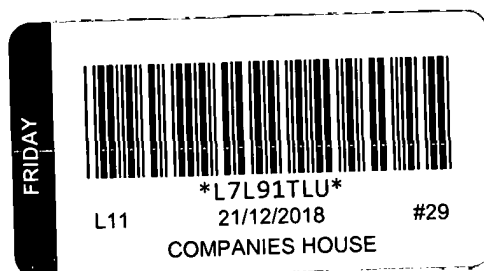


REGISTERED NUMBER: 01361433 (England and Wales)

R. H. HALL (MICROWAVE) LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

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R. H. HALL (MICROWAVE) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS:	Mr R S Hall Mr K M Brearley Mrs K L Hall
SECRETARY:	Mr R S Hall
REGISTERED OFFICE:	c/o Wilkins Kennedy LLP Anglo House Bell Lane Office Village, Bell Lane Amersham Buckinghamshire HP6 6FA
REGISTERED NUMBER:	01361433 (England and Wales)
AUDITORS:	Wilkins Kennedy Audit Services Statutory Auditor Anglo House Bell Lane Office Village Bell Lane Amersham Buckinghamshire HP6 6FA
BANKERS:	HSBC Bank Plc Bushey and Oxhey Branch 85 Chalk Hill Oxhey Hertfordshire WD9 4BT

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

The directors present their strategic report for the year ended 31 March 2016.

REVIEW OF BUSINESS

The principal activity of the company in the year under review remains consistent in terms of being exclusive National Distributors of foodservice equipment for several key brands and authorised suppliers for most other leading brands of foodservice equipment to the catering industry.

The company continues to invest heavily into the entire business to develop and grow with a lot of attention and investment to the fabrication manufacturing division providing bespoke build services to the catering industry as well as general fabrication services to all market sectors. The factory division continues to trade at a loss however we are on plan during the next 12 months to at least break even then accelerate this business through to sustainable profitability

We continue to build on brand R H Hall work to our vision of being the leading foodservice solutions supplier and to drive innovation through home produced and bought in innovative foodservice equipment products on an exclusive basis. Our foodservice solutions approach is developing very well and we continue to increase our customer base adding to our portfolio many National acclaimed branded high street food on the go stores. A one stop foodservice solution with innovation added in has great and unique appeal and we will continue to drive this part of our business positively forward.

The continued investment into our state of the art in house development kitchen provides further added value plus a big point of difference and also creates a great platform of opportunities to work with national food suppliers / development chefs in creating and developing menus with existing and potential customers using our equipment. Our attention to maintaining and improving our renowned sound, efficient and reliable customer service continues to be a real focus and target point.

This trading year has been another tough one mainly due to the continued uncertainty and disruption around Brexit and poor currency exchange rates to all of our key imported products. The effect of this has had a negative effect to revenue and our margins, however we have worked hard to minimise the full exposure by cutting back on some spend and passing on some price rises and managing to keep driving our sales forward and concentrating on higher margin services. We also continue investment toward management and staff development as well as additional staffing, national and regional exhibitions, advertising and foodservice events which helps to keep us at the forefront of our industry and ensuring that the strong momentum and R. H. Hall brand identity exposure continues to be well represented. We continue to grow and develop the business positively with sound attention to R&D and our own IP and to maintain and build strong financial foundations and customer supporting services to aid our continued good future business growth plans.

Strategically, organisational wise and financially we are well placed to maximise business opportunities going forward and as it is hoped that once we are all clear of the changes that Brexit will impose both with the positives and the negatives we can start to plan more strategically and invest more confidently for the mid and long term of the business.

PRINCIPAL RISKS AND UNCERTAINTIES

The company is reliant on the continued need of the food service equipment market to expand and upgrade its equipment. At present there is no significant movement in the market. Growth and development therefore can only be achieved by increasing market share and through innovation/added value which the company is working on. The directors believe the market is price sensitive however innovative products and services can add good value to the market and help to grow the business profitability. The directors continue to monitor cost levels to ensure an adequate return is received. The company has and will continue to invest and explore food service innovation and added value to catering products and services throughout UK, European and worldwide markets.

