COMPANY REGISTRATION NUMBER 05218660

LABELON GROUP LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 2017

LABELON GROUP LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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LABELON GROUP LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2017

The board of directors	Miranda Shui Yau Kong Amy Chuk Kwan Wan (appointed on 19 December 2017) Sharon Wai Yee Lam (appointed on 19 December 2017) Sui Ching Kong (resigned on 19 December 2017) Florian Rolf Marquis (resigned on 19 December 2017) Christoph Konrad Rubeli (resigned on 19 December 2017)
Company secretary	Pinsent Masons Secretarial Limited
Registered office	1 Park Row, Leeds LS1 5AB. United Kingdom
Independent auditors	Pricewaterhouse Coopers LLP 10 Bricket Road, St Albans, Herts, AL1 3JX

LABELON GROUP LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2017

The directors present their strategic report on the group for the year ended 31 December 2017.

BUSINESS REVIEW
The results for the group show a profit on ordinary activities before taxation of £15,048,776 (2016: loss of £3,143,060) for the year and sales of £89,373,295 (2016: £85,768,559). The group had net assets of £13,006,749 as at 31 December 2017 (2016: £4,069,469).

The rise in profit on ordinary activities before taxation were mainly due to exchange gain on retranslation of intercompany loan balance of £5,408,015 (2016: loss of £9,712,273) which were credited to administrative expenses in the consolidated statement of comprehensive income for the year ended 31 December 2017.

PRINCIPAL RISKS AND UNCERTAINTIES
The management of the business and the execution of the group's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the group are considered to relate to competition from other label manufacturers, and employee and customer retention.

The Group will continue to maintain a cautious approach to all aspects of business activities and has already taken measures to minimise costs and overheads. The Group will monitor closely the economic conditions and make appropriate adjustment to keep abreast of changes in the competitive market.

In 2015, the Group acquired A-Tex to create one of the largest players in the industry with a unique value proposition for global brand owners. A-Tex is a market leader in design-intensive solutions for fashion brand owners.

The management will continue to study the potential of any new product ranges and the benefits of their launch in order to provide versatile selections to its customers. The Group will also continue to raise its customer service standards so that customers can enjoy a valuable experience in order making and to retain the existing customers.

KEY PERFORMANCE INDICATORS ("KPIs")
The directors consider revenue, revenue growth and gross margin to be the KPIs relevant to an understanding of the development and performance of the business.

£	**2017**	**2016**	**2015**
Revenue	89,373,295	85,768,559	45,525,491
Revenue growth	4.2%	88.4%	96.6%
Gross margin	44.1%	43.5%	39.6%

Signed on behalf of the board of directors

Miranda Shui Yau Kong
Approved by the directors on 30 May 2018

The directors have pleasure in presenting their report and the audited consolidated financial statements of the group for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES
The principal activity of the company and the group continues to be that of the worldwide supply and manufacture of labels for clothing and other garments. The group is incorporated in the United Kingdom.

DIVIDENDS
An interim dividend of £354,800 was paid during 2016. At the time the dividend was paid in 2016 the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose. The directors are seeking to recover monies from the shareholders in 2018. The directors are not recommending the payment of a final dividend (2016: nil).

FINANCIAL RISK MANAGEMENT
Details of the group's financial risk management objectives and policies are included in note 18 to the financial statements.

DIRECTORS
The directors of the company who were in office during the year and up to the date of signing the financial statements were:

Miranda Shui Yau Kong
Amy Chuk Kwan Wan (appointed on 19 December 2017)
Sharon Wai Yee Lam (appointed on 19 December 2017)
Sui Ching Kong (resigned on 19 December 2017)
Florian Rolf Marquis (resigned on 19 December 2017)
Christoph Konrad Rubeli (resigned on 19 December 2017)

EMPLOYEES
The group is committed to employment policies, which follow best practice, based on equal opportunities for all employees, irrespective of sex, race, colour, disability or marital status. The group gives full and fair consideration to applications for employment of disabled persons, having regard to their particular aptitudes and abilities. Appropriate arrangements are made for the continued employment and training, career development and promotion of disabled persons employed by the group. If members of staff become disabled the group continues employment, either in the same or an alternative position, with appropriate retraining being.

The group systematically provides employees with information on matters of concern to them, consulting them or their representatives regularly, so that their views can be taken into account when making decisions that are likely to affect their interests. Employee involvement in the group is encouraged, as achieving a common awareness on the part of all employees of the financial and economic factors affecting the group plays a major role in maintaining the success of the group. The group encourages the involvement of employees by means of an incentive bonus scheme.

GOING CONCERN

As at 31 December 2017, the group's current liabilities exceeded its current assets by £27,523,072 (2016: £38,829,086). The net current liabilities were primarily attributable to the loans from intermediate parent, Brandco 3 Limited and fellow subsidiary, Clotex Labels Company Limited, of £49,285,124 (2016: £51,822,560) and £3,646,675 (2016: £6,623,361) respectively. They have confirmed not to demand loan repayment until the group has sufficient financial resources. In addition, they have also confirmed their intention to provide continuing financial support to the group to meet its liabilities as and when they fall due and to continue its operations for the foreseeable future. The directors believe that the group will continue as a going concern. Consequently, the directors have prepared the consolidated financial statements on a going concern basis.

The company's net liabilities of £7,908,287 (2016: £14,821,336) were primarily attributable to the loans from intermediate parent and fellow subsidiary too. They have confirmed not to demand loan repayment until the company has sufficient financial resources. In addition, they have also confirmed their intention to provide continuing financial support to the company to meet its liabilities as and when they fall due and to continue its operations for the foreseeable future. The directors believe that the company will continue as a going concern.

FUTURE OUTLOOK

The commercial environment in which the Group operates is expected to remain competitive. However, over the last 12 months the Group has continued to successfully implement strategies to win and maintain key customers and to improve operating efficiencies further. We therefore remain confident that we will maintain our current level of performance in the coming year.

A-Tex is a global provider of brand identity products, including labels, hang-tags, packaging solutions and in-store decorations, for leading European and US fashion brands. The company is focused on converting trends and inspiration into brand identity and thereby adding value to fashion brands. The Group acquired A-Tex because the two companies are each uniquely positioned in the global market of brand identity products. Labelon holds very strong production and supply chain capabilities combined with an impressive customer portfolio; meanwhile A-Tex is a market leader in design-intensive solutions for fashion brand owners. The two companies together create one of the largest players in the industry with a unique value proposition for global brand owners.

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 group financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 group and company and of the profit or loss of the group and 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 IFRSs as adopted by the European Union have been followed for the group financial statements and IFRSs as adopted by the European Union have been followed for the company financial statements, 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and company and enable them to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation.
The directors are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE OF INFORMATION TO AUDITORS
In so far as the directors are aware:

- there is no relevant audit information of which the group's auditors are unaware; and

- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the group's auditors are aware of that information.

DONATIONS
During the year the group made the following contributions:

	2017	**2016**
	£	**£**
Charitable donations	1,250	-

The above donations are made up of several small amounts of which most were given to UK based health related charities.

