Registered No. 00967025

Acal BFi Central Procurement UK Limited

Report and Financial Statements

31 March 2019

Company information

Directors
S M Gibbins
D L Gray
P G Webster
I R Greatorex
S M Catley (appointed 1 November 2018)

Secretary
G Davidson

Independent Auditors
PricewaterhouseCoopers LLP
1 Embankment Place
London WC2N 6RH

Bankers
Bank of Ireland
Clydesdale Bank plc
Citibank NA Inc
Danske Bank A/S
HSBC Bank UK plc
KBC Bank NV

Registered Office
3 The Business Centre
Molly Millars Lane
Wokingham
Berkshire RG41 2EY

Strategic report

The directors present their strategic report, directors' report and audited financial statements for the year ended 31 March 2019.

Principal activities and review of the business

Acal BFi Central Procurement UK Limited ('the company') is a subsidiary of discoverIE Group plc and operates as part of the discoverIE Group plc's Custom Supply division. It is the central procurement and logistics company of the division and sells to other companies within the Customer Supply division at cost.

The company's key financial and other performance indicators, as used by management in reviewing the performance of the business for the year, are as follows:

	2019	***2018***
Turnover *(US$000)*	94,829	91,021
Creditor days	66 days	68 days
Net stock turnover	7.3 times	8.0 times
Current assets as % of current liabilities	145%	133%
Net Assets (USD$000)	9,313	9,204

The increase in turnover principally reflected higher turnover of fellow trading subsidiaries to which the company sells, but was also affected by the movements in US$ compared to other currencies in the period.

Exchange rate

The majority of the company's transactions are denominated in US$. Accordingly the financial statements have been prepared in US$ as the directors consider the US$ to be both the functional and reporting currency of the company.

The US$/£ exchange rate at the balance sheet date was 1.3090 (2018 – 1.4083) and the average rate for the year was 1.3139 (2018 – 1.3261).

Principal risks and uncertainties

Competitive pressures in the market produce commercial risks for the company's internal customers, which could lead to price pressure and the loss of customers and suppliers. The company manages these risks by constantly reviewing costs and ensuring rapid responses to any changes in market and customer needs.

Financial risk

The company has purchases in Europe, the USA and Asia and therefore has exposure to currency risks. This is minimised through trading and hedging in those currencies. The company maintains its accounting records in US Dollars (US$), which is the currency in which it purchases around 90% of its goods for resale. The fair value of the open forward contracts at the year end in the current and prior years is immaterial.

The discoverIE Group plc has a committed multi-currency revolving credit facility, which expires in June 2023. Aside from this and working capital, the company does not have any other financial instruments. The financial risk management policies and procedures are centred on price risk, liquidity risk and cash flow risk. In the view of the directors, these are held to minimise risks, which are managed by:

- hedging of foreign exchange exposures by use of forward exchange rate contracts;
- regular monitoring of cash flow against forecast and expected liquidity; and
- availability of short term finance through group resources if needed.

Approved by the Board and signed on its behalf by:

S M Gibbins
Director
Date: 20 DECEMBER 2019
Registered No. 00967025

Directors' Report

Results and dividends

The profit for the financial year amounted to US$109,000 (2018 – US$16,000). The directors do not recommend a dividend (2018 – US $nil).

Going concern

The company's business activities, together with the factors likely to affect its future development, financial performance and position are described in the Strategic report on page 2.

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The discoverIE Group plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the year, and up to the date of signing this report, were as follows:

M J Briand (resigned 1 November 2018)
S M Gibbins
D L Gray
S M Catley (appointed 1 November 2018)
P G Webster
I J Munro (resigned 6 September 2019)
I R Greatorex

Environment

Compliance with relevant environmental legislation such as the WEEE Directive and Regulations on Hazardous Substances is reviewed regularly by the directors and actions taken to ensure that processes are in place to build this into the day to day operations of the company.

Financial Instruments

The discoverIE Group plc group has a multi-currency revolving credit facility of £180m, which expires in June 2023. Further details on the company's financial risk management are given in the Strategic report on page 2.

