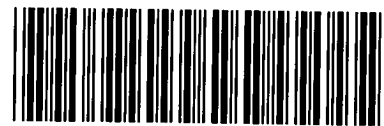


Company Registration No. SC047359 (Scotland)

POINTER LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2018

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COMPANIES HOUSE

POINTER LIMITED

COMPANY INFORMATION

Directors	Mr R A Rowan Mr R M Rowan Mrs M Rowan (Appointed 1 April 2018)
Company number	SC047359
Registered office	65 North Wallace Street GLASGOW G4 0DT
Auditor	Johnston Carmichael LLP 227 West George Street GLASGOW G2 2ND

POINTER LIMITED

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POINTER LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present the strategic report for the year ended 30 June 2018.

Fair review of the business

The Directors are pleased to present their strategic report for the year ended 30 June 2018.

The company's principal activities are the sale and service of electronic security and fire systems.

Over the last 12 months the business has increased profits and margins by reducing costs. Turnover has grown by a small amount compared to the previous year.

Cashflow in the year was once again positive and there has been a further reduction in debt levels. Bank borrowing is now half of what it was two years ago.

The objectives for the coming 12 months are to continue to improve UK profit and margins to a commercially realistic level by reducing waste and to further reduce the level of outstanding debt.

Principal risks and uncertainties

Financial risks are managed by a proactive approach to credit control and contract terms and conditions.

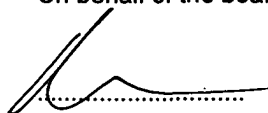
Foreign exchange movements are monitored on a regular basis.

Key performance indicators

The key performance indicators are as follows;

	2018	2017	Change
	£	£	%
Turnover	17,094,097	16,724,940	2.21%
Net profit margin	3.51%	1.17%	200.00%
Net cash position	(768,822)	(1,320,003)	41.80%

On behalf of the board



Mr R A Rowan

Director

29.10.18

POINTER LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The directors present their annual report and financial statements for the year ended 30 June 2018.

Principal activities

The principal activity of the company continued to be that of selling and servicing electronic security and fire systems.

Directors

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

Mr R A Rowan

Mr R M Rowan

Mrs M Rowan

(Appointed 1 April 2018)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

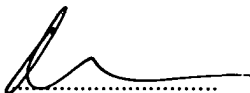
Auditor

The auditor, Johnston Carmichael LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board



Mr R A Rowan

Director

Date: 29.10.18

POINTER LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

The directors are responsible for preparing the annual 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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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.

POINTER LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF POINTER LIMITED

Opinion

We have audited the financial statements of Pointer Limited (the 'company') for the year ended 30 June 2018 which comprise of the Statement of Comprehensive Income and Balance Sheet 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 30 June 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.

Other information

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

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

We have nothing to report in this regard.

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.

POINTER LIMITED

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

Matters on which we are required to report by exception

In the light of our 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 and 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.

Responsibilities of directors

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

POINTER LIMITED

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

Auditor's responsibilities for the audit of the financial statements (continued)

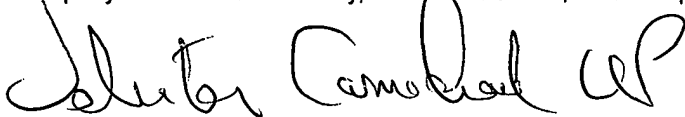
As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Gavin Young (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory Auditor

30/10/18
.....

227 West George Street
GLASGOW
G2 2ND

POINTER LIMITED

STATEMENT OF COMPREHENSIVE INCOME **FOR THE YEAR ENDED 30 JUNE 2018**

	Notes	2018 £	2017 £
Turnover	3	17,094,097	16,724,940
Cost of sales		(11,170,800)	(11,611,542)
Gross profit		5,923,297	5,113,398
Distribution costs		(1,673,024)	(1,584,378)
Administrative expenses		(3,500,970)	(3,316,680)
Other operating income		95,298	97,148
Operating profit	4	844,601	309,488
Interest payable and similar expenses	7	(103,076)	(138,778)
Profit before taxation		741,525	170,710
Tax on profit	8	(141,259)	25,550
Profit for the financial year		600,266	196,260
Other comprehensive income			
Revaluation of tangible fixed assets		-	45,000
Total comprehensive income for the year		600,266	241,260

