
L. BENNETT & SON LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

L. BENNETT & SON LIMITED

COMPANY INFORMATION

Directors

J L Bennett
M A Bennett
S A King

Registered number

01030722

Registered office

3 Prime Point
Bessemer Road
Welwyn Garden City
Hertfordshire
AL7 1HU

Independent auditors

Haslers
Chartered Accountants & Statutory Auditor
Old Station Road
Loughton
Essex
IG10 4PL

L. BENNETT & SON LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

The company sells motor accessories and parts to the general public and other traders.

Business review

The directors are pleased with the current year's trading results and financial position at the year end. As reported in the profit and loss account, revenue has shown a strong increase of 5% in the current period. The company successfully launched new branches in Royston and Billericay during the year and sales also grew in across the existing branches.

Principal risks and uncertainties

The principal risks associated to the company's trade are anticipation of consumer demands throughout the year and the related levels of stocks to hold, availability of adequate finance, the state of the general economy and business confidence.

The directors acknowledge the importance of maintaining close relationships with key customers in order to be able to identify the early signs of potential financial difficulties. Sales and stock trends are constantly reviewed to enable early action to be taken in the event of sales declining and stock orders deteriorating.

Financial key performance indicators

The company's key performance indicators are turnover, gross profit, gross profit percentage, stock levels and funding availabilities.

This report was approved by the board on 21 June 2019 and signed on its behalf.

.....
J L Bennett

Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

The directors present their report and the financial statements for the year ended 31 December 2018.

Results and dividends

The profit for the year, after taxation, amounted to £1,086,980 (2017 - £1,218,843).

During the year, an interim dividend of £550,000 (2017: £500,000) was paid. The directors do not recommend a final dividend.

Directors

J L Bennett
M A Bennett
S A King

TREASURY OPERATIONS AND FINANCIAL INSTRUMENTS

The company's principal financial instruments include bank accounts, the main purpose of which is to raise finance for the company's operations. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations.

LIQUIDITY RISK

The company manages its cash requirements in order to maximise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operations needs of the business.

CREDIT RISK

Borrowings are made through the banks and companies which must fulfil credit rating criteria approved by the board. The company uses a debt factoring facility for managing its cashflow.

All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts when necessary.

PRICE RISK

Expenditure incurred by the company is authorised prior to it being made by the management in order to ensure that goods and services are not obtained at a higher price than necessary.

L. BENNETT & SON LIMITED

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

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.

Post balance sheet events

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

Auditors

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 21 June 2019 and signed on its behalf.

.....
J L Bennett
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L. BENNETT & SON LIMITED

Opinion

We have audited the financial statements of L. Bennett & Son Limited (the 'Company') for the year ended 31 December 2018, which comprise the Statement of Comprehensive Income, the Balance Sheet, 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 December 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.

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 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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L. BENNETT & SON LIMITED (CONTINUED)

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 4, 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF L. BENNETT & SON 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.

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.

Christina Georgiou (Senior Statutory Auditor)

for and on behalf of

Haslers

Chartered Accountants

Statutory Auditor

Old Station Road

Loughton

Essex

IG10 4PL

21 June 2019

L. BENNETT & SON LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018

	Note	2018 £	2017 £
Turnover	3	21,191,299	20,249,423
Cost of sales		(10,682,244)	(10,017,384)
Gross profit		10,509,055	10,232,039
Administrative expenses		(9,213,280)	(8,786,160)
Other operating income	4	107,145	86,801
Operating profit	5	1,402,920	1,532,680
Interest receivable and similar income	8	62	5,638
Interest payable and expenses	9	(35,158)	(15,717)
Profit before tax		1,367,824	1,522,601
Tax on profit	10	(280,844)	(303,758)
Profit for the financial year		1,086,980	1,218,843

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 11 to 25 form part of these financial statements.

L. BENNETT & SON LIMITED
REGISTERED NUMBER: 01030722

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	1,504,158	654,617
		<u>1,504,158</u>	<u>654,617</u>
Current assets			
Stocks	13	3,542,095	3,408,587
Debtors: amounts falling due within one year	14	4,908,495	4,338,877
Cash at bank and in hand	15	8,156	5,566
		<u>8,458,746</u>	<u>7,753,030</u>
Creditors: amounts falling due within one year	16	(5,847,437)	(5,142,830)
Net current assets		<u>2,611,309</u>	<u>2,610,200</u>
Total assets less current liabilities		<u>4,115,467</u>	<u>3,264,817</u>
Creditors: amounts falling due after more than one year	17	(659,390)	(360,000)
Provisions for liabilities			
Deferred tax	19	(87,350)	(73,070)
		<u>(87,350)</u>	<u>(73,070)</u>
Net assets		<u><u>3,368,727</u></u>	<u><u>2,831,747</u></u>
Capital and reserves			
Called up share capital	20	2,367	2,367
Profit and loss account	21	3,366,360	2,829,380
		<u><u>3,368,727</u></u>	<u><u>2,831,747</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 21 June 2019.

