Registered number: 06777072

EWIE EUROPE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

EWIE EUROPE LIMITED

COMPANY INFORMATION

Directors	M K Sachdeva A Sachdeva R Mullick J Mullick
Registered number	06777072
Registered office	Number One Waterton Park Bridgend CF31 3PH
Independent auditors	BDO LLP R+, 2 Blagrave Street Reading Berkshire RG1 1AZ

EWIE EUROPE LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

Introduction

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

Business review

The Company is a Global Leader in Commodity Management Services. During 2018 EWIE Europe Limited experienced continued sales growth, in part due to the full year effect of the customer added last year. The company has achieved a higher level of profitability than in the previous year due to a combination of increased turnover and controlled overheads.

The Company continues to explore other business opportunities for diversification and has invested in resources and infrastructure to take on additional business.

Principal risks and uncertainties

A continuing risk for EWIE Europe Limited is the past due receivables which require constant monitoring and follow up. This picture is improved versus the position as at 31 December 2017 due to increased focus by management in this area.

The Directors still do not perceive BREXIT as a threat to EWIE Europe Limited which has three branches within mainland Europe. Customers' operations are not currently threatened by any BREXIT plans. The company has maintained its approach to managing currency risks by buying and selling in the same currency where possible and has been largely unaffected by currency fluctuations that BREXIT and other factors may have caused.

The Directors consider there to be no major uncertainties which will have a negative impact on the business. Forecast customer demand for the coming year is healthy and similar to the previous year.

Financial key performance indicators

The director considers the following to be key performance indicators:

	2018	2017
Turnover	£41,398,082	£39,235,794
Gross Profit	£4,827,591	£4,127,947
Gross Profit Margin	11.7%	10.5%
Receivable days (countback method)	55 days	60 days

Turnover growth was achieved due to new programme launches by our customers as well as having the full year effect of the customer which was new in 2017. Gross margin has been maintained with the uplift in part due to the growth in turnover which has reduced the impact of lower margin business. Receivable days have reduced through close management.

Post balance sheet events

Effective from 1 January 2019 onwards, there has been a change of ownership structure. The company's immediate and ultimate parent is now EWIE Group of Companies Inc., incorporated in the USA.

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

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

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M K Sachdeva
Director

Date: March 28 2019

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.

Principal activity

During the year, the Company's principal activity continued to be that of the provision of commodity management services.

Results and dividends

The profit for the year, after taxation, amounted to £658,538 *(2017 : £414,952)*.

No dividends were paid or proposed during the financial year.

Directors

The Directors who served during the year were:

M K Sachdeva
A Sachdeva
R Mullick
J Mullick

Financial instruments

Objectives and policies
The Company has only basic financial instruments in the form of debtors and creditors repayable on demand.

Price risk, credit risk, liquidity risk and cash flow risk
The Company's exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the Company.

Branches outside the UK

During the year the Company also held operations in Germany, France and Romania.

Matters covered in the strategic report

The directors' fair review of the business and details of future developments are included in the Strategic Report as they are considered by the directors to be of strategic importance.

Disclosure of information to auditors

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

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

Auditors

With effect from 1 February 2019 Moore Stephens LLP merged with BDO LLP who will be proposed for reappointment in accordance with S.485 of the Companies Act 2006.

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

M K Sachdeva
Director

Date: March 28, 2019

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EWIE EUROPE LIMITED

Opinion

We have audited the financial statements of EWIE Europe Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EWIE EUROPE LIMITED (CONTINUED)

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 Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EWIE EUROPE LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 5, 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.

Auditors' 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 Auditors' 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 Auditors' 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.

Daniel Henwood

Daniel Henwood (Senior Statutory Auditor)

for and on behalf of BDO LLP, Statutory auditor

R+, 2 Blagrave Street
Reading
Berkshire
RG1 1AZ
Date: 02/04/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	*2017* *£*
Turnover	4	**41,398,082**	*39,235,794*
Cost of sales		**(36,570,491)**	*(35,107,847)*
Gross profit		**4,827,591**	*4,127,947*
Distribution costs		**(18,949)**	*(11,962)*
Administrative expenses		**(3,952,079)**	*(3,559,363)*
Other operating income		**39,008**	*7,512*
Operating profit	5	**895,571**	*564,134*
Interest payable and expenses	8	**(29,781)**	*(37,712)*
Profit before tax		**865,790**	*526,422*
Tax on profit	9	**(207,252)**	*(111,470)*
Profit for the financial year		**658,538**	*414,952*
Currency translation differences		**(7,674)**	*(6,117)*
Total comprehensive income for the year		**650,864**	*408,835*

The notes on pages 13 to 22 form part of these financial statements.