INDEPENDENT AUDITORS
PricewaterhouseCoopers LLP were deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the board of directors

Miranda Shui Yau Kong
Approved by the directors on 30 May 2018

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LABELON GROUP LIMITED

YEAR ENDED 31 DECEMBER 2017

Report on the audit of the financial statements

Opinion

In our opinion, Labelon Group Limited's group financial statements and company financial statements (the "financial statements"):

- give a true and fair view of the state of the group's and of the company's affairs as at 31 December 2017 and of the group's profit and the group's and the company's cash flows for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union and, as regards the company's financial statements, as applied in accordance with the provisions of the Companies Act 2006; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Financial Statements (the "Annual Report"), which comprise: the consolidated and company statements of financial position as at 31 December 2017; the consolidated income statement, the consolidated and company statements of comprehensive income, the consolidated and company statements of cash flows, and the consolidated and company statements 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 group 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

We have nothing to report in respect of the following matters in relation to which 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 group's and 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the group's and company's ability to continue as a going concern.

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 December 2017 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 group and company and their 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 pages 4 to 5, 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 group's and 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 group or the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF LABELON GROUP LIMITED *(continued)*

YEAR ENDED 31 DECEMBER 2017

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 company financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Andrew Hodgekins

Andrew Hodgekins (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
St Albans
30 May 2018

LABELON GROUP LIMITED

CONSOLIDATED INCOME STATEMENT

YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
GROUP REVENUE	2	**89,373,295**	85,768,559
Cost of sales	3	**(49,983,282)**	(48,418,089)
GROSS PROFIT		**39,390,013**	37,350,470
Administrative expenses	3	**(21,689,353)**	(37,439,592)
OPERATING PROFIT/ (LOSS)		**17,700,660**	(89,122)
Exceptional items	1	**(225,309)**	-
Finance income		**236,606**	110,100
Finance costs	6	**(2,663,181)**	(3,164,038)
PROFIT/ (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		**15,048,776**	(3,143,060)
Income tax expense	7	**(4,408,234)**	(3,046,513)
PROFIT/ (LOSS) FOR THE FINANCIAL YEAR		**10,640,542**	(6,189,573)
PROFIT/ (LOSS) ATTRIBUTABLE TO:			
Owner of the Company		**10,661,448**	(6,349,774)
Non-controlling interests		**(20,906)**	160,201
		10,640,542	(6,189,573)

All of the activities of the group are classed as continuing.

The notes on pages 16 to 43 form part of these financial statements.

LABELON GROUP LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

YEAR ENDED 31 DECEMBER 2017

	Group 2017 £	Group 2016 £	**Company 2017 £**	Company 2016 £
Profit/ (loss) for the financial year	**10,640,542**	(6,189,573)	**6,558,249**	(13,127,235)
Other comprehensive income for the year:				
Currency translation differences on foreign currency net investments	**(2,058,062)**	3,654,868	**-**	-
Total comprehensive income/ (expense) for the year	**8,582,480**	(2,534,705)	**6,558,249**	(13,127,235)
Total comprehensive income/ (expense) attributable to:				
Owner of the Company	**8,898,967**	(3,063,901)	**6,558,249**	(13,127,235)
Non-controlling interests	**(316,487)**	529,196	**-**	-
Total comprehensive income/ (expense) for the year	**8,582,480**	(2,534,705)	**6,558,249**	(13,127,235)

The notes on pages 16 to 43 form part of these financial statements.

LABELON GROUP LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
NON-CURRENT ASSETS			
Intangible assets	9	**38,245,790**	39,678,027
Property, plant and equipment	11	**8,063,684**	8,333,821
Deferred tax assets	14	**169,483**	296,427
Other receivables		**12,496**	4,611
		46,491,453	48,312,886
CURRENT ASSETS			
Inventories	12	**7,193,918**	7,555,689
Trade and other receivables	13	**17,602,325**	17,715,467
Current income tax asset		**80,408**	52,669
Cash and cash equivalents		**22,710,292**	17,511,291
		47,586,943	42,835,116
TOTAL ASSETS		**94,078,396**	91,148,002
NON-CURRENT LIABILITIES			
Deferred tax liabilities	14	**5,894,491**	5,306,568
Other payables	16	**67,141**	107,763
		5,961,632	5,414,331
CURRENT LIABILITIES			
Trade and other payables	15	**20,062,761**	20,291,745
Borrowings	17	**53,810,880**	59,471,284
Current income tax liability		**1,236,374**	1,901,173
		75,110,015	81,664,202
TOTAL LIABILITIES		**81,071,647**	87,078,533
NET ASSETS		**13,006,749**	4,069,469
EQUITY ATTRIBUTABLE TO OWNER OF THE COMPANY			
Share capital	21	**6,000**	6,000
Capital reserve		**2,175,612**	2,089,363
Foreign exchange reserve		**1,245,752**	3,008,233
Retained earnings/ (accumulated losses)		**7,615,532**	(3,314,467)
		11,042,896	1,789,129
NON-CONTROLLING INTERESTS		**1,963,853**	2,280,340
TOTAL EQUITY		**13,006,749**	4,069,469

These financial statements on pages 9 to 43 were approved by the board of directors and authorised for issue on 30 May 2018, and are signed on their behalf by:

....
Miranda Shui Yau Kong

The notes on pages 16 to 43 form part of these financial statements.

LABELON GROUP LIMITED

COMPANY STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
NON-CURRENT ASSETS			
Investments	10	**48,397,967**	48,397,967
CURRENT ASSETS			
Trade and other receivables	13	**2,750,465**	100
Cash and cash equivalents		**4,559**	330,065
		2,755,024	330,165
TOTAL ASSETS		**51,152,991**	48,728,132
CURRENT LIABILITIES			
Trade and other payables	15	**6,129,479**	5,103,547
Borrowings	17	**52,931,799**	58,445,921
TOTAL LIABILITIES		**59,061,278**	63,549,468
NET LIABILITIES		**(7,908,287)**	(14,821,336)
EQUITY			
Share capital	21	**6,000**	6,000
Accumulated losses brought forward		**(14,827,336)**	(1,345,301)
Profit/ (loss) for the financial year		**6,558,249**	(13,127,235)
Reversal of dividends/ dividends		**354,800**	(354,800)
TOTAL EQUITY		**(7,908,287)**	(14,821,336)

These financial statements on pages 9 to 43 were approved by the board of directors and authorised for issue on 30 May 2018, and are signed on their behalf by:

....
Miranda Shui Yau Kong

COMPANY REGISTRATION NO: 05218660

The notes on pages 16 to 43 form part of these financial statements.