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditors in connection with preparing its report, of which the auditors are unaware. Having made enquiries of fellow directors and the company's auditors, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditors are aware of that information.

Reappointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the Board:

S M Gibbins
Director

Date: 20 DECEMBER 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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.

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.

Independent auditors' report to the members of Acal BFi Central Procurement UK Limited

Report on the audit of the financial statements

Opinion

In our opinion, Acal BFi Central Procurement UK Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the Balance sheet as at 31 March 2019; the Profit and Loss account, the Statement of other comprehensive income, the Statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report
In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements
As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report
This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

Richard Porter

Richard Porter (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London
20 December 2019

Profit and loss account

For the year ended 31 March 2019

	Note	*2019* *US$000*	*2018* *US$000*
Turnover	2	94,829	91,021
Cost of sales		(94,742)	(90,594)
Gross/profit		87	427
Administrative expenses	3	(66)	(431)
Operating profit/(loss)	4	21	(4)
Interest receivable and similar income	6	220	180
Interest payable and similar expenses	7	(106)	(156)
Profit before taxation		135	20
Tax on profit	8	(26)	(4)
Profit for the financial year		109	16

The results of the current and prior year arise solely from continuing operations.

Statement of other comprehensive income

For the year ended 31 March 2019

There are no items of comprehensive income other than the profit attributable to the shareholders of the company of $109,000 in the year ended 31 March 2019 (2018 – $16,000).

Balance sheet

For the year ended 31 March 2019

	Note	2019 US$000	2018 US$000
Non-current assets			
Debtors: amounts falling due after more than one year	10	1,438	3,019
		1,438	3,019
Current assets			
Stocks	9	13,038	10,862
Debtors: amounts falling due within one year	10	6,549	8,204
Cash at bank and in hand		5,833	5,681
		25,420	24,747
Creditors: amounts falling due within one year	11	(17,545)	(18,562)
Net current assets		7,875	6,185
Total assets less current liabilities		9,313	9,204
Net Assets		9,313	9,204
Capital and reserves			
Called up share capital	12	11,502	11,502
Profit and loss account		(2,189)	(2,298)
Total Shareholders' funds		9,313	9,204

The notes on pages 11 to 18 form part of these financial statements

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

S M Gibbins
Director
Date 20 DECEMBER 2019

Statement of changes in equity

for the year ended at 31 March 2019

	Called up share capital	*Profit and loss account*	*Total share-holders' funds*
	US$000	*US$000*	*US$000*
At 1 April 2017	11,502	(2,314)	9,188
Profit for the financial year	–	16	16
At 1 April 2018	11,502	(2,298)	9,204
Profit for the financial year	-	109	109
At 31 March 2019	11,502	(2,189)	9,313

Notes to the financial statements

for the year ended 31 March 2019

1. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), applicable accounting standards and the Companies Act 2006. Acal BFi Central Procurement UK Limited is a private limited company incorporated and domiciled in England and Wales.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2019.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- The requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of paragraph 79(a)iv of IAS 1;
- The requirements of paragraphs 10(d), 10(f), 39(c) and 134-136 of IAS 1 Presentation of Financial Statements;
- The requirements of IAS 7 Statement of Cash Flows;
- The requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- The requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- The requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member; and
- The requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement; and
- The requirements of paragraphs 6-30 of IFRS 1 First time adoption of International Financial Standards.

Going concern

The ultimate parent undertaking, discoverIE Group plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The discoverIE Group plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly the company continues to adopt the going concern basis in preparing the financial statements.

Revenue recognition

Revenue represents the fair value of the consideration received or receivable for goods, commission and other services provided to third parties, after deducting discounts, VAT and similar taxes levied overseas. Revenue is recognised when a customer obtains control of a good or service and thus has the ability to direct the use and obtain the benefits from the good or service. In particular:

a. Revenue from the sale of products is recognised upon transfer of control to the customer upon completion of specified performance obligations. This is generally when goods are dispatched to customers;

b. Revenue from rendering of services, which primarily comprise maintenance and outsourcing contracts, is recognised over the life of the contract reflecting performance of the contractual obligations to the customer;

c. Interest income is recognised as the interest accrues using the effective interest method;

d. Dividend income is recognised when the shareholders' right to receive the payment is established.