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note		2018 £		2017 £
Current assets					
Debtors: amounts falling due within one year	10	6,464,398		*7,925,307*	
Cash at bank and in hand		1,324,493		*1,140,221*	
		7,788,891		*9,065,528*	
Creditors: amounts falling due within one year	11	(6,900,123)		*(8,842,972)*	
Net current assets			888,768		*222,556*
Total assets less current liabilities			888,768		*222,556*
Net assets			888,768		*222,556*
Capital and reserves					
Called up share capital	14		1,000		*1,000*
Profit and loss account			887,768		*221,556*
			888,768		*222,556*

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

M K Sachdeva
Director

Date: March 28, 2019

The notes on pages 13 to 22 form part of these financial statements.

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

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	1,000	(187,279)	(186,279)
Comprehensive income for the year			
Profit for the year	-	414,952	414,952
Currency translation differences	-	(6,117)	(6,117)
At 1 January 2018	1,000	221,556	222,556
Comprehensive income for the year			
Profit for the year	-	658,538	658,538
Currency translation differences	-	7,674	7,674
At 31 December 2018	1,000	887,768	888,768

The notes on pages 13 to 22 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	*2017* *£*
Cash flows from operating activities			
Profit for the financial year		**658,538**	*414,952*
Adjustments for:			
Interest payable		**29,781**	*37,712*
Taxation charge	9	**207,252**	*111,470*
Decrease/(increase) in debtors	10	**1,426,147**	*(2,491,676)*
(Decrease)/increase in creditors	11	**(1,530,023)**	*2,327,734*
Foreign exchange difference		**(6,667)**	*65,744*
Corporation tax paid		**(251,839)**	*(21,078)*
Net cash generated from operating activities		**533,189**	*444,858*
Cash flows from financing activities			
Repayment of other loans		**(359,621)**	*(255,844)*
Net cash used in financing activities		**(359,621)**	*(255,844)*
Net increase in cash and cash equivalents		**173,568**	*189,014*
Cash and cash equivalents at beginning of year		**1,140,221**	*928,302*
Foreign exchange gains and losses		**10,704**	*22,905*
Cash and cash equivalents at the end of year		**1,324,493**	*1,140,221*
Cash and cash equivalents at the end of year comprise:			
Cash at bank and in hand		**1,324,493**	*1,140,221*

The notes on pages 13 to 22 form part of these financial statements.

1. General information

These financial statements are presented in Pounds Sterling (GBP), the Company's functional currency. They comprise the financial statements of the Company for the year ended 31 December 2018 and are presented to the nearest pound.

The principal activity of the Company is that of the provision of commodity management services.

The Company is a United Kingdom private company, limited by shares. It is both incorporated and domiciled in England and Wales. The address of its registered office is Number One, Waterton Park, Bridgend, CF31 3PH.

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 United Kingdom Accounting Standards, including 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.

2.2 Going concern

At 31 December 2018 the Company had net assets of £888,768 (2017 : £222,556). The Company has shareholder loans of £nil (2017 : £329,840).

The financial statements have been prepared on a going concern basis which assumes that the Company will be able to continue in operational existence for the foreseeable future. Forecasts have been prepared for a period of 12 months from the signing of the accounts and these demonstrate that the company is able to meet its liabilities. Accordingly the directors consider it appropriate to prepare the financial statements on the going concern basis.

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

The above conditions are considered to be met at the point of delivery to the customer, when substantially all risks and rewards of ownership have been transferred.

2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

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

2.5 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. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

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.

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 profit or loss.

2.7 Foreign currency translation

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 profit or loss.

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

2.8 Branch accounting

The results of overseas branches are translated at the average rates of exchange during the year and the balance sheet is translated into sterling at the rate of exchange ruling at the balance sheet date. Exchange differences which arise from the translation of the opening net assets of foreign branches are recognised in other comprehensive income.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.10 Current and deferred taxation

Tax is recognised in 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 balance sheet 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 balance sheet 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 balance sheet date.

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

The directors believe there to be no critical accounting judgements or areas of significant estimation uncertainty.

4. Turnover

The whole of the turnover is attributable to the sale of goods.

Analysis of turnover by country of destination:

	2018 £	*2017 £*
United Kingdom	**14,200,796**	*15,944,776*
Germany	**13,690,936**	*12,240,596*
France	**10,783,326**	*9,545,139*
Romania	**2,723,024**	*1,505,283*
	41,398,082	*39,235,794*

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	27,500	26,250
Stock - cost of goods sold	36,565,131	35,103,123
Stock - provision	59,305	77,788
Exchange differences	38,156	112,999
Defined contribution pension cost	16,948	15,561

6. Employees

Staff costs were as follows:

	2018 £	2017 £
Wages and salaries	1,849,274	1,574,028
Social security costs	212,310	184,407
Cost of defined contribution scheme	16,948	15,561
	2,078,532	1,773,996

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

	2018 No.	2017 No.
Management	11	10
Engineers	9	8
Administration	14	13
Shipping and receiving	4	3
	38	34

Directors are not remunerated by the company. Amounts paid to third parties in respect of directors services are disclosed in note 16.