.....
J L Bennett
Director

The notes on pages 11 to 25 form part of these financial statements.

L. BENNETT & SON LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2018	2,367	2,829,380	2,831,747
Comprehensive income for the year			
Profit for the year	-	1,086,980	1,086,980
Dividends: Equity capital	-	(550,000)	(550,000)
At 31 December 2018	<u>2,367</u>	<u>3,366,360</u>	<u>3,368,727</u>

The notes on pages 11 to 25 form part of these financial statements.

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2017	2,367	2,110,537	2,112,904
Profit for the year	-	1,218,843	1,218,843
Total comprehensive income for the year	-	1,218,843	1,218,843
Dividends: Equity capital	-	(500,000)	(500,000)
At 31 December 2017	<u>2,367</u>	<u>2,829,380</u>	<u>2,831,747</u>

The notes on pages 11 to 25 form part of these financial statements.

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

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

L Bennett & Son Limited is a limited company incorporated in the United Kingdom. The address of the registered office is given in the company information page of these financial statements.

The nature of the company's operations and principal activities are the sales of motor accessories and parts to the general public and other traders.

The company, being a subsidiary undertaking where 90% or more of the voting rights are controlled within the group whose consolidated financial statements are publicly available, is exempt from the requirement to draw up a cash flow statement in accordance with FRS 102.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest £1.

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.

1.2 Going concern

The financial statements have been prepared on a going concern basis under the historical cost convention.

1.3 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:

Revenue is recognised upon delivery of the goods.

1.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

1.5 Leased assets: Lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1. Accounting policies (continued)

1.6 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

1.7 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

1.8 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 Statement of Comprehensive Income 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.

1.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. 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 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.

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

1. Accounting policies (continued)

1.10 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.

1.11 Tangible fixed assets

Tangible fixed assets under the cost model 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 provided on the following basis:

Long-term leasehold property	-	
Short-term leasehold property	-	over the period of the lease
Plant and machinery	-	33.33% reducing balance
Motor vehicles	-	33.33% straight line
Fixtures and fittings	-	15% reducing balance
Other fixed assets	-	

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 within 'administrative expenses' in the Statement of Comprehensive Income.

1.12 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 first in, first out basis.

Certain motor parts (for which title has not passed to the company) have been included in stock. An equivalent amount has been included under trade creditors to reflect the liability.

1.13 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.

1.14 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.

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

1. Accounting policies (continued)

1.15 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.

1.16 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.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The directors do not believe that there have been judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

L. BENNETT & SON LIMITED

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

3. Turnover

All turnover arose within the United Kingdom.

4. Other operating income

	2018 £	2017 £
Net rents receivable	107,145	86,801
	<u>107,145</u>	<u>86,801</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	192,824	182,696
Auditors' remuneration	23,000	21,000
Defined contribution pension costs	66,097	30,681
Other operating lease rentals	<u>845,373</u>	<u>763,474</u>

6. Employees

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

	2018 £	2017 £
Wages and salaries	5,026,690	4,876,593
Social security costs	382,016	361,446
Cost of defined contribution scheme	55,297	30,681
	<u>5,464,003</u>	<u>5,268,720</u>

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

	2018 No.	2017 No.
Administration	18	17
Selling	226	217
	<u>244</u>	<u>234</u>

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

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	163,748	184,287
Company contributions to defined contribution pension schemes	1,200	1,200
	<u>164,948</u>	<u>185,487</u>

During the year retirement benefits were accruing to 2 directors (2017 - 2) in respect of defined contribution pension schemes.

8. Interest receivable

	2018 £	2017 £
Other interest receivable	62	5,638
	<u>62</u>	<u>5,638</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Other loan interest payable	35,158	15,687
Other interest payable	-	30
	<u>35,158</u>	<u>15,717</u>

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

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	266,564	291,448
Total current tax	<u>266,564</u>	<u>291,448</u>
Deferred tax		
Origination and reversal of timing differences	14,280	12,310
Total deferred tax	<u>14,280</u>	<u>12,310</u>
Taxation on profit on ordinary activities	<u>280,844</u>	<u>303,758</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>1,367,824</u>	<u>1,522,601</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	259,887	293,101
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	22,810	11,112
Capital allowances for year in excess of depreciation	-	(12,765)
Other differences leading to an increase (decrease) in the tax charge	(1,853)	-
Deferred tax	-	12,310
Total tax charge for the year	<u>280,844</u>	<u>303,758</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

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

11. Dividends

	2018 £	2017 £
Ordinary shares	550,000	500,000
	<u>550,000</u>	<u>500,000</u>

12. Tangible fixed assets

	Long-term leasehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £
Cost or valuation					
At 1 January 2018	-	32,488	292,803	563,814	1,297,201
Additions	637,897	-	35,805	131,425	175,350
Disposals	-	(32,488)	(3,291)	(85,395)	-
At 31 December 2018	<u>637,897</u>	<u>-</u>	<u>325,317</u>	<u>609,844</u>	<u>1,472,551</u>
Depreciation					
At 1 January 2018	-	32,488	200,289	456,979	841,933
Charge for the year on owned assets	-	-	35,876	79,085	73,488
Disposals	-	(32,488)	-	(82,798)	-
At 31 December 2018	<u>-</u>	<u>-</u>	<u>236,165</u>	<u>453,266</u>	<u>915,421</u>
Net book value					
At 31 December 2018	<u>637,897</u>	<u>-</u>	<u>89,152</u>	<u>156,578</u>	<u>557,130</u>
At 31 December 2017	<u>-</u>	<u>-</u>	<u>92,514</u>	<u>106,835</u>	<u>455,268</u>