LABELON GROUP LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

	Attributable to owner of the company						
	Share capital	Capital reserve	Foreign exchange reserve	Retained earnings/ (accumulated losses)	Total	Non-controlling interests	Total equity
	£	£	£	£	£	£	£
Balance as at 1 January 2016	6,000	2,012,087	(277,640)	3,467,383	5,207,830	1,751,144	6,958,974
Comprehensive income							
(Loss)/ profit for the year	-	-	-	(6,349,774)	(6,349,774)	160,201	(6,189,573)
Other comprehensive income/ (expense)							
Apportion of capital reserve	-	77,276	-	(77,276)	-	-	-
Currency translation differences	-	-	3,285,873	-	3,285,873	368,995	3,654,868
Total comprehensive income/ (expense)	-	77,276	3,285,873	(6,427,050)	(3,063,901)	529,196	(2,534,705)
Transactions with owners							
Dividends	-	-	-	(354,800)	(354,800)	-	(354,800)
Total transactions with owners	-	-	-	(354,800)	(354,800)	-	(354,800)
Balance as at 31 December 2016	6,000	2,089,363	3,008,233	(3,314,467)	1,789,129	2,280,340	4,069,469

	Attributable to owner of the company						
	Share capital	Capital reserve	Foreign exchange reserve	(Accumulated losses)/ retained earnings	Total	Non-controlling interests	Total Equity
	£	£	£	£	£	£	£
Balance as at 1 January 2017	6,000	2,089,363	3,008,233	(3,314,467)	1,789,129	2,280,340	4,069,469
Comprehensive income							
Profit/ (loss) for the year	-	-	-	10,661,448	10,661,448	(20,906)	10,640,542
Other comprehensive income/ (expense)							
Apportion of capital reserve	-	86,249	-	(86,249)	-	-	-
Currency translation differences	-	-	(1,762,481)	-	(1,762,481)	(295,581)	(2,058,062)
Total comprehensive income/ (expense)	-	86,249	(1,762,481)	10,575,199	8,898,967	(316,487)	8,582,480
Transactions with owners							
Reversal of dividends	-	-	-	354,800	354,800	-	354,800
Total transactions with owners	-	-	-	354,800	354,800	-	354,800
Balance as at 31 December 2017	**6,000**	**2,175,612**	**1,245,752**	**7,615,532**	**11,042,896**	**1,963,853**	**13,006,749**

The notes on pages 16 to 43 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

	Share capital £	Accumulated losses £	Total Equity £
Balance as at 1 January 2016	6,000	(1,345,301)	(1,339,301)
Comprehensive expense			
Loss for the year	-	(13,127,235)	(13,127,235)
Total comprehensive expense	-	(13,127,235)	(13,127,235)
Transactions with owners			
Dividends	-	(354,800)	(354,800)
Total transactions with owners	-	(354,800)	(354,800)
Balance as at 31 December 2016 and 1 January 2017	6,000	(14,827,336)	(14,821,336)
Comprehensive income			
Profit for the year	-	6,558,249	6,558,249
Total comprehensive income	-	6,558,249	6,558,249
Transactions with owners			
Reversal of dividends	-	354,800	354,800
Total transactions with owners	-	354,800	354,800
Balance as at 31 December 2017	**6,000**	**(7,914,287)**	**(7,908,287)**

The notes on pages 16 to 43 form part of these financial statements.

LABELON GROUP LIMITED

CONSOLIDATED AND COMPANY STATEMENTS OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	Note	**Group 2017 £**	Group 2016 £	**Company 2017 £**	Company 2016 £
Cash flows generated from/ (used in) operating activities	22	**18,956,233**	773,484	**4,368,236**	(9,353,866)
Interest paid		**(2,663,181)**	(3,164,038)	**(2,598,063)**	(3,116,567)
Income tax paid		**(4,385,905)**	(1,889,144)	**(1,134,691)**	(66,440)
Net cash generated from/ (used in) operations		**11,907,147**	(4,279,698)	**635,482**	(12,536,873)
Cash flows (used in)/ generated from investing activities					
Interested received		**236,606**	110,100	-	-
Purchase of intangible assets		**(75,356)**	(118,773)	-	-
Purchase of plant and equipment		**(1,183,343)**	(1,142,526)	-	-
Proceeds from the sale of property, plant and equipment		**12,699**	27,133	-	-
Dividends paid to shareholders		-	(354,800)	-	(354,800)
Dividends received from subsidiary undertakings		-	-	**4,553,134**	1,019,204
Net cash (used in)/ generated from investing activities		**(1,009,394)**	(1,478,866)	**4,553,134**	664,404
Cash flows (used in)/ generated from financing activities					
(Repayment of)/ loan from intermediate parent		**(2,537,436)**	11,346,560	**(2,537,436)**	11,346,560
(Repayment of)/ loan from fellow subsidiary		**(2,976,686)**	855,531	**(2,976,686)**	855,531
(Repayment of)/ proceeds from debt		**(218,714)**	424,731	-	-
Net cash (used in)/ generated from financing activities		**(5,732,836)**	12,626,822	**(5,514,122)**	12,202,091
Increase/ (decrease) in cash and cash equivalents		**5,164,917**	6,868,258	**(325,506)**	329,622
Cash and cash equivalents at start of the year		**17,511,291**	9,104,815	**330,065**	443
Exchange difference on cash and cash equivalents		**34,084**	1,538,218	-	-
Cash and cash equivalents at end of the year		**22,710,292**	17,511,291	**4,559**	330,065

The notes on pages 16 to 43 form part of these financial statements.

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements have been prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee (IFRS IC) interpretations as adopted by the European Union and those parts of the Companies Act 2006 applicable to companies reporting under IFRS. The consolidated financial statements have been prepared under the historical cost convention.

As at 31 December 2017, the group's current liabilities exceeded its current assets by £27,523,072 (2016: £38,829,086). The net current liabilities were primarily attributable to the loans from intermediate parent, Brandco 3 Limited and fellow subsidiary, Clotex Labels Company Limited, of £49,285,124 (2016: £51,822,560) and £3,646,675 (2016: £6,623,361) respectively. They have confirmed not to demand loan repayment until the group has sufficient financial resources. In addition, they have also confirmed their intention to provide continuing financial support to the group to meet its liabilities as and when they fall due and to continue its operations for the foreseeable future. The directors believe that the group will continue as a going concern. Consequently, the directors have prepared the consolidated financial statements on a going concern basis.

The company's net liabilities of £7,908,287 (2016: £14,821,336) were primarily attributable to the loans from intermediate parent and fellow subsidiary too. They have confirmed not to demand loan repayment until the company has sufficient financial resources. In addition, they have also confirmed their intention to provide continuing financial support to the company to meet its liabilities as and when they fall due and to continue its operations for the foreseeable future. The directors believe that the company will continue as a going concern.

The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 19.

A number of new standards and amendments to standards and interpretations are effective for annual periods beginning on or after 1st January 2017.

These new standards and amendments do not have any significant impact on these consolidated financial statements.

Certain Amendments have been published that are mandatory for the company's or group's accounting periods commencing on or after 1st January 2018.

1. ACCOUNTING POLICIES - continued

The following Amendments are relevant and applicable to the company or group; however, they have not been early adopted in these financial statements:

		Effective for the accounting periods commencing on or after
IFRS 9	Financial instruments	1st January 2018
IFRS 15	Revenue from Contracts with Customers	1st January 2018
IFRS 16	Leases	1st January 2019

The company or group has preliminary assessed the impact of the applicable Amendments on its results of operations and financial position. The company expects that the adoption of these Amendments will have no material impact on the financial statements in the period of initial application.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

Income statement

The company has elected to take exemption under Section 408 of the Companies Act 2006 not to present the Company's income statement. The profit of the company for the year was £6,558,249 (2016: loss of £13,127,235).