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

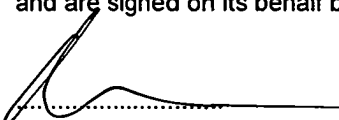
POINTER LIMITED

BALANCE SHEET

AS AT 30 JUNE 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	9	132,287		598,503	
Investments	10	1,300,354		739,593	
		<u>1,432,641</u>		<u>1,338,096</u>	
Current assets					
Stocks	12	839,397		1,250,649	
Debtors	13	4,824,574		4,140,721	
Cash at bank and in hand		16,890		8,600	
		<u>5,680,861</u>		<u>5,399,970</u>	
Creditors: amounts falling due within one year	14	(5,040,736)		(5,284,346)	
Net current assets		<u>640,125</u>		<u>115,624</u>	
Total assets less current liabilities		<u>2,072,766</u>		<u>1,453,720</u>	
Creditors: amounts falling due after more than one year	15	(507,089)		(479,712)	
Provisions for liabilities	18	-		(8,597)	
Net assets		<u>1,565,677</u>		<u>965,411</u>	
Capital and reserves					
Called up share capital	22	250,000		250,000	
Revaluation reserve	23	-		236,139	
Profit and loss reserves	24	1,315,677		479,272	
Total equity		<u>1,565,677</u>		<u>965,411</u>	

The financial statements were approved by the board of directors and authorised for issue on 29.10.18 and are signed on its behalf by:


Mr R A Rowan
Director

Company Registration No. SC047359

POINTER LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Share capital	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£
Balance at 1 July 2016	250,000	191,139	283,012	724,151
Year ended 30 June 2017:				
Profit for the year	-	-	196,260	196,260
Other comprehensive income:				
Revaluation of tangible fixed assets	-	45,000	-	45,000
Total comprehensive income for the year	-	45,000	196,260	241,260
Balance at 30 June 2017	250,000	236,139	479,272	965,411
Year ended 30 June 2018:				
Profit and total comprehensive income for the year	-	-	600,266	600,266
Transfers	-	(236,139)	236,139	-
Balance at 30 June 2018	250,000	-	1,315,677	1,565,677

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

Company information

Pointer Limited is a private company limited by shares incorporated in Scotland. The registered office is 65 North Wallace Street, GLASGOW, G4 0DT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Pointer Holdings Limited. These consolidated financial statements are available from its registered office at Unit 10/11 Howley Park Business Village, Morley, Leeds, West Yorkshire, LS27 0BZ.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The company bankers remain supportive and have indicated their intention to provide funding over the longer term in due course.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Buildings	2% straight line
Rental assets	10% straight line
Fixtures and fittings	10%-25% straight line
Computers	10%-25% straight line
Motor vehicles	15%-33% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

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

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

1.8 Amounts recoverable on contracts

Amounts recoverable on contracts, which are included in debtors, are stated at the net sales value of the work done after provision for contingencies and anticipated future losses on contracts, less amounts received as progress payments on account.

1.9 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

1.10 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2018**

1 Accounting policies

(Continued)

1.13 Employee benefits

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

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

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

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

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

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

2 Judgements and key sources of estimation uncertainty

(Continued)

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Tangible fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining of the asset and projected disposal values as set out in note 9.

Investments

Determining whether investments held by the company are impaired requires an estimation of the value in use of the cash generating units to which the investments relate. The value in use calculation requires the company to estimate the future cash flows expected to arise from the cash generating unit and a suitable discount rate in order to calculate present value. The carrying amount of the investments at the reporting date is £1,284,104 (2017: £739,593), set out in note 10.

Revenue and profit recognition

The policy for revenue and profit recognition on contracts is set out at note 1.8. Revenue recognition requires the directors to exercise judgements with regard to the outcome of contracts and the recoverability of contract costs. In doing so, the directors consider the progress of each individual contract by reference to the phase of the contract or the stage of completion. Profit is only recognised when the directors believe the outcome of the contract can be measured reliably.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by class of business		
Installation	12,267,776	11,993,820
Service	1,789,915	1,611,906
Maintenance	2,433,053	2,489,723
Other	603,353	629,491
	<u>17,094,097</u>	<u>16,724,940</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	<u>17,094,097</u>	<u>16,724,940</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

4 Operating profit

	2018	2017
Operating profit for the year is stated after charging:	£	£
Depreciation of owned tangible fixed assets	72,301	97,616
Depreciation of tangible fixed assets held under finance leases	13,805	27,061
Cost of stocks recognised as an expense	7,601,060	7,809,781
Operating lease charges	657,127	597,637

5 Employees

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

	2018 Number	2017 Number
Production	109	130
Sales and Distribution	12	11
Administration	36	31
	157	172

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	5,603,693	5,631,726
Social security costs	649,431	679,662
Pension costs	411,340	394,947
	6,664,464	6,706,335

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	236,689	231,472
Company pension contributions to defined contribution schemes	14,245	14,245
	250,934	245,717

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2017 - 1).