Notes to the financial statements (continued)

for the year ended 31 March 2019

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date and gains or losses on translation are included in the profit and loss account.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Functional currency

The company's financial statements are prepared in US$ as the directors regard this as the company's functional currency.

Stocks

Stocks are stated at the lower of cost incurred in bringing each product to its present location and condition, and net realisable value as follows:

Raw materials, consumables and goods for resale	–	purchase cost on a first-in, first-out basis.
Work in progress and finished goods	–	cost of direct materials and labour plus attributable overheads based on a normal level of activity.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Trade and other debtors

Trade receivables are assessed for impairment in accordance with IFRS9 'Financial instruments'. This requires consideration of both historical and forward looking information when considering potential impairment of trade receivables. The Group has opted to use the simplified approach allowed under IFRS9, which requires the calculation of a lifetime expected credit loss. A provision matrix has been created to calculate an expected credit loss. This matrix is based upon historical observed default rates adjusted for forward looking information to create an adjusted default rate. This adjusted default rate is used to calculate an expected credit loss and is compared with the bad debts written off during the previous 36 months.

In addition to the expected credit loss, provision is made where there is objective evidence that a receivable balance may be impaired. Such evidence may include a significant change in the credit risk profile of a customer, debt that has become significantly overdue or contract default. Trade receivables are written off where there is no reasonable expectation of recovery, such as bankruptcy proceedings.

Cash at bank and in hand

Cash and short-term deposits in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity of three months or less.

Notes to the financial statements (continued)

for the year ended 31 March 2019

1. Accounting policies (continued)

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Financial Instruments

Derivative financial instruments

The company uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities. It principally employs forward foreign exchange contracts to hedge the risks associated with foreign currency fluctuations relating to certain firm commitments and highly probable forecast transactions. The company does not enter into speculative derivative contracts. The company does not apply hedge accounting and reports movement in derivatives at fair value through profit and loss.

Financial assets

Beginning 1 April 2018, the company classifies its financial assets in the following measurement categories:

1. those to be measured at amortised cost; and
2. those to be measured subsequently at fair value through profit or loss.

The classification depends on the company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

For assets measured at fair values, gains or losses will either be recorded in profit or loss or other comprehensive income.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

At subsequent measurement

Financial assets mainly comprise of "trade receivables", "other current assets (excluding prepayments and VAT receivables"), and "cash and cash equivalents" in the statement of financial position.

Financial assets are subsequently measured based on the classification as follows:

Amortised cost: Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

FVTPL: Derivative financial instruments that are held for trading as well as those that do not meet

Notes to the financial statements (continued)

for the year ended 31 March 2019

1. Accounting policies (continued)

Financial Instruments (continued)

the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movement in fair values and interest income that is not part of a hedging relationship is recognised in profit or loss in the period in which it arises. The company applies the IFRS 9 simplified approach and uses a provision matrix to measure expected credit loss which uses a lifetime expected loss allowance for all trade receivables.

Prior to 1 April 2018, the company classified non-derivative financial assets with fixed or determinable payments as Loans and receivables. They were included in current assets, except for those with maturities greater than 12 months after the reporting date which are classified as non-current assets. Loans and receivables were presented in trade and other receivables in the consolidated statement of financial position.

Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and the liability simultaneously

Financial liabilities

Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value and in the case of loans and borrowings, plus directly attributable transaction costs. A liability is generally derecognised when the contract that gives rise to it is settled, sold, cancelled or expires.

Judgment and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Inventory provisioning

In the course of normal trading activities, judgment is used to establish the carrying value of various elements of working capital, principally inventory. Provisions are made against obsolete or slow-moving inventories. The provisions are based on the facts available at the time the financial statements are approved and are also determined by using profiles, based on past practice, applied to certain aged inventory categories.