Revenue

The revenue shown in the income statement represents amounts invoiced during the year for goods and services supplied, and contracts completed for customers, exclusive of Value Added Tax.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Property, plant and equipment

All property, plant and equipment are stated at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Freehold Property	-	Evenly over 10 and 50 years on building
Leasehold Property	-	Evenly over the term of the remaining lease
Plant, Fixtures & Equipment	-	Between 3 to 10 years
Motor Vehicles	-	Evenly over 5 years

1. ACCOUNTING POLICIES - continued

Investments

Shares in group undertakings are stated at cost.

Inventories

Inventories are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Inventory held by third parties on behalf of the group is recorded as an asset of the group where the balance of risks and rewards of ownership of the inventory lies with the group.

Cash and cash equivalents

In the consolidated statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Operating and finance lease agreements

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases are included as liabilities in the balance sheet. The interest elements of the rental obligations are charged in the income statement over the periods of the leases and represent a constant proportion of the balance of capital repayments outstanding.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Pension costs

The group operates a defined contribution pension scheme for certain employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the income statement.

1. ACCOUNTING POLICIES - continued

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisition of subsidiaries is included in "intangible assets". Goodwill is allocated to cash generating units for the purpose of annual impairment testing and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Customer relationships and order backlog

Customer relationships and order backlog acquired in a business combination are recognised at fair value at the acquisition date. The customer relationships and order backlog have a finite useful life and are carried at cost less accumulated amortisation. Amortisation is calculated using the straight-line method from 20 years and 0.5 years respectively over the expected life of the customer relationship and order backlog.

Other

Provision is made for amortisation of other intangible fixed assets in equal annual instalments over the period expected to benefit from their acquisition as follows:

Other intangible assets	3 years

Amortisation is charged to the income statement through Administrative expenses.

Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 3 months overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within 'Administrative expenses'. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against 'Administrative expenses' in the income statement.

Financial assets

The group classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

1. ACCOUNTING POLICIES - continued

(a) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current.

(b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The group's loans and receivables comprise 'trade and other receivables' and 'cash and cash equivalents' in the balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of it within 12 months of the end of the reporting period.

Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the group has transferred substantially all risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within 'other (losses)/gains – net' in the period in which they arise. Dividend income from financial assets at fair value through profit or loss is recognised in the income statement as part of other income when the group's right to receive payments is established.

Changes in the fair value of monetary and non-monetary securities classified as available for sale are recognised in other comprehensive income.

When securities classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the income statement as 'gains and losses from investment securities'.

1. ACCOUNTING POLICIES – continued

Interest on available-for-sale securities calculated using the effective interest method is recognised in the income statement as part of other income. Dividends on available-for-sale equity instruments are recognised in the income statement as part of other income when the group's right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the group establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

The group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement. Impairment testing of trade receivables is described in note 13.

Deferred taxation

Deferred tax 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 a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.

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.

1. ACCOUNTING POLICIES - continued

Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

The profit and loss accounts of overseas subsidiary undertakings are translated at the average rate of exchange ruling during the year. The balance sheets of the overseas subsidiary undertakings are translated into sterling at the rate of exchange ruling at the balance sheet date. Differences between the income statement translated at average rates and at balance sheet rates and differences arising on the retranslation of opening net assets of overseas subsidiaries are shown as a movement in reserves and in the statement of comprehensive income. All other translation differences are taken to the income statement.

Financial instruments

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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the income statement. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

1. ACCOUNTING POLICIES - continued

Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a pre-payment for liquidity services and amortised over the period of the facility to which it relates.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities. The dividends on these preference shares are recognised in the income statement as interest expense.

Borrowing costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on a temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Capital risk management

The company's objectives when managing capital are to safeguard the company's ability to continue as a going concern in order to provide returns for shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The company's overall strategy remains unchanged from prior year.

The capital structure of the company represents equity attributable to owner of the company, comprising issued share capital and retained earnings.

In order to maintain or adjust the capital structure, the company may adjust the amount of dividends paid to the shareholders, return capital to the shareholder or issue new shares.

1. ACCOUNTING POLICIES - continued

Capital risk management *(continued)*
The group monitors capital on the basis of the gearing ratio. During 2017, the group's strategy which was unchanged from 2016, was to maintain a gearing ratio below 30%. The gearing ratios at 31 December 2017 and 31 December 2016 were as follows:

	2017	2016
	£	£
Bank overdrafts (note 17)	**32,584**	1,463
Short term bank borrowings (note 17)	**846,497**	1,023,900
Finance leases – short term (note 15)	**54,875**	71,037
Finance leases – long term (note 16)	**11,852**	68,122
Net debt	**945,808**	1,164,522
Total equity	**13,006,749**	4,069,469
Net debt to equity ratio	**7.3%**	28.6%

Share capital
Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

Exceptional items
Exceptional items are income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the company and therefore are not expected to recur frequently or regularly. It mainly represented the severance payment of £183,759 and the expenses in relation to the change of ultimate shareholder of £31,868.

In 2016, administrative expenses include exceptional items of £786,336, which the company considered it is insignificant to restate the prior year figure.

2. GROUP REVENUE

The revenue and profit before tax are attributable to the one principal activity of the group. A geographical analysis of revenue is given below:

	2017 £	2016 £
United Kingdom	**5,519,679**	4,778,530
Other EU countries	**8,670,801**	9,437,016
Other non EU countries	**75,182,815**	71,553,013
	89,373,295	85,768,559

3. EXPENSES BY NATURE

	2017 £	2016 £
Amortisation of intangible assets	**1,509,779**	1,547,080
Depreciation of owned property, plant and equipment	**878,800**	725,486
Depreciation of leased property, plant and equipment	**72,147**	69,173
Loss/ (profit) on disposal of property, plant and equipment and other intangible assets	**21,614**	(5,416)
Cost of inventories sold	**41,874,840**	40,895,537
Consumables used	**343,498**	162,039
Provision for impairment of inventories	**132,753**	438,658
Provision for impairment of receivables	**99,193**	280,427
Bad debts written off	**37,145**	45,982
Employee benefit expense (note 4)	**18,217,727**	17,775,157
Operating lease rentals for premises, including offices, factories and warehouses	**1,413,331**	1,595,896
Rebates and commission	**4,779,345**	4,698,261
Others	**7,185,936**	6,816,257
Audit services		
- Fees payable to the company's auditors for the audit of the parent company and group financial statements.	**201,735**	223,813
- Fees payable to the company's auditors for non-audit services	**65,583**	17,500
Foreign exchange (gain)/ loss	**(4,935,482)**	10,571,831
Total cost of sales and administrative expenses	**71,897,944**	85,857,681

4. PARTICULARS OF EMPLOYEES

The monthly average number of staff employed by the group during the financial year amounted to:

	2017 No	2016 No
Production	**276**	233
Administration	**670**	678
Sales	**24**	30
Number of employees	**970**	941

There were no staff employed by the company (2016: none) other than the directors.

