

Registered number: 00455065

DANIEL ROBINSON & SONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018



DANIEL ROBINSON & SONS LIMITED

COMPANY INFORMATION

DIRECTORS

R Robinson
G A Neill
B C Robinson
A R Akers
J D Parkin
M L Robinson
G K Smith

COMPANY SECRETARY

G K Smith

REGISTERED NUMBER

00455065

REGISTERED OFFICE

79/81 South Street
Bishop's Stortford
Hertfordshire
CM23 3AL

INDEPENDENT AUDITORS

Price Bailey LLP
Chartered Accountants & Statutory Auditors
Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

DANIEL ROBINSON & SONS LIMITED

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DANIEL ROBINSON & SONS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2018

INTRODUCTION

The principle activity of the Company continues to be that of Funeral Directors.

BUSINESS REVIEW

The Directors are pleased to report that all of our Funeral Homes have continued to perform well.

Turnover for the year was £10.9M, which is 4% up on the previous year. The gross profit margin was 52% (2017 – 52%), and the net profit margin was 15% (2017 – 12%).

These excellent results have been produced even though there has been increased competition in our trading area and the death rate has remained static. Funeral numbers were budgeted to rise by 3%, but actually remained at a similar level to the prior year. We regularly review our profit margins and market share by monitoring trends. Our review demonstrates that we have increased or maintained our market share, in all of our trading areas.

During the year there have been some key developments within the business, including some significant renovation work and the purchase of two new buildings, as part of our improvement and expansion plans. The Company also made a major investment in a new fleet of hearses and limousines as part of our programme to update our vehicles.

We have invested time in the development of the senior management team and in business/succession planning for the future. The year ahead will see us focusing on all offices, especially in those branches that we have identified as key growth areas.

The principle risks and uncertainties to our business are increasing local competition and the unpredictable nature of the national death rate, or more specifically the death rate in our trading areas. However, the directors are confident that the current business plans are robust and flexible enough to continue to deliver further growth going forward.

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



G A Neill
Director

Date: 12TH JUNE 2018

DANIEL ROBINSON & SONS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2018

The Directors present their report and the financial statements for the year ended 31 March 2018.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,461,033 (2017 - £1,013,822).

A final dividend has been proposed for the year ended 31 March 2018 of £465,609. This has not been included in this years accounts.

DIRECTORS

The Directors who served during the year were:

R Robinson
G A Neill
B C Robinson
A R Akers
J D Parkin
M L Robinson
G K Smith

CHARITABLE AND POLITICAL DONATIONS

Direct donations of a charitable nature made during the year amounted to £2,847. The Company made no political donations in the year.

The Company continued organising and participating in many local charitable events, which is part of our ongoing commitment to the communities which we serve.

The Daniel Robinson & Sons Golf Day was extremely successful, raising £40,000 which was used to fund specialist physiotherapy for three local children who have Cerebral Palsy in their lower limbs. This was the thirteenth year of the Golf Day, during which time we have raised a total of £224,000 through this event.

The Company also supported the Light up a Life Christmas appeal for St Helena, St Clare, Arthur Rank, Isabel and Farleigh Hospices, and all offices continue to contribute to Rotary networking and fundraising events in their respective trading areas.

POST BALANCE SHEET EVENTS

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

DANIEL ROBINSON & SONS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS' RESPONSIBILITIES STATEMENT

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

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

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

AUDITORS

The auditors, Price Bailey 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.



G K Smith
Secretary

Date: 12TH JUNE, 2018

DANIEL ROBINSON & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DANIEL ROBINSON & SONS LIMITED

OPINION

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

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Auditors' 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

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

OTHER INFORMATION

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly

DANIEL ROBINSON & SONS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF DANIEL ROBINSON & SONS LIMITED (CONTINUED)

stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

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

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

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

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

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the Directors' Responsibilities Statement on page 3, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

DANIEL ROBINSON & SONS LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
DANIEL ROBINSON & SONS LIMITED (CONTINUED)**

