
Total transactions with owners	-	-	-	(837,365)	(837,365)
At 31 December 2017	4,450	24,875	800	4,249,739	4,279,864

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

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

1. General information

Boardlink Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at Unit 10 K. U. S. Industrial Estate, Manor Lane, Hawarden, Flintshire, CH5 3PJ.

The principal activity of the company is the manufacture and distribution of paper based products.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of DWL (Holdings) Limited as at 31 December 2018 and these financial statements may be obtained from Nook House, Cliff Lane, Acton Bridge, Northwich, Cheshire, CW8,3QP.

2.3 Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable and represents amounts receivable for goods supplied, excluding discounts, rebates and value added tax.

Revenue is recognised when goods have been delivered to customers and when all risks and rewards of ownership have transferred to them.

2.5 Operating leases

Rentals paid under operating leases are charged to the Profit or loss on a straight line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Current and deferred taxation

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

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

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

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

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

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. Amortisation is provided on the following basis -

- Software - 25% straight-line

2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Freehold property	- 50 years straight-line
Land	- Not depreciated
Plant and machinery	- 8 - 10 years straight-line
Motor vehicles	- 5 years straight-line
Fixtures and fittings	- 5 - 10 years straight-line
Equipment	- 5 - 10 years straight-line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit or loss.

2.10 Stocks

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

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

2.11 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.

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.12 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 Creditors

Short term 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.

2.14 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit or loss.

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.15 Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to group undertakings.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

In the application of the company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of its assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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 if the revision only affects that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The items in the financial statements where these judgements and estimates have been made include the useful economic life of fixed assets and stock provision which are assessed on a line by line basis and re-assessed each year.

4. Turnover

The whole of turnover is attributable to the principal activity of the company.

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sales of goods	<u>20,722,413</u>	<u>20,396,928</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	18,829,015	18,298,388
Rest of Europe	1,893,398	2,098,540
	<u>20,722,413</u>	<u>20,396,928</u>

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Hire of plant and machinery	169,236	179,712
Rent - land and buildings	536,449	545,698
Depreciation - owned assets	182,106	157,662
Computer software amortisation	18,748	12,734
Exchange differences	33,216	17,569

6. Auditor's remuneration

	2018	2017
	£	£
Fees payable to the company's auditor for the audit of the company's annual financial statements	20,000	15,250

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	2,654,323	2,611,751
Social security costs	269,813	278,760
Cost of defined contribution scheme	88,070	87,416
	<u>3,012,206</u>	<u>2,977,927</u>

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

	2018 No.	2017 No.
Production staff	73	69
Administrative staff	18	19
	<u>91</u>	<u>88</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	493,510	500,003
Directors' pension contributions to money purchase scheme	30,485	29,560
	<u>523,995</u>	<u>529,563</u>

During the year retirement benefits were accruing to 4 directors (2017: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £146,354 (2017: £158,912).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,844 (2017: £Nil).

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

9. Interest receivable

	2018 £	2017 £
Interest receivable from group companies	<u>23,858</u>	<u>26,064</u>

10. Interest payable and similar expenses

	2018 £	2017 £
Bank and similar interest	<u>30,234</u>	<u>27,443</u>

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	199,583	107,352
Adjustments in respect of previous periods	96,132	(49,315)
Total current tax	<u>295,715</u>	<u>58,037</u>
Deferred tax		
Origination and reversal of timing differences	32,867	110,907
Adjustments in respect of prior periods	(84,138)	-
Total deferred tax	<u>(51,271)</u>	<u>110,907</u>
Taxation on profit on ordinary activities	<u>244,444</u>	<u>168,944</u>

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

The tax assessed for the year is higher than (2017: lower than) the standard rate of corporation tax in the UK of 19% (2017: 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,239,780	1,258,263
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017: 19%)	235,558	239,070
Effects of:		
Fixed asset differences	967	-
Expenses not deductible for tax purposes	1,777	333
Adjustments to tax charge in respect of prior periods	11,994	(49,315)
Utilisation of losses from group companies	-	(4,927)
Adjustments relating to deferred tax rates	(5,852)	-
Other timing differences	-	(16,217)
Total tax charge for the year	244,444	168,944

Factors that may affect future tax charges

Following budget 2016 announcements the rate of corporation tax will fall to 17% in 2020.