4. PARTICULARS OF EMPLOYEES *(continued)*

The aggregate payroll costs of the above were:

	2017	2016
	£	£
Wages and salaries	**16,601,950**	16,186,700
Social security costs	**574,629**	545,198
Other pension costs	**1,041,148**	1,043,259
	18,217,727	17,775,157

5. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments, including pension contributions, in respect of qualifying services were:

	2017	2016
	£	£
Emoluments receivable	-	-
Value of pension contributions to money purchase schemes	-	-

The number of directors who accrued benefits under company pension schemes was as follows:

	2017	2016
	No	No
Money purchase schemes	-	-

6. FINANCE COSTS

	2017	2016
	£	£
Interest payable on bank borrowing and finance leases	**65,118**	47,471
Interest payable on intercompany loan	**2,598,063**	3,116,567
	2,663,181	3,164,038

7. INCOME TAX EXPENSE

The main rate of UK corporation tax was reduced from 20% to 19% from 1 April 2017, enacted under Finance Act 2016. Further reductions to the main rate have been enacted and rates are to reduce to 17% from 1 April 2020. Deferred tax has been calculated at the applicable future rate.

(a) Analysis of charge in the year

	2017	2016
	£	£
Current tax:		
In respect of the year:		
UK Corporation tax based on the adjusted results for the year at 19.25% (2016 - 20%)	**2,726,566**	2,822,027
Adjustments in respect of prior years	**359**	353,451
Withholding tax on dividends declared	**1,135,937**	211,782
Total current tax	**3,862,862**	3,387,260
Deferred tax:		
Origination and reversal of timing differences (note 14)	**545,372**	(340,747)
Tax on profit/ (loss) on ordinary activities	4,408,234	3,046,513

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher (2016: higher) than the standard rate of corporation tax in the UK of 19.25% (2016 - 20%).

	2017	2016
	£	£
Profit/ (loss) on ordinary activities before taxation	**15,048,776**	(3,143,060)
Profit on ordinary activities by rate of tax	**2,896,889**	(628,612)
Expenses not deductible for tax purposes	**360,307**	16,046
Adjustment in respect of overseas taxation rates	**36,122**	(1,405)
Other timing differences	**271,819**	350,029
Adjustment in respect of prior years	**359**	353,451
Incomes not taxable for tax purposes	**(167,987)**	93,529
Withholding tax provision on undistributed retained earnings	**471,509**	-
Tax losses not recognised	**-**	2,651,693
Utilisation of tax losses previously unrecognised	**(596,721)**	-
Withholding tax paid	**1,135,937**	211,782
Total tax charge (note 7(a))	**4,408,234**	3,046,513

8. DIVIDENDS

	2017	2016
	£	£
Equity – ordinary		
Interim paid: £ nil (2016: £ 59.13) per share	-	354,800

At the time the dividend was paid in 2016 the directors were not aware that there were insufficient profits available for distribution and the directors acknowledge that no further distributions can be made until there are sufficient profits available for that purpose. The directors are seeking to recover monies from the shareholders in 2018.

In addition, the directors are not recommending a final dividend in respect of the financial year ending 31 December 2017 and 2016.

9. INTANGIBLE ASSETS

	Goodwill	Customer relationship and backlog	Other Intangible Assets	Total
	£	£	£	£
COST				
At 1 January 2016	16,837,636	24,708,330	1,671,109	43,217,075
Retranslation	-	-	293,058	293,058
Additions	-	-	118,773	118,773
Disposals	-	-	(34,603)	(34,603)
As at 31 December 2016 and 1 January 2017	**16,837,636**	**24,708,330**	**2,048,337**	**43,594,303**
Retranslation	-	-	46,604	46,604
Additions	-	-	75,356	75,356
Disposals	-	-	(31,394)	(31,394)
As at 31 December 2017	**16,837,636**	**24,708,330**	**2,138,903**	**43,684,869**
ACCUMULATED AMORTISATION				
At 1 January 2016	412,806	637,240	1,129,141	2,179,187
Retranslation	-	-	222,803	222,803
Charge for the year	-	1,266,899	280,181	1,547,080
On disposals	-	-	(32,794)	(32,794)
As at 31 December 2016 and 1 January 2017	**412,806**	**1,904,139**	**1,599,331**	**3,916,276**
Retranslation	-	-	44,376	44,376
Charge for the year	-	1,266,899	242,880	1,509,779
On disposals	-	-	(31,352)	(31,352)
As at 31 December 2017	**412,806**	**3,171,038**	**1,855,235**	**5,439,079**
NET BOOK VALUE				
At 31 December 2017	**16,424,830**	**21,537,292**	**283,668**	**38,245,790**
At 31 December 2016	16,424,830	22,804,191	449,006	39,678,027

Included within Other Intangible Assets are amounts capitalised in respect of expenditure on an on-line ordering system. The asset is amortised over 36 months. The net book value at 31 December 2017 was £nil (2016: £nil).

9. INTANGIBLE ASSETS *(continued)*

(a) Goodwill

Management reviews the business performance based on geography. Goodwill is monitored by the management at the operating segment level. The following is a summary of goodwill allocation for each operating segment:

2017	Opening	Addition	Closing
UK	444,494	-	444,494
Bangladesh	1,238,014	-	1,238,014
Denmark	14,742,322	-	14,742,322
Total	**16,424,830**	**-**	**16,424,830**
2016			
UK	444,494	-	444,494
Bangladesh	1,238,014	-	1,238,014
Denmark	14,742,322	-	14,742,322
Total	**16,424,830**	**-**	**16,424,830**

Goodwill is allocated to the Group's cash-generating units ("CGUs") identified according to operating segments based on geography.

The recoverable amounts of CGUs are determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period, extrapolated using the estimated growth rates stated below. The growth rate does not exceed the long-term average growth rate for the economies in which the CGUs operate.

The key assumptions used for value-in-use calculations were as follows:

	UK business	Bangladesh business	Denmark business
Post-tax net profit margin	10.26%	10.73%	11.22%
Average growth rate	6.20%	12.31%	5.84%
Long-term growth rate	3.00%	5.00%	2.00%
Discount rate	13.50%	18.00%	11.20%

These assumptions have been used for the analysis of the CGUs within the operating segments.

Management determined budgeted net profit based on past performance and its expectations of market development. The discount rates used are post-tax and reflect specific risks relating to the operating segments.

In the opinion of directors, no impairment charge is needed at the balance sheet date as the CGUs are at growth phase and would continue to be profitable in the foreseeable future. No reasonably possible change in the assumptions would result in an impairment.

9. INTANGIBLE ASSETS *(continued)*

(b) Customer relationships and order backlog

Customer relationships, representing long-standing relationships with brand owners, and order backlog, representing residual value of orders not yet completed, were recognised by the Group as a result of the acquisitions.

Amortisation of £1,266,899 (2016: £1,266,899) is included in administrative expenses.

The directors determined that there is no impairment to the carrying amount of customer relationships as at 31 December 2017 and 2016.