2. Turnover

	2019	*2018*
	US$000	*US$000*
By geographical origin:		
United Kingdom	18,220	19,139
Europe	76,609	71,882
	94,829	91,021

All operations of the company, which are continuing, wholly relate to the central procurement and logistics of the Custom Supply division. The company only sells to other companies within the Customer Supply division.

Notes to the financial statements (continued)

for the year ended 31 March 2019

3. Administration Expenses

	2019	*2018*
	US$000	*US$000*
Administrative expenses	31	54
Intercompany expenses	35	377
	66	431

4. Operating profit/(loss)

This is stated after charging:

	2019	*2018*
	US$000	*US$000*
Auditors' remuneration – audit of financial statements	19	25
Stock provision movement	46	17

The company had no employees other than the directors in either year. Employees providing services to the company are employed by a fellow Group company.

5. Directors' remuneration

No remuneration was paid or is payable by the company to the directors in their capacity as directors of the company (2018 – nil). The directors also provide services to other group undertakings and received remuneration from a fellow group undertaking, discoverIE Management Services Limited in respect of services to the group.

The directors consider that the proportion of the remuneration that relates to services to this company is $220,505 (2018 – $223,070).

6. Interest receivable and similar income

	2019	*2018*
	US$000	*US$000*
Interest on short term deposits	220	180

Notes to the financial statements (continued)

for the year ended 31 March 2019

7. Interest payable and similar expenses

	2019	*2018*
	US$000	*US$000*
Interest payable on overdrafts	106	156

8. Tax on profit

(a) Tax on profit

The tax charge is made up as follows:

	2019	*2018*
	US$000	*US$000*
Current tax:		
UK corporation tax charge on the profits for the year	26	4
Tax on profit (note 8(b))	26	4

(b) Factors affecting the tax charge for the year

The tax assessed for the year 2019 is the same (2018: is the same) as the standard rate of corporation tax in the UK of 19% (2018 – 19%).

	2019	*2018*
	£000	*£000*
Profit/(loss) before taxation	135	20
Profit/(loss) before taxation multiplied by the standard rate of corporation tax in the UK of 19% (2018 – 19%)	26	4
Effects of:		
Permanent differences	-	-
Adjustments to the current tax charge in respect of prior periods	-	-
Adjustments to deferred tax charge in respect of prior periods	-	-
Rate differences on deferred tax	-	-
Total tax for the year (note 8(a))	(26)	(4)

(c) Factors affecting future tax charges

A reduction in the UK corporation tax rate to 17% had been substantively enacted at 1 April 2017 but, before this becomes effective from 1 April 2020, a rate of 19% is applicable.

9. Stocks

	2019	*2018*
	US$000	*US$000*
Finished goods	13,038	10,862

Notes to the financial statements (continued)

for the year ended 31 March 2019

10. Debtors

	2019 *US$000*	*2018* *US$000*
Amounts owed by group undertakings	7,778	10,609
Other debtors	209	614
	7,987	11,223

Amounts falling due after more than one year included above are:

	2019 *US$000*	*2018* *US$000*
Amounts owed by group undertakings	1,438	3,019

Amounts owed by group undertakings include loans to the value of $1,438,163 which bore interest at USD LIBOR plus 3.25%.

11. Creditors: amounts falling due within one year

	2019 *US$000*	*2018* *US$000*
Trade creditors	17,172	16,782
Amounts owed to group undertakings	142	1,351
Accruals and deferred income	171	425
Overdraft	34	-
Corporation tax	26	4
	17,545	18,562

12. Called up share capital

		2019		*2018*
Allotted, called up and fully paid	*No.*	*US$000*	*No.*	*US$000*
Ordinary shares of £1 each	6,699,601	11,502	6,699,601	11,502

Notes to the financial statements (continued)

for the year ended 31 March 2019

13. Guarantees and financial commitments

The Company is a guarantor to the Group's £180m Revolving Credit Facility which is provided by a syndicate of banks.

14. Ultimate parent undertaking and controlling party

The immediate parent undertaking is Acal Electronics Holdings Limited. The ultimate parent undertaking and controlling party is discoverIE Group plc, a company incorporated in England and Wales.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is discoverIE Group plc. Copies of the group financial statements of discoverIE Group plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.