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

6 Directors' remuneration

(Continued)

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	184,799	180,726
Company pension contributions to defined contribution schemes	14,245	15,439
	<u>199,044</u>	<u>196,165</u>

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	92,875	106,880
Interest on finance leases and hire purchase contracts	3,401	6,802
Other interest	6,800	25,096
	<u>103,076</u>	<u>138,778</u>

8 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	162,862	23,285
Adjustments in respect of prior periods	(819)	(49,841)
Total current tax	<u>162,043</u>	<u>(26,556)</u>
Deferred tax		
Origination and reversal of timing differences	(23,761)	1,006
Previously unrecognised tax loss, tax credit or timing difference	2,977	-
Total deferred tax	<u>(20,784)</u>	<u>1,006</u>
Total tax charge/(credit)	<u>141,259</u>	<u>(25,550)</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2018

8 Taxation

(Continued)

The actual charge/(credit) for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	741,525	170,710
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.75%)	140,890	33,715
Tax effect of expenses that are not deductible in determining taxable profit	5,980	9,239
Tax effect of income not taxable in determining taxable profit	(7,600)	(9,875)
Depreciation on assets not qualifying for tax allowances	(2,964)	1,541
Under/(over) provided in prior years	(819)	(49,841)
Deferred tax adjustments in respect of prior years	2,977	-
Deferred tax adjustment to average rate	2,795	(1,511)
Deferred tax not recognised	-	(8,818)
Taxation charge/(credit) for the year	141,259	(25,550)

9 Tangible fixed assets

	Buildings £	Rental assets £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 July 2017	435,000	1,652,853	1,690,478	101,925	3,880,256
Additions	-	-	38,640	-	38,640
Disposals	-	-	-	(62,623)	(62,623)
Transfers	(435,000)	-	-	-	(435,000)
At 30 June 2018	-	1,652,853	1,729,118	39,302	3,421,273
Depreciation and impairment					
At 1 July 2017	15,600	1,639,636	1,542,627	83,890	3,281,753
Depreciation charged in the year	650	8,198	63,453	13,805	86,106
Eliminated in respect of disposals	-	-	-	(62,623)	(62,623)
Transfers	(16,250)	-	-	-	(16,250)
At 30 June 2018	-	1,647,834	1,606,080	35,072	3,288,986
Carrying amount					
At 30 June 2018	-	5,019	123,038	4,230	132,287
At 30 June 2017	419,400	13,217	147,851	18,035	598,503

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 30 JUNE 2018**

9 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £	2017 £
Motor vehicles	7,211	21,017
Depreciation charge for the year in respect of leased assets	13,805	27,061

10 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	11	739,593	739,593
Loans to subsidiaries	11	560,761	-
		1,300,354	739,593

Movements in fixed asset investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost or valuation			
At 1 July 2017	739,593	-	739,593
Additions	-	560,761	560,761
At 30 June 2018	739,593	560,761	1,300,354
Carrying amount			
At 30 June 2018	739,593	560,761	1,300,354
At 30 June 2017	739,593	-	739,593

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

11 Subsidiaries

Details of the company's subsidiaries at 30 June 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct
ARD Investments Limited	1	Non trading	Ordinary	100.00
Pointer Business Equipment Limited	1	Non trading	Ordinary	100.00
Pointer Asia Limited	2	Sales and service of electronic security and fire systems	Ordinary	49.00
JGE Security Systems Limited	1	Installation and maintenance of alarm systems	Ordinary	100.00
Pointer LLC	3	Sale and service of electronic security and fire systems	Ordinary	65.00
Pointer Digital Security Philippines Inc	4	Sale and service of electronic security and fire systems	Ordinary	40.00

Registered Office addresses:

- 1 65 North Wallace Street, Glasgow, G4 0DT.
- 2 2034/72 Italhai Tower 15th Floor, New Petchaburi Road, Bangkok, Huaykwang Bangkok 10320.
- 3 Post Box No. 3390, 112, Sultanate of Oman.
- 4 Room 438, 4th Floor Comfoods Building, Sen. Gil J. Puyat Avenue corner Chico Roces Street, Makati City.

Although only 49% owned, Pointer Asia Limited is included as a subsidiary undertaking as it meets the requirements under FRS 102 section 9.

Although only 40% owned, Pointer Digital Security Philippines Inc is included as a subsidiary undertaking as it meets the requirements under FRS 102 section 9.