Credit Risk

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

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

Price Risk

The directors consider that the company's exposure to changing market prices on the value of financial instruments does not have a significant impact on the carrying value of financial assets and liabilities, as such no specific policies are applied currently, although the directors will continue to monitor the level of price risk and manage its exposure should the need occur.

Liquidity and cash flow risk

The directors aim to mitigate liquidity risk by managing cash generation by its operation with cash collection targets. All major investment decisions are considered by the directors as part of the project appraisal process. In this way the company aims to maintain a good credit rating to facilitate fund raising. Trade creditor liquidity risk is managed by ensuring sufficient funds are available. Loans from directors are interest free and payable on demand. The directors are aware of the company's required finance and have determined that these will only be repaid when the finance is available.

ON BEHALF OF THE BOARD:

A handwritten signature in black ink, appearing to be 'R S Hall', is written over a circular stamp or seal.

Mr R S Hall - Secretary

19 December 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their report with the financial statements of the company for the year ended 31 March 2018.

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2018 was £330,000 (2017: £342,501).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2017 to the date of this report.

Mr R S Hall
Mr K M Brearley
Mrs K L Hall

DERIVATIVES AND OTHER FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdraft, trade debtors, trade creditors and loans to the company. The purpose of these instruments is to raise funds and finance the company's operations.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable 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 directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:

Mr R S Hall, Secretary

19 December 2018

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
R. H. HALL (MICROWAVE) LIMITED**

Opinion

We have audited the financial statements of R. H. Hall (Microwave) Limited (the 'company') for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
R. H. HALL (MICROWAVE) LIMITED**

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 Report of the Directors.

We have nothing to report in respect of the following matters where 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 Statement of Directors' Responsibilities set out on page four, 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 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.

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 a Report of the Auditors 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 Report of the Auditors.

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.

Wilkins Kennedy Audit Services

David Cary LLB FCA (Senior Statutory Auditor)
for and on behalf of Wilkins Kennedy Audit Services
Statutory Auditor
Anglo House
Bell Lane Office Village
Bell Lane
Amersham
Buckinghamshire
HP6 6FA

19 December 2018

R. H. HALL (MICROWAVE) LIMITED (REGISTERED NUMBER: 01361433)

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

	Notes	2018 £	2017 £
TURNOVER	3	12,751,832	13,421,384
Cost of sales		<u>(9,705,760)</u>	<u>(10,362,547)</u>
GROSS PROFIT		3,046,072	3,058,837
Administrative expenses		<u>(2,662,914)</u>	<u>(2,622,648)</u>
		383,158	436,189
Other operating income	4	<u>20,841</u>	<u>20,841</u>
OPERATING PROFIT	6	403,999	457,030
Interest payable and similar expenses	7	<u>(19,543)</u>	<u>(6,479)</u>
PROFIT BEFORE TAXATION		384,456	450,551
Tax on profit	8	<u>(53,382)</u>	<u>(100,143)</u>
PROFIT FOR THE FINANCIAL YEAR		331,074	350,408
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>331,074</u>	<u>350,408</u>

The notes form part of these financial statements

BALANCE SHEET
31 MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	10	2,352,228	2,253,315
CURRENT ASSETS			
Stocks	11	2,167,109	1,931,691
Debtors	12	2,164,991	2,371,927
Cash at bank and in hand		82,530	658
		<u>4,414,630</u>	<u>4,304,276</u>
CREDITORS			
Amounts falling due within one year	13	(3,566,737)	(3,128,849)
NET CURRENT ASSETS		<u>847,893</u>	<u>1,175,427</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,200,121	3,428,742
CREDITORS			
Amounts falling due after more than one year	14	(16,902)	(72,451)
PROVISIONS FOR LIABILITIES	18	(514,190)	(688,336)
NET ASSETS		<u><u>2,669,029</u></u>	<u><u>2,667,955</u></u>
CAPITAL AND RESERVES			
Called up share capital	19	10,000	10,000
Retained earnings		<u>2,659,029</u>	<u>2,657,955</u>
SHAREHOLDERS' FUNDS		<u><u>2,669,029</u></u>	<u><u>2,667,955</u></u>

