
ELTA INTERNATIONAL LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2019

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ELTA INTERNATIONAL LIMITED

COMPANY INFORMATION

Director	D L Ball
Company secretary	S D Hunt
Registered number	05535283
Registered office	Unit 46, Third Avenue Pensnett Trading Estate Kingswinford West Midlands DY6 7US
Independent auditor	Grant Thornton UK LLP Statutory Auditor, Chartered Accountants The Colmore Building 20 Colmore Circus Birmingham B4 6AT
Bankers	Barclays Bank plc PO Box 3333 One Snowhill Snowhill Queensway Birmingham B3 2WN

ELTA INTERNATIONAL LIMITED

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ELTA INTERNATIONAL LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2019**

Introduction

The principal activity of the company is that of a holding Company for foreign subsidiaries.

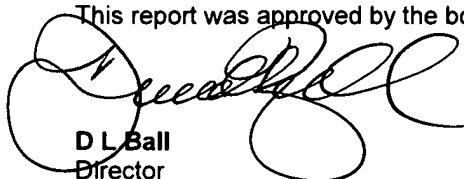
Business review

The directors are satisfied with the performance of the Company during the year. Due to the nature of the business, there are no key performance indicators monitored for this company.

Principal risks and uncertainties

The principal risk of the Company is that the underlying performance of its subsidiaries does not support the carrying value within the financial statements. Management monitor the trading position of the subsidiaries and assess whether impairment is necessary.

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



D L Ball
Director

Date: 19/12/19

ELTA INTERNATIONAL LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2019

The director presents his report and the financial statements for the year ended 31 March 2019.

Results and dividends

The profit for the year, after taxation, amounted to £3,022,064 (2018 - loss £1,563,773).

Director

The director who served during the year was:

D L Ball

Director's responsibilities statement

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The director is responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Qualifying third party indemnity provisions

The company has provided qualifying indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

Matters covered in the strategic report

The Company's objectives and policies regarding financial risk management, as well as the main areas of financial risk exposure, have been included in the Strategic report.

ELTA INTERNATIONAL LIMITED

**DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2019**

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Disclosure of information to auditor

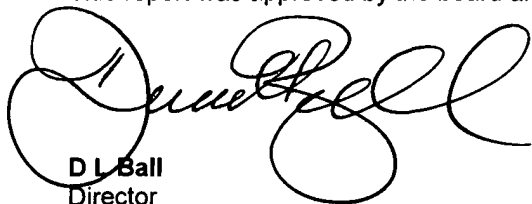
The director confirms that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



D L Ball
Director

Date: 19/12/19



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA INTERNATIONAL LIMITED

Opinion

We have audited the financial statements of Elta International Limited (the 'Company') for the year ended 31 March 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2019 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



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

Other information

The director is 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

Matter on which we are required to report under the Companies Act 2006

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

Matters on which we are required to report by exception

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ELTA INTERNATIONAL LIMITED
(CONTINUED)**

Responsibilities of directors for the financial statements

As explained more fully in the Director's Responsibilities Statement on page 2, the director is 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 director determines 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 director is 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 director either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Grant Thornton UK LLP

David Munton BSc (Hons) FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham
Date: *20 December 2019*

ELTA INTERNATIONAL LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Administrative expenses		(5,031)	(5,030)
Exceptional costs		-	(5,027,155)
Other operating (expense) / income	4	(87,971)	89,682
Operating loss		<u>(93,002)</u>	<u>(4,942,503)</u>
Income from shares in group undertakings		3,363,242	3,560,266
Profit/(loss) before tax		<u>3,270,240</u>	<u>(1,382,237)</u>
Tax on profit/(loss)	7	(248,176)	(181,536)
Profit/(loss) for the financial year		<u><u>3,022,064</u></u>	<u><u>(1,563,773)</u></u>

There was no other comprehensive income for 2019 (2018: £Nil).

The notes on pages 10 to 18 form part of these financial statements.