7. Key management compensation

	2018	2017
	£	£
Wages and salaries	333,363	280,310
Social security costs	28,103	32,866
Cost of defined contribution scheme	5,001	1,950
	366,467	315,126

8. Interest payable and similar charges

	2018	2017
	£	£
Other loan interest payable	29,781	37,712

9. Taxation

	2018	2017
	£	£
Corporation tax		
Current tax on profits for the year before double tax relief	112,027	117,342
Adjustments in respect of previous periods	(3,960)	-
Double taxation relief	(112,017)	(71,132)
Foreign tax		
Foreign tax on income for the year	162,370	121,452
Foreign tax in respect of prior periods	(7,360)	-
Total current tax	151,060	167,662
Deferred tax		
Origination and reversal of timing differences	56,192	(56,192)
Total deferred tax	56,192	(56,192)
Taxation on profit on ordinary activities	207,252	111,470

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than *(2017 : lower than)* the standard rate of corporation tax in the UK of 19% *(2017 : 19.25%)*. The differences are explained below:

	2018 £	*2017* *£*
Profit on ordinary activities before tax	**865,790**	*526,422*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 : 19.25%)	**166,665**	*101,336*
Effects of:		
Expenses not deductible for tax purposes	**3,150**	*1,499*
Higher rate taxes on overseas earnings	**50,353**	*50,320*
Adjustments to tax charge in respect of prior periods	**(11,320)**	*-*
Unrelieved interest recognised as deferred tax asset	**-**	*(41,658)*
Other differences leading to a decrease in the tax charge	**(1,596)**	*(27)*
Total tax charge for the year	**207,252**	*111,470*

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

10. Debtors

	2018 £	*2017* *£*
Trade debtors	**6,389,128**	*7,765,325*
Other debtors	**2,928**	*2,930*
Prepayments	**72,342**	*100,860*
Deferred taxation	**-**	*56,192*
	6,464,398	*7,925,307*

Included against trade debtors is a provision of £nil (2017 : £15,289) in relation to doubtful debts.

11. Creditors: Amounts falling due within one year

	2018 £	2017 £
Other loans	-	329,840
Trade creditors	5,194,825	6,505,885
Corporation tax	49,575	167,968
Other taxation and social security	316,874	96,717
Accruals	1,338,849	1,742,562
	6,900,123	8,842,972

Other loans due within one year relate to amounts owing to shareholders, are unsecured, carry interest at a rate of 9.75% and are repayable on demand once the company has sufficient working capital to allow such a repayment. Further information can be found in note 16.

12. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	7,716,549	8,908,476
Financial liabilities		
Financial liabilities measured at amortised cost	(6,533,674)	(8,578,287)

Financial assets that are debt instruments measured at amortised cost comprise cash at bank and in hand, and trade and other debtors.

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

13. Deferred taxation

	2018 £	2017 £
At beginning of year	56,192	-
Utilised in year	(56,192)	56,192
At end of year	-	56,192

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2018	*2017*
	£	*£*
Accrued interest	-	*56,192*

14. Share capital

	2018	*2017*
	£	*£*
Shares classified as equity		
Authorised, allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	**1,000**	*1,000*

Ordinary shares have attached to them full voting rights.

15. Pension commitments

The Company operates a defined contribution 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 £16,948 (2017 : £15,681). Contributions totalling £nil (2017 : £699) were payable to the fund at the balance sheet date and are included in creditors.

16. Related party transactions

Related party by of common directors and shareholders
During the year, management and software charges totalling £680,000 (2017 : £630,200) have been charged to the company by parties related by virtue of common directors and shareholders. At the balance sheet date the amount due to such related parties was £200,000 (2017 : £nil) and balances due from such related parties was £nil (2017 : £3,616).

Shareholders of the company
Shareholder loans which were denominated in US Dollars attracted interest at a rate of 9.75% per annum. These loans were repaid in 2018 along with the interest that had been accrued to date. Interest for the year was £29,781 (2017 : £37,712). At the balance sheet date the amount due to shareholders, included within other loans, in respect of loans and accrued interest was £nil (2017 : £329,840).

17. Post balance sheet events

Effective from 1 January 2019 onwards, there has been a change of ownership structure. The company's immediate and ultimate parent is now EWIE Group of Companies Inc., incorporated in the USA.

18. Controlling party

Following the post year end change in ownership structure, described in note 17, the company's immediate and ultimate parent is EWIE Group of Companies Inc., incorporated in the USA.

The directors do not consider there to be an ultimate controlling party, either at the year end, or following the aforementioned restructuring.