The financial statements were approved by the Board of Directors on 19 December 2018 and were signed on its behalf by:



Mr R S Hall - Director

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	10,000	2,650,048	2,660,048
Changes in equity			
Dividends	-	(342,501)	(342,501)
Total comprehensive income	-	350,408	350,408
Balance at 31 March 2017	10,000	2,657,955	2,667,955
Changes in equity			
Dividends	-	(330,000)	(330,000)
Total comprehensive income	-	331,074	331,074
Balance at 31 March 2018	10,000	2,659,029	2,669,029

The notes form part of these financial statements

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	765,085	145,898
Interest paid		(19,543)	(6,479)
Tax paid		(100,142)	(81,868)
Net cash from operating activities		<u>645,400</u>	<u>57,551</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(146,843)	-
Sale of tangible fixed assets		9,751	-
Net cash from investing activities		<u>(137,092)</u>	<u>-</u>
Cash flows from financing activities			
Loan repayments in year		(54,184)	(52,893)
Amount introduced by directors		-	20,915
Amount withdrawn by directors		(23,764)	-
Equity dividends paid		(330,000)	(342,501)
Net cash from financing activities		<u>(407,948)</u>	<u>(374,479)</u>
Increase/(decrease) in cash and cash equivalents		<u>100,360</u>	<u>(316,928)</u>
Cash and cash equivalents at beginning of year	2	(675,284)	(358,356)
Cash and cash equivalents at end of year	2	<u><u>(574,924)</u></u>	<u><u>(675,284)</u></u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	384,456	450,551
Depreciation charges	41,977	49,153
Profit on disposal of fixed assets	(3,798)	-
Finance costs	19,543	6,479
	<u>442,178</u>	<u>506,183</u>
Increase in stocks	(235,418)	(238,133)
Decrease in trade and other debtors	206,847	221,884
Increase/(decrease) in trade and other creditors	351,478	(344,036)
	<u>765,085</u>	<u>145,898</u>
Cash generated from operations	<u><u>765,085</u></u>	<u><u>145,898</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	82,530	658
Bank overdrafts	(657,454)	(675,942)
	<u>(574,924)</u>	<u>(675,284)</u>

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	658	6,231
Bank overdrafts	(675,942)	(364,587)
	<u>(675,284)</u>	<u>(358,356)</u>

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

1. STATUTORY INFORMATION

R. H. Hall (Microwave) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on a continuing 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.

In the opinion of the Directors, there are no specific key judgements or areas of estimation to disclose.

Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax and adjusted for accrued revenue calculated by reference to the fair value of services performed up to the balance sheet date but not invoiced.

Tangible fixed assets

Tangible fixed assets are measured at cost less accumulated depreciation and accumulated impairment losses.

At each reporting date, tangible assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment is recognised immediately in profit or loss.

Depreciation has been computed to write off the cost of all tangible fixed assets over their useful expected lives using the following rates:

Freehold property	- No depreciation is charged
Plant and machinery	- At varying rates on costs
Motor vehicles	- 20% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

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

2. ACCOUNTING POLICIES - continued

Debtors

Trade and other debtors are measured at transaction price less any impairment unless the arrangement constitutes a financing transaction in which case the transaction is measured at the present value of the future receipts discounted at the prevailing market rate of interest. Loans are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less any impairment.

Cash at bank

Cash at bank in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Creditors

Trade and other creditors are measured at their transaction price unless the arrangement constitutes a financing transaction in which case the transaction is measured at present value of future payments discounted at prevailing market rate of interest. Other financial liabilities are initially measured at fair value net of their transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease. All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

Warranty/WEEE compliance provisions

The company gives warranties at the time of sale to purchasers of its products. Under the terms of the warranty given the company undertakes to make good by repair or replacement product defects arising during the period covered by the warranty. A provision is recognised in the financial statements for the best estimate of future costs of repairing/replacing under the warranty, products sold up to the balance sheet date.