AUDITORS' RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

Richard Vass (Senior Statutory Auditor)

for and on behalf of

Price Bailey LLP

Chartered Accountants
Statutory Auditors

Causeway House
1 Dane Street
Bishop's Stortford
Hertfordshire
CM23 3BT

Date: 20 June 2018

DANIEL ROBINSON & SONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	3	10,906,155	10,535,777
Cost of sales		(5,174,493)	(5,017,522)
GROSS PROFIT		5,731,662	5,518,255
Administrative expenses		(4,309,868)	(4,372,769)
Other operating income	4	228,780	141,255
OPERATING PROFIT	5	1,650,574	1,286,741
Interest receivable and similar income	9	9,643	2,469
Interest payable and similar expenses	10	(364)	(10,942)
PROFIT BEFORE TAX		1,659,853	1,278,268
Tax on profit	11	(198,820)	(264,446)
PROFIT FOR THE FINANCIAL YEAR		1,461,033	1,013,822

The notes on pages 13 to 27 form part of these financial statements.

DANIEL ROBINSON & SONS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Profit for the financial year		1,461,033	1,013,822
OTHER COMPREHENSIVE INCOME			
Deferred tax movement	22	4,080	4,742
OTHER COMPREHENSIVE INCOME FOR THE YEAR		4,080	4,742
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,465,113</u>	<u>1,018,564</u>

The notes on pages 13 to 27 form part of these financial statements.

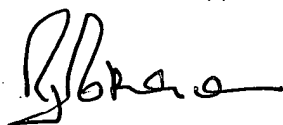
DANIEL ROBINSON & SONS LIMITED
REGISTERED NUMBER: 00455065

BALANCE SHEET
AS AT 31 MARCH 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Intangible assets	13	307,465	566,874
Tangible assets	14	6,158,845	4,625,519
Investment property	15	1,466,702	2,216,702
		<u>7,933,012</u>	<u>7,409,095</u>
CURRENT ASSETS			
Stocks	16	65,114	58,798
Debtors: amounts falling due within one year	17	1,494,700	1,469,485
Cash at bank and in hand	18	1,278,606	1,032,722
		<u>2,838,420</u>	<u>2,561,005</u>
Creditors: amounts falling due within one year	19	(1,400,939)	(1,469,964)
NET CURRENT ASSETS		<u>1,437,481</u>	<u>1,091,041</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>9,370,493</u>	<u>8,500,136</u>
Creditors: amounts falling due after more than one year	20	-	(6,000)
PROVISIONS FOR LIABILITIES			
Deferred tax	22	(191,173)	(346,804)
Other provisions	23	(130,000)	(130,000)
		<u>(321,173)</u>	<u>(476,804)</u>
NET ASSETS		<u><u>9,049,320</u></u>	<u><u>8,017,332</u></u>
CAPITAL AND RESERVES			
Called up share capital	24	164,993	164,993
Share premium account	25	43,063	43,063
Revaluation reserve	25	1,463,563	1,480,275
Capital redemption reserve	25	2,777	2,777
Profit and loss account	25	7,374,924	6,326,224
		<u><u>9,049,320</u></u>	<u><u>8,017,332</u></u>

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

R Robinson
Director



Date:

12.6.2018.

The notes on pages 13 to 27 form part of these financial statements.

DANIEL ROBINSON & SONS LIMITED

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

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2017	164,993	43,063	2,777	1,480,275	6,326,224	8,017,332
COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year	-	-	-	-	1,461,033	1,461,033
Deferred tax movement	-	-	-	4,080	-	4,080
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	4,080	1,461,033	1,465,113
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS						
Dividends: Equity capital	-	-	-	-	(433,125)	(433,125)
Transfer to/from profit and loss account	-	-	-	(20,792)	20,792	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	(20,792)	(412,333)	(433,125)
AT 31 MARCH 2018	<u>164,993</u>	<u>43,063</u>	<u>2,777</u>	<u>1,463,563</u>	<u>7,374,924</u>	<u>9,049,320</u>

The notes on pages 13 to 27 form part of these financial statements.