10. INVESTMENTS - COMPANY

Subsidiary Undertakings	Group companies £
COST	
At 31 December 2017 and 2016	**48,397,967**
NET BOOK VALUE	
At 31 December 2017 and 2016	**48,397,967**

The following list contains the particulars of all the subsidiaries of the limited private company, all of which operate in the business of the manufacture and supply of labels:

Name of limited private company	Proportion of ownership interest held by Company	Subsidiary	Particulars of issued shares/ registered capital	Registered office	Registered number	Principal activities
Labelon UK Limited	100%	-	8,000 ordinary shares of GBP1 each	1 Park Row, Leeds, LS1 5AB, United Kingdom	01878801	Trading and manufacturing of labels and hangtags for clothes
Labelon (Far East) Limited	100%	-	10,000 ordinary shares of HKD1 each	Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong	244998	Trading of labels and hangtags for clothes
Labelon Etiket ve Aksesuar Sanayi ve Ticaret Limited Sirketi	99%	1%	2,000 ordinary shares of TRY25 each	Baglar Mah, Mimarsinan No:7 Yildizlar Plaza Kat:4 D: 11-12 Gunesli / Bagcilar, Istanbul, Turkey	503337	Trading and manufacturing of labels and hangtags for clothes
Labelon Romania SRL	-	100%	800 ordinary shares of RON910 each	9-9A Dimitrie Pompi Blvd Bucharest, Romania, 020335	13039754	Trading and manufacturing of labels and hangtags for clothes
Clotex-Labelon (Bangladesh) Holdings Limited	1%	99%	100 ordinary shares of BDT100 each	House# 10, Road# 13/c Block#E, Banani Dhaka - 1213 Bangladesh	C-115216/14	Investment holding

10. INVESTMENTS – COMPANY *(continued)*

Name of limited private company	Proportion of ownership interest held by Company	Proportion of ownership interest held by Subsidiary	Particulars of issued shares/ registered capital	Registered office	Registered number	Principal activities
Clotex-Labelon (Bangladesh) Limited (formerly known as Enam Labels Limited)	-	52%	1,000,000 ordinary shares of BDT100 each	House# 10, Road# 13/c Block#E, Banani Dhaka - 1213 Bangladesh	C- 36947	Trading and manufacturing of labels and hangtags for clothes
P-AT2012 A/S	100%	-	962,100,000 ordinary shares of DKK0.01 each	Rosenholmvej 1-5, 7400 Herning, Denmark	34605327	Investment holding
A-Tex Holding A/S	39%	61%	15,000,000 ordinary shares of DKK1 each	Rosenholmvej 1-5, 7400 Herning, Denmark	34607923	Investment holding
ApS AF 04.07.2012	-	100%	80,000 ordinary shares of DKK1 each	Rosenholmvej 1-5, 7400 Herning, Denmark	34611408	Investment holding
A-Tex A/S	-	100%	1,100 ordinary shares of DKK1,000 each	Rosenholmvej 1-5, 7400 Herning, Denmark	18435543	Trading of brand, identification accessories
A-Tex (India) Private Limited	-	100%	99,620 ordinary shares of INR10 each	B-24, Infocity-I, Sector-34 Gurgaon-122001, Haryana India	U17299DL2003PTC123288	Trading of brand, identification accessories
A-Tex International Limited	-	100%	150,751 ordinary shares of BDT100 each	113/B, Love Road, 2nd floor, Tejgaon Industrial Area, Dhaka 1208, Bangladesh	C-65496	Trading of brand, identification accessories
A-Tex Tekstil Ticaret Limited Sirketi	-	100%	3,600 ordinary of TRY25 each	Ikitelli OSB. Mah. Eski Turgut Ozal Cad. No: 31/301 Basaksehir, TR-34490 Istanbul, Turkey	485754	Trading of brand, identification accessories
A-Tex Asia Limited	-	100%	2 ordinary shares	Flat C & D, 9/F, City Industrial Complex, 116-122 Kwok Shui Road, Kwai Chung Hong Kong	712387	Trading of brand, identification accessories
A-Tex International Trading (Dongguan) Co. Ltd	-	100%	RMB2,000,000 fully paid up	1-2/F., Block A1, No. 66 Baiyunqian South 2nd Street Caibiancun, Dalangzhen Dongguan 523783 Guangdong, P.R. China	441900400188136	Trading of brand, identification accessories

10. INVESTMENTS – COMPANY *(continued)*

Name of limited private company	Proportion of ownership interest held by Company	Proportion of ownership interest held by Subsidiary	Particulars of issued shares/ registered capital	Registered office	Registered number	Principal activities
A-tex US Inc.	-	100%	USD50,000 fully paid up	1350 6th Avenue, 2'nd floor, New York, NY 10019, USA		Sales office
A-Tex Germany GmbH	-	100%	1 ordinary shares of EUR25,000	Wasserstraße 223 44799 Bochum Germany	HRB 19708	Sales office
A-Tex Netherlands B.V.	-	100%	18,000 ordinary shares of EUR1 each	Suikersilo-Oost 16 1165 MS Halfweg Netherlands	30255301	Sales office
A-Tex Sweden AB	-	100%	1,000 ordinary shares of SEK100 each	Armbågavägen 3 506 30 Borås, Sweden	556707-4967	Sales office

11. PROPERTY, PLANT AND EQUIPMENT

Group	Freehold Property	Leasehold Property	Plant, Fixtures & Equipment	Motor Vehicles	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 January 2016	4,869,185	692,012	6,876,755	100,931	12,538,883
Retranslation	810,491	185,622	959,640	17,555	1,973,308
Additions	-	34,938	1,095,391	12,197	1,142,526
Disposals	-	-	(146,522)	-	(146,522)
At 31 December 2016 and 1 January 2017	**5,679,676**	**912,572**	**8,785,264**	**130,683**	**15,508,195**
Retranslation	(96,712)	(61,262)	(580,091)	(15,234)	(753,299)
Additions	55,877	310,168	777,588	39,710	1,183,343
Disposals	-	(113,918)	(1,000,572)	(9,172)	(1,123,662)
At 31 December 2017	**5,638,841**	**1,047,560**	**7,982,189**	**145,987**	**14,814,577**
ACCUMULATED DEPRECIATION					
At 1 January 2016	711,039	517,449	4,434,063	56,364	5,718,915
Retranslation	105,323	166,541	506,057	9,493	787,414
Charge for the year	42,097	63,766	681,644	7,152	794,659
On disposals	-	-	(126,614)	-	(126,614)
At 31 December 2016 and 1 January 2017	**858,459**	**747,756**	**5,495,150**	**73,009**	**7,174,374**
Retranslation	7,402	(40,280)	(246,162)	(5,997)	(285,037)
Charge for the year	53,096	113,831	769,186	14,834	950,947
On disposals	-	(109,121)	(971,098)	(9,172)	(1,089,391)
At 31 December 2017	**918,957**	**712,186**	**5,047,076**	**72,674**	**6,750,893**
NET BOOK VALUE					
At 31 December 2017	**4,719,884**	**335,374**	**2,935,113**	**73,313**	**8,063,684**
At 31 December 2016	4,821,217	164,816	3,290,114	57,674	8,333,821

Depreciation expense of £351,756 (2016: £229,977) and £599,191 (2016: £564,682) has been charged in cost of sales and administrative expenses respectively.