A provision is also recognised in the financial statements for the best estimate of the future costs of the company's compliance with the WEEE Regulations in connection with products sold up to the balance sheet date.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

Short term employee benefits, other non-monetary benefits and contributions to defined contribution plans are recognised as an expense in the period in which they are incurred.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018 £	2017 £
U K	11,973,792	12,273,258
Rest of EC	582,002	604,323
Rest of the world	196,038	543,803
	<u>12,751,832</u>	<u>13,421,384</u>

4. OTHER OPERATING INCOME

	2018 £	2017 £
Sundry receipts	<u>20,841</u>	<u>20,841</u>

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

5. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	1,366,284	1,344,845
Social security costs	134,775	123,551
Other pension costs	87,334	44,459
	<u>1,588,393</u>	<u>1,512,855</u>

The average number of employees during the year was as follows:

	2018	2017
Administration	9	10
Management	11	11
Selling , distribution and clerical	20	20
Warehousing and servicing	10	10
Fabrication	8	9
	<u>58</u>	<u>60</u>

	2018 £	2017 £
Directors' remuneration	98,148	92,156
Directors' pension contributions to money purchase schemes	<u>42,123</u>	<u>2,123</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
------------------------	----------	----------

6. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Hire of plant and machinery	10,528	9,087
Other operating leases	89,664	73,000
Depreciation - owned assets	41,977	49,153
Profit on disposal of fixed assets	(3,798)	-
Auditors' remuneration	9,200	8,900
Auditors' remuneration for non audit work	14,217	13,952
Foreign exchange losses	<u>(18,054)</u>	<u>3,986</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank loan interest	<u>19,543</u>	<u>6,479</u>

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

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	53,535	100,143
Prior year overprovision	(153)	-
	<u>53,382</u>	<u>100,143</u>
Tax on profit	<u>53,382</u>	<u>100,143</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>384,456</u>	<u>450,551</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	73,047	90,110
Effects of:		
Capital allowances in excess of depreciation	(21,074)	-
Depreciation in excess of capital allowances	-	8,421
Adjustments to tax charge in respect of previous periods	(153)	-
Profit on disposal of assets	(722)	-
Expenses not deductible for tax purposes	3,474	5,333
Research and development relief	(1,190)	(3,721)
Total tax charge	<u>53,382</u>	<u>100,143</u>

Factors that may affect future tax charges

Reductions to the UK corporation tax rate were substantially enacted on 6 September 2017. The changes propose to reduce the rate to 17% for the year commencing 1 April 2020. The effect on the company of these proposed changes will be reflected in the company's financial statements in future years, as appropriate.

9. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1 each		
Final	114,539	130,000
Interim	215,461	212,501
	<u>330,000</u>	<u>342,501</u>

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

10. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 April 2017	2,199,994	559,523	108,550	2,868,067
Additions	-	146,843	-	146,843
Disposals	(1,662)	(23,105)	(42,749)	(67,516)
At 31 March 2018	2,198,332	683,261	65,801	2,947,394
DEPRECIATION				
At 1 April 2017	-	511,466	103,286	614,752
Charge for year	-	39,939	2,038	41,977
Eliminated on disposal	-	(18,814)	(42,749)	(61,563)
At 31 March 2018	-	532,591	62,575	595,166
NET BOOK VALUE				
At 31 March 2018	2,198,332	150,670	3,226	2,352,228
At 31 March 2017	2,199,994	48,057	5,264	2,253,315

The remaining useful economic life of freehold property is estimated to be greater than 50 years and therefore no depreciation is provided on the grounds that this would be immaterial. To ensure that the carrying amount of freehold property can be supported it shall be subject to an impairment review at the end of each accounting period in accordance with Financial Reporting Standard 102.