DANIEL ROBINSON & SONS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017**

	Called up share capital £	Share premium account £	Capital redemption reserve £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 April 2016	164,993	43,063	2,777	1,496,325	5,676,610	7,383,768
COMPREHENSIVE INCOME FOR THE YEAR						
Profit for the year	-	-	-	-	1,013,822	1,013,822
Deferred tax movement	-	-	-	4,742	-	4,742
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	-	4,742	1,013,822	1,018,564
CONTRIBUTIONS BY AND DISTRIBUTIONS TO OWNERS						
Dividends: Equity capital	-	-	-	-	(385,000)	(385,000)
Transfer to/from profit and loss account	-	-	-	(20,792)	20,792	-
TOTAL TRANSACTIONS WITH OWNERS	-	-	-	(20,792)	(364,208)	(385,000)
AT 31 MARCH 2017	<u>164,993</u>	<u>43,063</u>	<u>2,777</u>	<u>1,480,275</u>	<u>6,326,224</u>	<u>8,017,332</u>

The notes on pages 13 to 27 form part of these financial statements.

DANIEL ROBINSON & SONS LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit for the financial year	1,461,033	1,013,822
ADJUSTMENTS FOR:		
Amortisation of intangible assets	259,409	321,355
Depreciation of tangible assets	411,983	326,251
Profit on disposal of tangible assets	(58,147)	-
Interest paid	364	10,942
Interest received	(9,643)	(2,469)
Taxation charge	198,820	264,446
(Increase)/decrease in stocks	(6,318)	9,746
(Increase) in debtors	(25,215)	(330,396)
(Decrease)/increase in creditors	(117,327)	402,148
Corporation tax paid	(296,069)	(231,226)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,818,890</u>	<u>1,784,619</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of intangible fixed assets	-	(100,000)
Purchase of tangible fixed assets	(1,799,172)	(596,873)
Sale of tangible fixed assets	122,012	-
Sale of investment properties	540,000	-
Interest received	9,643	2,469
HP interest paid	(364)	-
NET CASH FROM INVESTING ACTIVITIES	<u>(1,127,881)</u>	<u>(694,404)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of loans	-	(412,894)
Repayment of/new finance leases	(12,000)	12,000
Dividends paid	(433,125)	(385,000)
Interest paid	-	(10,942)
NET CASH USED IN FINANCING ACTIVITIES	<u>(445,125)</u>	<u>(796,836)</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>245,884</u>	<u>293,379</u>
Cash and cash equivalents at beginning of year	<u>1,032,722</u>	<u>739,343</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>1,278,606</u></u>	<u><u>1,032,722</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u><u>1,278,606</u></u>	<u><u>1,032,722</u></u>

The notes on pages 13 to 27 form part of these financial statements.

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1. GENERAL INFORMATION

The company is a private limited Company by shares and is incorporated in England and Wales. The address of its Registered Office is 79/81 South Street, Bishop's Stortford, Hertfordshire, CM23 3AL.

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 judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 REVENUE

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

Sale of goods

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

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

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Amortisation is provided on the following bases:

Goodwill	-	20 % Straight Line
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2.4 TANGIBLE FIXED ASSETS

Tangible fixed assets under the cost model, other than investment properties, are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- evenly over 50 years
Short term leasehold property	- evenly over the lease term
Plant & machinery	- straight line over 7 years
Motor vehicles	- 10-20% straight line
Computer equipment	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.5 REVALUATION OF TANGIBLE FIXED ASSETS

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Profit and Loss Account unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.6 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

2.7 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Profit and Loss Account.

2.8 STOCKS

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

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

2.9 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.

2.10 CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.11 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.12 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.

2.13 FINANCE COSTS

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

2.14 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 PENSIONS

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 INTEREST INCOME

Interest income is recognised in the Profit and Loss Account using the effective interest method.

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.17 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Profit and Loss Account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 CURRENT AND DEFERRED TAXATION

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

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

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

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

3. TURNOVER

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2018 £	2017 £
Rents receivable	128,993	136,417
Profit on disposal of investment properties	95,167	-
Commissions receivable	4,620	4,838
	<u>228,780</u>	<u>141,255</u>

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	411,981	326,251
Amortisation of intangible assets, including goodwill	259,409	321,355
Other operating lease rentals	144,563	142,737
Defined contribution pension cost	103,421	101,931
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