12. Dividends

	2018 £	2017 £
Equity dividend paid of £101.98 (2017: £165.70) per share	453,805	737,365

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

13. Intangible assets

	Software £
Cost	
At 1 January 2018	108,454
Additions	10,385
Transfers between classes	(10,610)
At 31 December 2018	108,229
Amortisation	
At 1 January 2018	12,734
Charge for the year	18,748
At 31 December 2018	31,482
Net book value	
At 31 December 2018	76,747
At 31 December 2017	95,720

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

14. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Equipment £	Total £
Cost or valuation						
At 1 January 2018	285,330	6,027,039	1,835	587,402	841,909	7,743,515
Additions	-	423,674	-	16,812	48,714	489,200
Disposals	(1,000)	(1,161,502)	(1,835)	(112,146)	(591,353)	(1,867,836)
Transfers between classes	-	-	-	-	10,610	10,610
At 31 December 2018	284,330	5,289,211	-	492,068	309,880	6,375,489
Depreciation						
At 1 January 2018	8,575	5,284,532	1,835	347,325	736,232	6,378,499
Charge for the year	5,087	117,174	-	28,164	31,681	182,106
Disposals	(1,000)	(1,161,502)	(1,835)	(112,146)	(591,353)	(1,867,836)
At 31 December 2018	12,662	4,240,204	-	263,343	176,560	4,692,769
Net book value						
At 31 December 2018	271,668	1,049,007	-	228,725	133,320	1,682,720
At 31 December 2017	276,755	742,507	-	240,077	105,677	1,365,016

The cost of land totals £100,900 which is included within freehold property and has not been depreciated.

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Stocks

	2018 £	2017 £
Raw materials and consumables	1,380,858	1,274,488
Work in progress	78,857	97,918
Finished goods and goods for resale	68,481	64,874
	<u>1,528,196</u>	<u>1,437,280</u>

Stock recognised in cost of sales during the year as an expense was £12,166,647 (2017: £12,128,378).

An impairment loss of £28,029 (2017: £121,326) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

16. Debtors

	2018 £	2017 £
Trade debtors	4,799,863	4,257,603
Amounts owed by group undertakings	684,799	815,237
Other debtors	119	7,000
Prepayments and accrued income	262,666	278,639
	<u>5,747,447</u>	<u>5,358,479</u>

The amounts owed by group undertakings are unsecured and are repayable over the period until 28 February 2024. The amount outstanding can be called for repayment on demand. The interest rate on the loan is 2.5% above the relevant Bank of England Base Rate that prevailed at the time the loan was drawn.

17. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>227,213</u>	<u>286,078</u>

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank invoice financing facility	1,096,972	1,112,024
Trade creditors	2,515,534	2,463,321
Corporation tax	192,524	43,686
Other taxation and social security	299,286	129,318
Other creditors	27,963	27,869
Accruals and deferred income	433,786	330,357
	4,566,065	4,106,575

Bank invoice financing facility is secured by a fixed & floating charge over the assets of the company.

19. Deferred taxation

	2018
	£
At beginning of year	156,134
Charged to profit or loss	(51,271)
At end of year	104,863

The provision for deferred taxation is made up as follows:

	2018	2017
	£	£
Fixed asset timing differences	104,990	156,134
Short term timing differences	(127)	-
	104,863	156,134

BOARDLINK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

20. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
4,450 (2017: 4,450) Ordinary shares of £1.00 each	4,450	4,450

Ordinary shares have the rights to vote, participate in capital and receive dividends.

21. Reserves

Share premium account

Includes any premiums received on the issue of share capital. Any transaction costs associated with the issuing of shares are deducted from the share premium account.

Capital redemption reserve

This reserve is used where the shares are redeemed or bought back, the company is required to either replenish the capital by issuing fresh shares in lieu of the redeemed or bought back shares or to transfer their funds to this reserve.

Profit and loss account

Includes all current and prior period retained profits and losses.

22. Prior year adjustment

The comparatives in the statement of comprehensive income have been restated to correct a misclassification of expenditure between cost of sales, selling and distribution costs and administrative expenses. As a result, cost of sales have reduced by £81,787.

In addition, in the prior year the company made a gift payment of £100,000 to POL Property Limited, a fellow subsidiary undertaking which was incorrectly treated as an expense in the prior year financial statements. A prior year adjustment has been processed to account for this as a capital contribution. As a result, the profit for the year ended 31 December 2017 has increased by £100,000.

23. Contingent liabilities

There were no contingent liabilities at 31 December 2018 or 31 December 2017.

24. Capital commitments

There are no capital commitments relating to the company at 31 December 2018 or 31 December 2017

BOARDLINK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

25. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,070 (2017: £87,416). Contributions totalling £2,971 (2017: £8,643) were payable to the fund at the reporting date and are included in creditors.

26. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	670,499	714,008
Later than 1 year and not later than 5 years	2,325,970	2,432,142
Later than 5 years	3,767,058	4,291,058
	<u>6,763,527</u>	<u>7,437,208</u>

27. Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

The individuals that are considered by the company to be key management personnel have received remuneration totalling £526,823 (2017: £529,563).

28. Controlling party

DWL (Holdings) Limited is regarded by the directors as being the company's ultimate parent company and ultimate controlling related party. Its registered office is Nook House, Cliff Lane, Acton Bridge, Northwich, Cheshire, CW8,3QP and principal place of business is K. U. S Industrial Estate, Manor Lane, Hawarden, Flintshire, CH5 3PJ.

DWL (Holdings) Limited prepares consolidated financial statements that include the results of Boardlink Limited. Copies of the consolidated financial statements can be obtained from the principal place of business.