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

12. Tangible fixed assets (continued)

	Other fixed assets £	Total £
Cost or valuation		
At 1 January 2018	-	2,186,306
Additions	67,776	1,048,253
Disposals	-	(121,174)
At 31 December 2018	67,776	3,113,385
Depreciation		
At 1 January 2018	-	1,531,689
Charge for the year on owned assets	4,375	192,824
Disposals	-	(115,286)
At 31 December 2018	4,375	1,609,227
Net book value		
At 31 December 2018	63,401	1,504,158
At 31 December 2017	-	654,617

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

	2018 £	2017 £
Long leasehold	637,897	-
	637,897	-

13. Stocks

	2018 £	2017 £
Finished goods and goods for resale	3,542,095	3,408,587
	3,542,095	3,408,587

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

14. Debtors

	2018 £	2017 £
Trade debtors	2,840,595	3,058,938
Amounts owed by group undertakings	1,339,360	811,954
Other debtors	528,979	303,972
Prepayments and accrued income	199,561	164,013
	<u>4,908,495</u>	<u>4,338,877</u>

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	8,156	5,566
Less: bank overdrafts	(24,471)	(271,364)
	<u>(16,315)</u>	<u>(265,798)</u>

16. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	24,471	271,364
Bank loans	28,610	-
Trade creditors	2,728,215	2,132,847
Corporation tax	49,550	86,598
Other taxation and social security	467,029	471,547
Proceeds of factored debts	1,570,450	1,829,062
Other creditors	708,896	209,861
Accruals and deferred income	270,216	141,551
	<u>5,847,437</u>	<u>5,142,830</u>

The proceeds of factored debts liability is owing in respect of a debtor financing arrangement and is secured on the trade debts of the company.

The bank facilities are secured by a debenture and a cross guarantee with its parent company, and a legal charge in favour of the bank.

L. BENNETT & SON LIMITED

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

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

	2018 £	2017 £
Bank loans	299,390	-
Share capital treated as debt	360,000	360,000
	<u>659,390</u>	<u>360,000</u>

18. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	28,610	-
	<u>28,610</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	299,390	-
	<u>299,390</u>	<u>-</u>
	<u>328,000</u>	<u>-</u>

19. Deferred taxation

	2018 £
At beginning of year	73,070
Charged to the profit or loss	(14,280)
At end of year	<u>87,350</u>

L. BENNETT & SON LIMITED

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

19. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	87,350	73,070
	<u>87,350</u>	<u>73,070</u>

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

20. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
2,367 (2017 - 2,367) Ordinary shares of £1.00 each	<u>2,367</u>	<u>2,367</u>
	2018 £	2017 £
Shares classified as debt		
Allotted, called up and fully paid		
306,000 (2017 - 306,000) "A" Redeemable preference shares of £1.00 each	306,000	306,000
54,000 (2017 - 54,000) "B" Redeemable preference shares of £1.00 each	54,000	54,000
	<u>360,000</u>	<u>360,000</u>

The redeemable preference shares which are classified as a liability are redeemable at the option of the company. No premium is payable on redemption.

21. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

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

22. 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 £55,297 (2017: £30,681).

At the year end a balance of £11,178 (2017: £5,425) was owed to the defined contribution pension scheme.

23. Commitments under operating leases

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

	2018 £	2017 £
Not later than 1 year	673,969	588,408
Later than 1 year and not later than 5 years	856,280	822,256
Later than 5 years	233,500	414,125
	<u>1,763,749</u>	<u>1,824,789</u>

24. Transactions with directors

At the year end, £342,132 was due to the directors of the company (2017: £283,521 due from the directors). Interest of £62 (2017: £5,638) has been charged on the loan.

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

25. Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard number 102 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

The total remuneration paid to key management personnel is £50,000 (2017: £50,000).

The company is a subsidiary of L Bennett & Sons Holdings Limited, and the holding company exerts significant influence over this entity. During the year, a dividend of £550,000 (2017: £500,000) was paid.

During the year transactions with the following related parties outside of the group occurred:

Other related parties

The company rents properties from these entities for which rents of £100,254 (2017: £76,254) were charged for the year.

At the year-end the following amounts were due from / (to) related parties.

	2018 £	2017 £
Key management personnel	(342,132)	283,521
Entities with significant influence	<u>1,339,360</u>	<u>811,954</u>

26. Controlling party

The ultimate parent company is L Bennett & Son Holdings Limited, a company incorporated in England.

The ultimate controlling party is the Bennett family.

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