**FEES PAYABLE TO THE COMPANY'S AUDITOR AND ITS
ASSOCIATES IN RESPECT OF:**

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	6,700	6,500
Taxation compliance services	5,900	5,025
	<u>12,600</u>	<u>11,525</u>

7. EMPLOYEES

Staff costs, including Directors' remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	2,825,557	2,680,542
Social security costs	260,725	248,896
Cost of defined contribution scheme	103,421	101,931
	<u>3,189,703</u>	<u>3,031,369</u>

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

	2018 No.	2017 No.
Production	59	54
Administration	56	53
	<u>115</u>	<u>107</u>

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

8. DIRECTORS' REMUNERATION

	2018 £	2017 £
Directors' emoluments	281,638	274,418
Company contributions to defined contribution pension schemes	28,151	41,616
	<u>309,789</u>	<u>316,034</u>

During the year retirement benefits were accruing to 1 Director (2017 - 1) in respect of defined contribution pension schemes.

The highest paid Director received remuneration of £196,772 (2017 - £192,459).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid Director amounted to £28,151 (2017 - £41,616).

9. INTEREST RECEIVABLE

	2018 £	2017 £
Other interest receivable	<u>9,643</u>	<u>2,469</u>

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest payable	-	10,942
Finance leases and hire purchase contracts	364	-
	<u>364</u>	<u>10,942</u>

11. TAXATION

	2018 £	2017 £
CORPORATION TAX		
Current tax on profits for the year	350,371	296,069
DEFERRED TAX		
Origination and reversal of timing differences	(151,551)	(31,623)
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>198,820</u>	<u>264,446</u>

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

11. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,659,853	1,278,268
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	315,372	255,654
EFFECTS OF:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,672	1,675
Movement in deferred tax on property revaluations through the Profit and Loss Account	(135,462)	(12,406)
Depreciation in respect of non-qualifying land and buildings	17,191	19,523
Adjustment regarding change in tax rates	(26,068)	-
Capital gains	26,115	-
TOTAL TAX CHARGE FOR THE YEAR	198,820	264,446

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

12. DIVIDENDS

	2018 £	2017 £
Dividends paid on equity capital	433,125	385,000

Dividends declared after the year end do not meet the definition of a liability and are only recognised in the year that they are declared and appropriately approved.

A final dividend has been proposed for the year ended 31 March 2018 of £465,609. This has not been included in this years accounts.

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

13. INTANGIBLE ASSETS

	Goodwill £
Cost	
At 1 April 2017	1,689,048
At 31 March 2018	<u>1,689,048</u>
Amortisation	
At 1 April 2017	1,122,174
Charge for the year	259,409
At 31 March 2018	<u>1,381,583</u>
Net book value	
At 31 March 2018	<u>307,465</u>
At 31 March 2017	<u>566,874</u>

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant & machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation					
At 1 April 2017	3,622,309	780,364	2,121,229	104,929	6,628,831
Additions	1,004,842	19,546	746,205	28,579	1,799,172
Disposals	-	-	(517,841)	-	(517,841)
Transfers from Investment Property	210,000	-	-	-	210,000
At 31 March 2018	<u>4,837,151</u>	<u>799,910</u>	<u>2,349,593</u>	<u>133,508</u>	<u>8,120,162</u>
Depreciation					
At 1 April 2017	247,608	661,624	1,017,561	76,519	2,003,312
Charge for the year on owned assets	101,123	38,530	244,699	27,629	411,981
Disposals	-	-	(453,976)	-	(453,976)
At 31 March 2018	<u>348,731</u>	<u>700,154</u>	<u>808,284</u>	<u>104,148</u>	<u>1,961,317</u>
Net book value					
At 31 March 2018	<u>4,488,420</u>	<u>99,756</u>	<u>1,541,309</u>	<u>29,360</u>	<u>6,158,845</u>
At 31 March 2017	<u>3,374,701</u>	<u>118,740</u>	<u>1,103,668</u>	<u>28,410</u>	<u>4,625,519</u>

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold	4,373,124	3,250,819
Short leasehold	115,296	123,882
	<u>4,488,420</u>	<u>3,374,701</u>

Cost or valuation at 31 March 2018 is as follows:

	Land and buildings £
At cost	3,797,564
At valuation:	
At transition of FRS 102	<u>1,039,587</u>
	<u>4,837,151</u>

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

14. TANGIBLE FIXED ASSETS (CONTINUED)

If the land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

	2018 £	2017 £
Cost	3,797,565	2,582,723
Accumulated depreciation	(265,563)	(185,232)
Net book value	<u><u>3,532,002</u></u>	<u><u>2,397,491</u></u>

15. INVESTMENT PROPERTY

	Freehold investment property £
Valuation	
At 1 April 2017	2,216,702
Disposals	(540,000)
Transfers to Land & buildings	(210,000)
At 31 March 2018	<u><u>1,466,702</u></u>

The 2018 valuations were made by the Directors', on an open market value for existing use basis.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	<u><u>1,002,286</u></u>	<u><u>1,235,382</u></u>

16. STOCKS

	2018 £	2017 £
Finished goods and goods for resale	<u><u>65,114</u></u>	<u><u>58,798</u></u>

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

17. DEBTORS

	2018 £	2017 £
Trade debtors	1,407,440	1,268,441
Other debtors	9,391	-
Prepayments and accrued income	77,869	201,044
	<u>1,494,700</u>	<u>1,469,485</u>

18. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	1,278,606	1,032,722

19. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Trade creditors	513,340	657,145
Corporation tax	350,371	296,069
Other taxation and social security	117,686	97,769
Obligations under finance lease and hire purchase contracts	-	6,000
Other creditors	307,024	301,994
Accruals and deferred income	112,518	110,987
	<u>1,400,939</u>	<u>1,469,964</u>

20. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Net obligations under finance leases and hire purchase contracts	-	6,000

Secured creditors

Net obligations under finance lease and hire purchase contracts are secured over the asset to which they relate.

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

21. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	1,278,606	1,032,722
Financial assets that are debt instruments measured at amortised cost	1,414,827	1,268,441
	<u>2,693,433</u>	<u>2,301,163</u>
FINANCIAL LIABILITIES		
Financial liabilities measured at amortised cost	(932,882)	(1,069,456)

Financial assets measured at fair value through profit or loss comprise cash and cash equivalents.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, obligations under hire purchase, bank loans, other creditors and accruals and deferred income.

22. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	346,804	383,169
Charged to profit or loss	(151,551)	(31,623)
Charged to other comprehensive income	(4,080)	(4,742)
AT END OF YEAR	<u>191,173</u>	<u>346,804</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	195,859	352,890
Pension surplus	(2,136)	(1,486)
General bad debt provision	(2,550)	(4,600)
	<u>191,173</u>	<u>346,804</u>

DANIEL ROBINSON & SONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

23. PROVISIONS

	Dilapidation provision £
At 1 April 2017	130,000
AT 31 MARCH 2018	130,000

The above represents a provision for future costs, required under contract with the landlord, to restore leasehold property to its condition prior to vacancy by the company.

24. SHARE CAPITAL

	2018 £	2017 £
Allotted, called up and fully paid		
164,993 Ordinary Shares shares of £1 each	164,993	164,993

25. RESERVES

Retained earnings comprise a distributable element of £6,867,334 (2017 - £5,519,211) and a non-distributable element of £507,590 (2017 - £807,013).

26. PENSION COMMITMENTS

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £103,421 (2017 - £77,601). Contributions totalling £12,563 (2017 - £11,240) were payable to the fund at the Balance Sheet date.

DANIEL ROBINSON & SONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

27. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Land & Buildings		
Not later than 1 year	119,075	136,275
Later than 1 year and not later than 5 years	116,135	234,210
Later than 5 years	-	1,000
TOTAL	<u>235,210</u>	<u>371,485</u>
	2018 £	2017 £
Other		
Not later than 1 year	3,820	3,820
Later than 1 year and not later than 5 years	<u>14,325</u>	<u>14,325</u>
	<u>18,145</u>	<u>18,145</u>

28. RELATED PARTY TRANSACTIONS

During the year the Company paid running costs for an office of £8,167 (2017 - £8,680) to G A Neill, a Director of the Company.

During the year dividends of £140,661 (2017 - £137,661) were paid to some Directors and their close associates.