12 Stocks

	2018 £	2017 £
Raw materials and consumables	460,045	570,992
Work in progress	379,352	679,657
	<u>839,397</u>	<u>1,250,649</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	1,827,096	1,154,128
Gross amounts due from contract customers	1,321,834	1,177,454
Amounts owed by group undertakings	1,404,920	1,538,565
Prepayments and accrued income	224,346	236,383
	<u>4,778,196</u>	<u>4,106,530</u>
Deferred tax asset (note 19)	12,187	-
	<u>4,790,383</u>	<u>4,106,530</u>
	2018 £	2017 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	34,191	34,191
	<u>34,191</u>	<u>34,191</u>
Total debtors	<u>4,824,574</u>	<u>4,140,721</u>

14 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	16 785,712	1,328,603
Obligations under finance leases	17 2,622	13,805
Trade creditors	1,993,033	2,142,665
Amounts due to group undertakings	78,916	79,318
Corporation tax	161,020	22,482
Other taxation and social security	631,937	529,714
Deferred income	20 696,179	598,965
Other creditors	73,924	53,402
Accruals	617,393	515,392
	<u>5,040,736</u>	<u>5,284,346</u>

15 Creditors: amounts falling due after more than one year

	2018 £	2017 £
Obligations under finance leases	17 4,589	7,212
Other creditors	502,500	472,500
	<u>507,089</u>	<u>479,712</u>

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

16 Loans and overdrafts

	2018 £	2017 £
Bank overdraft	785,712	1,328,603
Payable within one year	785,712	1,328,603

The bank overdraft is secured by a standard security over the property through Camjah Limited, a floating charge over the whole assets of Pointer Limited and JGE Security Limited, a debenture from Camjah Limited and Pointer Holdings Limited.

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Within one year	2,622	13,805
In two to five years	4,589	7,212
	7,211	21,017

Hire purchase obligations are secured on the assets being financed.

18 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	19	-	8,597

19 Deferred taxation

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

	Liabilities 2018 £	Liabilities 2017 £	Assets 2018 £	Assets 2017 £
Balances:				
Accelerated capital allowances	-	8,597	12,187	-

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

19 Deferred taxation (Continued)

	2018 £
Movements in the year:	
Liability at 1 July 2017	8,597
Credit to profit or loss	(20,784)
Liability/(Asset) at 30 June 2018	<u>(12,187)</u>

The deferred tax asset set out above is expected to reverse within [12 months] and relates to the utilisation of tax losses against future expected profits of the same period.

20 Deferred income

	2018 £	2017 £
Other deferred income	696,179	598,965
	<u>696,179</u>	<u>598,965</u>

21 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	411,340	394,947
	<u>411,340</u>	<u>394,947</u>

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

22 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
5,000,000 Ordinary shares of 5p each	250,000	250,000
	<u>250,000</u>	<u>250,000</u>

23 Revaluation reserve

The revaluation reserve represents the excess over historic cost of revalued land and buildings.

On transfer of the property to another group company, the revaluation reserve was transferred to the profit and loss reserve.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

24 Profit and loss reserves

The profit and loss account reserve comprises accumulated profits and losses less any dividends paid.

25 Operating lease commitments

Lessee

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

	2018 £	2017 £
Within one year	512,967	380,702
Between two and five years	661,614	379,852
In over five years	191,200	-
	<u>1,365,781</u>	<u>760,554</u>

26 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Credited		Charged	
	2018 £	2017 £	2018 £	2017 £
Entities over which the entity has control, joint control or significant influence	<u>(29,218)</u>	<u>(110,674)</u>	<u>37,150</u>	<u>58,630</u>

The following amounts were outstanding at the reporting end date:

	2018 Balance £	2017 Balance £
Amounts owed by related parties		
Entities over which the entity has control, joint control or significant influence	<u>7,932</u>	<u>1,535,762</u>

The company has taken advantage of disclosure exemptions available under Section 33 of FRS 102 whereby it has not disclosed transaction entered into with any wholly-owned subsidiary groups.

POINTER LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2018

27 Directors' transactions

Description	% Rate	Opening balance £	Interest charged £	Closing balance £
Loan from Director	10.00	472,500	30,000	502,500
		<u>472,500</u>	<u>30,000</u>	<u>502,500</u>

28 Controlling party

The parent company is Pointer Holdings Limited, a company registered in England and Wales which has its registered office at Unit 10/11 Howley Park Business Village, Morley, Leeds, West Yorkshire, LS27 0BZ.

Pointer Holdings Limited is the smallest and largest group that prepares consolidated accounts and copies of the consolidated accounts may be obtained from the registered office.