11. PROPERTY, PLANT AND EQUIPMENT *(continued)*

Finance lease agreements

Computer hardware includes the following amounts where the group is lessee under a finance lease:

	2017	2016
	£	£
Cost-capitalised finance lease	**250,852**	242,855
Accumulated depreciation	**(187,916)**	(111,060)
Net book amount	**62,936**	131,795

The group leases computer hardware under non-cancellable finance lease agreements. The lease terms are 3 or 5 years, and ownership of the assets lies within the group.

12. INVENTORIES

	Group		**Company**	
	2017	2016	**2017**	2016
	£	£	**£**	£
Raw materials	**972,763**	881,253	**-**	-
Work in progress	**33,632**	8,166	**-**	-
Finished goods	**6,187,523**	6,666,270	**-**	-
	7,193,918	7,555,689	**-**	-

13. TRADE AND OTHER RECEIVABLES

		Group		**Company**	
		2017	2016	**2017**	2016
	Note	**£**	£	**£**	£
Trade receivables		**13,361,391**	13,872,386	**-**	-
Amounts owed by group undertakings	23	**2,703,396**	1,516,782	**2,747,965**	-
VAT recoverable		**289,760**	312,614	**2,500**	100
Other receivables		**996,228**	1,303,063	**-**	-
Prepayments and accrued income		**251,550**	710,622	**-**	-
		17,602,325	17,715,467	**2,750,465**	100

The fair value of trade and other receivables is as in the above table.

The amounts owed by group undertakings have no fixed due date for payment and bear no interest.

13. TRADE AND OTHER RECEIVABLES *(continued)*

Trade receivables that are less than three months past due date are not considered impaired. As at 31 December 2017, trade receivables of £3,795,403 (2016: £4,647,375) were past due date but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2017	2016
	£	£
Up to three months	**3,110,719**	4,043,890
Over three months	**684,684**	603,485
	3,795,403	4,647,375

At 31 December 2017, trade receivables of £553,711 (2016: £639,938) were considered impaired. The ageing analysis of these trade receivables is as follows:

	2017	2016
	£	£
Up to three months	**156,605**	111,681
Over three months	**397,106**	528,257
	553,711	639,938

The carrying amounts of the group's gross trade receivables are denominated in the following currencies:

	2017	2016
	£	£
Sterling	**698,457**	794,955
US Dollars	**4,691,680**	4,380,052
Euros	**951,323**	1,044,739
Romania Lei	**183,511**	200,692
Turkish Lira	**2,953,966**	2,572,156
Hong Kong Dollars	**373,837**	554,166
Chinese Yuan Renminbl	**1,063,474**	1,211,156
Danish Krone	**111,211**	82,101
Indian Rupee	**216,415**	258,461
Swedish Krona	**2,497**	-
Bangladeshi Taka	**2,668,731**	3,413,846
	13,915,102	14,512,324

14. DEFERRED TAX ASSETS/ (LIABILITIES)

Deferred income tax is calculated on temporary differences under the asset method using the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

The analysis of deferred income tax/ (liabilities) is as follows:

	2017	2016
	£	£
Deferred income tax assets	**169,483**	296,427
Deferred income tax liabilities	**(5,894,491)**	(5,306,568)
Deferred income tax liabilities - net	**(5,725,008)**	(5,010,141)

The movements in deferred income tax assets during the year are as follows:

	Accelerated tax depreciation	Provision	Total
	£	£	£
At 1st January 2016	(5,518,672)	351,012	(5,167,660)
Currency translation differences	(40,082)	(143,146)	(183,228)
Credited to consolidated statement of comprehensive income	317,128	23,619	340,747
Balance at 31st December 2016 and 1st January 2017	(5,241,626)	231,485	(5,010,141)
Currency translation differences	(40,419)	(129,076)	(169,495)
Credited/ (charged) to consolidated statement of comprehensive income	225,875	(771,247)	(545,372)
At 31st December 2017	(5,056,170)	(668,838)	(5,725,008)

At 31st December 2017, the Group has deferred tax asset of £2,091,902 (2016: £3,477,292) not recognised for in respect of tax losses carried forward of £11,010,009 (2016: £17,386,461) as there is no evidence that sufficient future taxable income will be available to utilise such tax losses. The tax losses have no expiry date.

15. TRADE AND OTHER PAYABLES

		Group		**Company**	
		2017	2016	**2017**	2016
	Note	**£**	£	**£**	£
Trade creditors		**10,295,058**	9,501,314	-	-
Amounts owed to group undertakings	23	**5,795,066**	7,044,521	**6,017,179**	4,991,387
Other taxes and social security		**126,533**	311,572	-	-
Other creditors		**238,499**	248,012	-	-
Finance leases		**54,875**	71,037	-	-
Accruals and deferred income		**3,552,730**	3,115,289	**112,300**	112,160
		20,062,761	20,291,745	**6,129,479**	5,103,547

The amounts owed to group undertakings have no fixed due date for payment and bear no interest.

16. NON-CURRENT LIABILITIES - OTHER PAYABLES

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Other creditors	**55,289**	39,641	-	-
Finance leases	**11,852**	68,122	-	-
	67,141	107,763	-	-

17. BORROWINGS

	Group		Company	
	2017	2016	**2017**	2016
	£	£	**£**	£
Intercompany loans	**52,931,799**	58,445,921	**52,931,799**	58,445,921
Bank overdrafts	**32,584**	1,463	-	-
Short term bank borrowings	**846,497**	1,023,900	-	-
	53,810,880	59,471,284	**52,931,799**	58,445,921

The bank overdrafts carry interest at 9.5% (2016: 10.5%) and are repayable on demand.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group is exposed to various financial risks that arise as a normal part of its trading activities. The main such risks are considered to be foreign exchange risk, credit risk, and liquidity risk.

Market risk - Foreign exchange risk
The group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Hong Kong Dollars, Euros US Dollars, Danish Krone and Turkish Lira. Management monitor exchange rate movements closely and ensure adequate funds are maintained in appropriate currencies to meet known liabilities.

Credit risk
The group has no significant concentration of credit risk as it trades with a considerable number of customers. In order to minimise the credit risk resulting from counterparty default, sales are mainly made to customers with long business relationships and good credit history. Moreover, the credit risk is further mitigated as certain customers have to place deposits before the sales are made. In addition, the group reviews the recoverability of each individual customer and each significant receivable at each balance sheet date to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, the directors are of the opinion that the relevant credit risk is low.

The credit risk on receivables from group companies is considered to be low taking into account the financial positions of and past experience with group companies and they have no past history of default in payment. The credit risk on liquid funds is limited because the counterparties are banks with high credit ratings assigned by International credit-rating agencies.

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(continued)*

Liquidity risk
Prudent liquidity risk management implies maintaining sufficient cash and bank balances, availability of fundings from committed banking facilities and ensuring continual financial supports from the holding companies. In addition, the group's working capital is supported by funding generated through operations. In the opinion of directors, the group does not have significant liquidity risk.