11. STOCKS

	2018 £	2017 £
Stocks	2,167,109	1,931,691

Impairment of stocks recognised/(reversed) in the statement of comprehensive income was £54,423 (2017: £5,884).

Stocks recognised as an expense during the year was £9,448,794 (2017: £10,095,344).

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Trade debtors	1,928,765	2,195,801
Other debtors	37,334	39,945
Directors' current accounts	3,681	3,770
Prepayments and accrued income	195,211	132,411
	2,164,991	2,371,927

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

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Bank loans and overdrafts (see note 15)	712,815	729,938
Trade creditors	2,469,415	1,791,462
Tax	53,535	100,295
Social security and other taxes	55,445	44,050
VAT	66,574	210,449
Other creditors	51,591	52,117
Sundry creditors and accruals	129,946	149,269
Directors' current accounts	27,416	51,269
	<u>3,566,737</u>	<u>3,128,849</u>

14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2018	2017
	£	£
Bank loans (see note 15)	<u>16,902</u>	<u>72,451</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	657,454	675,942
Bank loans - less than 1 year	<u>55,361</u>	<u>53,996</u>
	<u>712,815</u>	<u>729,938</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>16,902</u>	<u>55,361</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>17,090</u>

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

16. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

Land and buildings:

	2018 £	2017 £
Within one year	100,000	-
Between one and five years	343,836	-
	<u>443,836</u>	<u>-</u>

Expenses in relation to the land and buildings operating leases above total £89,664 (2017: £73,000).

Other:

	2018 £	2017 £
Within one year	58,082	52,116
Between one and five years	31,363	52,701
	<u>89,445</u>	<u>104,817</u>

Expenses in relation to the other operating leases above total £67,977 (2017: £52,116).

17. **SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £	2017 £
Bank overdrafts	657,454	675,942
Bank loans	72,263	126,447
	<u>729,717</u>	<u>802,389</u>

These debts are secured against the trade and assets of the company.

18. **PROVISIONS FOR LIABILITIES**

	2018 £	2017 £
Other provisions		
Warranty provision	365,459	537,935
WEEE provision	148,731	150,401
	<u>514,190</u>	<u>688,336</u>

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

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value	2018 £	2017 £
5,100	Ordinary A	£1	5,100	5,100
1,400	Ordinary B	£1	1,400	1,400
3,500	Ordinary C	£1	3,500	3,500
			10,000	10,000

All classes of shares have equal voting rights and rank equally in a winding up. The company has the option to declare differential dividends for each class of share.

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 March 2018 and 31 March 2017:

	2018 £	2017 £
Mr K M Brearley		
Balance outstanding at start of year	3,770	6,013
Amounts advanced	7,497	5,607
Amounts repaid	(7,586)	(7,850)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	3,681	3,770

21. RELATED PARTY DISCLOSURES

Related party transactions occurring during the year were as follows:

Name	Relationship	Balance 2018 £	Balance 2017 £	Movement £
Mr R H Hall	Shareholder	40,000	40,000	-
Mr R S Hall and Mrs K L Hall	Directors and shareholders	27,401	51,269	(23,868)

Dividends Paid :-

£116,665 (2017: £130,245) during the year to Mr R S Hall.

£135,461 (2017: £132,501) during the year to Mr R H Hall.

£77,874 (2017: £79,755) during the year to Mrs K L Hall (wife of R S Hall).

£6,767 (2017: £6,438) was owed by Mrs J Brearley (wife of one of the directors) at the year end.

During the year the total key management personnel compensation amounted to £566,581 (2017: £500,106).

22. ULTIMATE CONTROLLING PARTY

The ultimate controlling party for the current and preceding year was R S Hall.

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

23. NON AUDIT SERVICES SUPPLIED BY AUDITORS

In common with many other businesses of our size and nature we use our auditors to prepare and submit returns to the tax authorities and assist with the preparation of the financial statements.