ELTA INTERNATIONAL LIMITED
REGISTERED NUMBER:05535283

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	9	64,619,759	64,619,759
		<u>64,619,759</u>	<u>64,619,759</u>
Current assets			
Debtors: amounts falling due within one year	10	11,372,378	8,102,109
		<u>11,372,378</u>	<u>8,102,109</u>
Creditors: amounts falling due within one year	11	(429,936)	(181,731)
Net current assets		<u>10,942,442</u>	<u>7,920,378</u>
Total assets less current liabilities		<u>75,562,201</u>	<u>72,540,137</u>
Creditors: amounts falling due after more than one year	12	(3,873,769)	(3,873,769)
Net assets		<u><u>71,688,432</u></u>	<u><u>68,666,368</u></u>
Capital and reserves			
Called up share capital	14	2,712,620	2,712,620
Other reserves	15	56,162,709	56,162,709
Profit and loss account	15	12,813,103	9,791,039
		<u><u>71,688,432</u></u>	<u><u>68,666,368</u></u>

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


D L Ball
 Director

19/12/19

The notes on pages 10 to 18 form part of these financial statements.

ELTA INTERNATIONAL LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2018	2,712,620	56,162,709	9,791,039	68,666,368
Comprehensive income for the year				
Profit for the year	-	-	3,022,064	3,022,064
Total comprehensive income for the year	-	-	3,022,064	3,022,064
At 31 March 2019	2,712,620	56,162,709	12,813,103	71,688,432

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

	Called up share capital	Other reserves	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	2,712,620	56,162,709	11,354,812	70,230,141
Comprehensive income for the year				
Loss for the year	-	-	(1,563,773)	(1,563,773)
Total comprehensive income for the year	-	-	(1,563,773)	(1,563,773)
At 31 March 2018	2,712,620	56,162,709	9,791,039	68,666,368

The notes on pages 10 to 18 form part of these financial statements.

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

1. General information

Elta International Limited is a private Company limited by shares and incorporated in England and Wales. Its registered head office is located at Unit 46 Third Avenue, Pensnett Trading Estate, Kingswindord, West Midlands, DY6 7US.

The Company's principal activity during the year was that of a holding company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Elta Group Limited as at 31 March 2019 and these financial statements may be obtained from Companies House.

2.3 Going concern

The directors have prepared cash flow forecasts and considered cash flow requirements for the company for a period not less than 12 months after the date of the approval of these financial statements. The forecasts show that the Company has sufficient resources available in order to continue trading for a period of at least 12 months from the date of approval of these accounts.

As a result of the above, the directors consider it appropriate to prepare the financial statements on a going concern basis.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

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

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

2.7 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

2. Accounting policies (continued)

2.9 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

2.10 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

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

The preparation of the financial statements requires management to make significant judgements, estimates and assumptions that affect the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from these estimates.

Investments in subsidiary companies are measured at cost less impairment. Management judgement is required when assessing any level of impairment in subsidiary companies and this is based on management's current knowledge and forecast performance of each subsidiary.

4. Other operating (expense)/income

	2019 £	2018 £
Foreign exchange	<u>(87,971)</u>	<u>89,682</u>

ELTA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

5. Auditor's remuneration

Auditor's remuneration in respect of the audit of the financial statements of the Company is borne by the parent company.

6. Employees

The Company has no employees other than the director, who did not receive any remuneration (2018: £Nil).

7. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	64,953	16,084
Adjustments in respect of previous periods	183,223	165,452
Total current tax	<u>248,176</u>	<u>181,536</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018: 19%). The differences are explained below:

	2019 £	2018 £
Profit/(loss) on ordinary activities before tax	<u>3,270,240</u>	<u>(1,382,237)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19%(2018: 19%).	621,346	(262,625)
Effects of:		
Amounts not deductible for tax purposes	-	955,159
Adjustments to tax charge in respect of prior periods	183,223	165,452
CFC Charge	64,953	-
Losses c/fwd	17,670	-
Income not taxable	(639,016)	(676,450)
Total tax charge for the year	<u>248,176</u>	<u>181,536</u>

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

8. Exceptional items

	2019 £	2018 £
Exceptional cost	-	5,027,155

An exceptional cost of £Nil has been recognised in 2019 (2018: £5,027,155). The amount in 2018 related to a provision against amounts owed by a subsidiary undertaking.

9. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 April 2018	68,028,270
At 31 March 2019	68,028,270
Impairment	
At 1 April 2018	3,408,511
At 31 March 2019	3,408,511
Net book value	
At 31 March 2019	64,619,759
At 31 March 2018	64,619,759

ELTA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

9. Fixed asset investments (continued)**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding	Principal activity
Fantech Ventilation Limited (1)	Ordinary	100 %	Manufacture of fans and related products
Aerauliqa UK Limited (1)	Ordinary	91 %	Holding company
Aerauliqa s.r.l. (2)	Ordinary	100 %	Distribution of fans and related products
Elta Group (Africa) (Pty) Limited (1)	Ordinary	87.5 %	Manufacture of fans and related products
Elta Jersey Limited (1)	Ordinary	100 %	Holding company
Les Creux Australia Pty Limited (1)	Ordinary	100 %	Holding company
Elta Group (Asia Pacific) Pty Limited(2)	Ordinary	100 %	Manufacture of fans and related products
Airepure Australia Pty Limited (2)	Ordinary	100 %	Manufacture of fans and related products
Fantech Pty Limited (2)	Ordinary	100 %	Manufacture of fans and related products
Idealair Group Pty Limited (2)	Ordinary	100 %	Manufacture of fans and related products
Systemaire Unit Trust (2)	Ordinary	100 %	Dormant
Air Design Queensland Unit Trust (2)	Ordinary	100 %	Manufacture of fans and related products
Q-Tech Acoustics Pty Limited (2)	Ordinary	100 %	Manufacture of fans and related products
Burra Sheetmetal Pty Limited (2)	Ordinary	100 %	Manufacture of fans and related products
EltaFantech Asia Sdn Bhd (2)	Ordinary	100 %	Manufacture of fans and related products
Fantech (NZ) Limited (2)	Ordinary	100 %	Manufacture of fans and related products
Major Air Pty Ltd (2)	Ordinary	100 %	Manufacture of fans and related products
Airpure (New Zealand) Pty Limited (2)	Ordinary	100 %	Dormant
The Ventilation Warehouse (NZ) Limited (2)	Ordinary	100 %	Dormant
Techfil Pty Limited	Ordinary	100 %	Distribution of fans and related products
NCS Acoustics Limited	Ordinary	100 %	Distribution of fans and related products

(1) The Company also owns 100% of the issued preference share capital of this undertaking.

(2) Held indirectly

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

10. Debtors

	2019 £	2018 £
Amounts owed by group undertakings	<u>11,372,378</u>	<u>8,102,109</u>

Amounts owed by group undertakings are non-interest bearing and have no fixed repayment date.

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank overdrafts	181,760	195
Amounts owed to group undertakings	183,223	181,536
Corporation tax	64,953	-
	<u>429,936</u>	<u>181,731</u>

12. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Loan note	<u>3,873,769</u>	<u>3,873,769</u>

The loan note was issued on 30 March 2012 as consideration for the acquisition of the shares in Les Creux Australia Pty Limited from Les Creux House Investments Limited. The loan note is unsecured, interest free and will not be repaid prior to 31 March 2020.

ELTA INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019

13. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	<u>11,372,378</u>	<u>8,102,110</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(4,238,752)</u>	<u>(4,055,500)</u>

Financial assets measured at amortised cost comprise of amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise amounts due to group undertakings, loan notes and the bank overdraft.

14. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
2,712,620 Ordinary shares of £1 each	<u>2,712,620</u>	<u>2,712,620</u>

15. Reserves

Other reserves

Included within the other reserves is £461,687 relating to the profit on sale of Elta Fans (SA) (Pty) Limited to Elta Group (Africa) (Pty) Limited at market value in the year ended 31 March 2007. The profit will remain undistributable until such time that the profit is realised outside of the group.

Included within the other reserves is £55,701,022 relating to the profit on sale of Elta Group (Asia Pacific) Limited to Les Creux Australia Pty Limited at market value in the year ended 31 March 2012. The profit will remain undistributable until such time that the profit is realised outside of the group.

Profit & loss account

Includes all other current and prior period retained profits and losses.

ELTA INTERNATIONAL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2019**

16. Contingent liabilities

The Company and certain fellow subsidiaries have entered into cross-guarantee agreements in relation to banking facilities made available to Elta Group Limited. At 31 March 2019 the contingent liability under this arrangement was £4,293,273 (2018: £4,189,743).

On 25 April 2019 the European Commission of the European Union (the "EC") issued its final decision in relation to the financing company exemption within the UK Controlled Foreign Company rules. The EC concluded that when financing income derives from UK activities, the group financing exemption is not justified and constitutes State aid. The UK government has appealed against the decision.

The group have calculated the likely maximum potential liability to be £600k plus compound interest. The impact on the group remains uncertain and our current assessment is that no provision is required.

17. Controlling party

The ultimate parent company is Elta Group Limited, which is registered in England and Wales.

Its group accounts are available to the public from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The ultimate controlling party is D L Ball by virtue of his majority shareholding in the parent Company, Elta Group Limited.