The table below analyses the group's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balance due within 12 months equal their carrying balances, as the impact of discounting is not significant.

	2017	2016
	£	£
Less than 1 year		
Borrowings (note 17)	**53,810,880**	59,471,284
Trade and other payables (note 15)	**20,062,761**	20,291,745
	73,873,641	79,763,029
Between 1 to 2 years		
Finance lease	**11,900**	56,606
Between 2 to 5 years		
Finance lease	-	11,520
	73,885,541	79,831,155

19. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimate will, by definition, seldom equal the related actual results. However, other than the judgement made by the directors in respect of going concern, the estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill
The group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates as disclosed in note 9(a).

The directors are of the opinion that there is no impairment of goodwill as at 31st December 2017 and 2016.

19. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS *(continued)*

Recognition of income taxes

The group operates worldwide and is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the original course of business. The group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets and liabilities in the year in which such determination is made.

Moreover, the company has unused tax losses carried forward as at 31st December 2017 and significant judgement is required in determining the recognition of the related deferred tax assets. However, deferred income tax assets in relation to such unused tax losses of approximately £2,091,902 (2016: £3,477,292) have not been recognised as, in the opinion of the directors, there is uncertainty that sufficient future taxable income will be available for the company.

20. COMMITMENTS UNDER OPERATING LEASES

At 31 December the group had future aggregate minimum lease payments under non-cancellable operating leases as set out below.

Group

	2017	2016
	£	£
Operating leases which expire:		
Within 1 year	**1,180,121**	1,348,552
Within 2 to 5 years	**489,938**	831,525
More than 5 years	**-**	6,225
	1,670,059	2,186,302

At 31 December 2017 the company had no (2016: none) commitments under non-cancellable operating leases.

21. SHARE CAPITAL (GROUP AND COMPANY)

Authorised, allotted, called up and fully paid:

	2017		2016	
	No	**£**	No	£
Ordinary shares of £1 each	**6,000**	**6,000**	6,000	6,000

22. RECONCILIATION OF OPERATING PROFIT/ (LOSS) TO NET CASH INFLOW/ (OUTFLOW) FROM OPERATING ACTIVITIES

	Group 2017 £	Group 2016 £	**Company 2017 £**	Company 2016 £
Operating profit/ (loss)	**17,700,660**	(89,122)	**10,291,003**	(9,944,228)
Exceptional items	**(225,309)**	-	-	-
Depreciation	**950,947**	794,659	-	-
Amortisation	**1,509,779**	1,547,080	-	-
Loss/ (gain) on disposal of fixed assets	**21,614**	(5,416)	-	-
Dividend income	-	-	**(4,553,134)**	(1,019,204)
Decrease/ (increase) in inventory	**361,771**	(474,337)	-	-
Decrease/ (increase) in debtors	**105,257**	(3,055,128)	**(2,750,365)**	972,288
Increase in creditors	**157,626**	1,195,247	**1,380,732**	637,278
Effect of foreign exchange	**(1,626,112)**	860,501	-	-
Net cash inflow generated from/(used in) operating activities	**18,956,233**	773,484	**4,368,236**	(9,353,866)

23. RELATED PARTIES

Group

The Group is controlled by Trimco International Holdings Ltd, a company incorporated in the British Virgin Islands, which owns 100% of the company's shares.

The following transactions were carried out with related parties:

a) Sales of goods and services

	2017	2016
	£	£
Sale of goods:		
- Fellow subsidiaries	**64,152**	88,185

b) Purchase of goods and services

	2017	2016
	£	£
Purchase of goods:		
- Fellow subsidiaries	**5,031,140**	3,431,125
Purchase of services:		
- Fellow subsidiaries (management charges)	**1,266,358**	877,908
	6,297,498	4,309,033

c) Year end balances

	2017	2016
	£	£
Receivables from related parties:		
- Intermediate parent	**161,372**	177,211
- Fellow subsidiaries	**2,542,024**	1,339,571
Payables to related parties:		
- Intermediate parent	**2,627,163**	2,909,591
- Immediate parent	**1,492,502**	2,052,608
- Fellow subsidiaries	**1,675,401**	2,082,322
Loans from related parties:		
- Intermediate parent	**49,285,124**	51,822,560
- Fellow subsidiary	**3,646,675**	6,623,361

The receivables from/ payables to related parties arise mainly from purchase transactions and due to the consideration paid in respect of the acquisition of A-Tex, have no fixed due date for payment and bear no interest.

The loans from related parties arise mainly due to the consideration paid in respect of the acquisition of A-Tex, have no fixed due date for payment, carry interest at LIBOR plus 3.65% margin and are repayable on demand.

23. RELATED PARTIES *(continued)*

Company

a) The following transactions with subsidiary companies occurred in the year:

	2017	2016
	£	£
Dividends received	**4,553,134**	1,019,204
Management charges	-	-

No purchase or sales transactions were entered into between the company and its subsidiaries.

b) Year end balances

	2017	2016
	£	£
Receivables from related parties:		
- Subsidiary	**2,747,965**	-
Payables to related parties:		
- Intermediate parent	**2,627,163**	2,909,591
- Immediate parent	**1,492,502**	2,052,608
- Subsidiary	**1,897,514**	29,188
Loans from related parties:		
- Intermediate parent	**49,285,124**	51,822,560
- Fellow subsidiary	**3,646,675**	6,623,361

The payables to related parties arise mainly due to the consideration paid in respect of the acquisition of A-Tex, have no fixed due date for payment, bear no interest and are repayable on demand.

The loans from related parties arise mainly due to the consideration paid in respect of the acquisition of A-Tex, have no fixed due date for payment, carry interest at LIBOR plus 3.65% margin and are repayable on demand.

c) Key management compensation
Key management includes executive and non-executive directors. The compensation paid or payable to key management for employee services is borne by a fellow subsidiary.

24. ULTIMATE PARENT COMPANY

Trimco International Holdings Ltd, a company incorporated in the British Virgin Islands, whose principal activity is that of a holding company, is the immediate parent of the company and owns 100% of the shares and voting rights.

Brandco 3 Limited, a company incorporated in the Hong Kong, is the smallest group to consolidate the financial statements of the company.

Fermo Limited, incorporated in the Cayman Islands, is the largest group to consolidate these financial statements.

Concordant Investments Pte Limited, incorporated in Singapore, is the company's ultimate parent company and controlling party.

Copies of the Labelon Group Limited financial statements may be obtained from the registered office, 1 Park Row, Leeds, LS1 5AB, United Kingdom.

25. GENERAL INFORMATION

Labelon Group Limited was formed as a limited liability company in 2004. The Company is domiciled in the United Kingdom.

26. EVENT OCCURRING AFTER THE REPORTING PERIOD

On 22nd January 2018, CNC Investment Limited, a company incorporated in the Cayman Islands, entered an agreement for the sales and purchase of Fermo Limited to acquire the entire interest in Fermo Limited and its subsidiaries. The transaction was completed on 3rd March 2018.