

R.A HOMDEN LIMITED

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

WR

Whittingham Riddell

chartered accountants



R.A HOMDEN LIMITED

COMPANY INFORMATION

Directors	Gillian M Homden Richard L Homden Jonathon S Homden
Registered number	01362506
Registered office	Brixton Way Harlescott Industrial Estate Shrewsbury SY1 3LB
Independent auditors	Whittingham Riddell LLP Chartered Accountants & Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG

R.A HOMDEN LIMITED

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R.A HOMDEN LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2016

INTRODUCTION

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

BUSINESS REVIEW

External market conditions remain competitive but the continuation of investment in plant and technology has maintained and improved the profitability levels of the group. Turnover increased significantly in the year to £11,781,894 compared to £8,074,589 in the comparative year. Gross profit margin declined marginally to 22% but operating profit was increased to £734,428 compared to £715,072 in the previous accounting year. The group continues to maintain a strong balance sheet with net assets and net current assets at the year end of £9,662,901 (2015: £9,034,517) and £4,797,022 (2015: £4,672,464) respectively.

PRINCIPAL RISKS AND UNCERTAINTIES

The group is in a strong financial position with continued investment being funded out of retained earnings and cash at bank. The principal risks and uncertainties are considered to be those external to the group itself such as changes in the political and economic environments. The control of risk and the management of the group's ability to adjust to changing external and internal influences is integral to the group's business. The directors regularly review and agree policies for managing such risks.

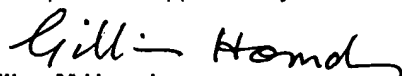
FINANCIAL KEY PERFORMANCE INDICATORS

The group uses various key performance indicators to monitor its financial performance and position. Key performance indicators that are relevant to the financial statements include turnover, gross profit margin, operating profit, net current assets and net assets. An analysis of the group's performance by reference to these key performance indicators is provided in the business review above.

OTHER KEY PERFORMANCE INDICATORS

The company uses a number of targeted non-financial key performance indicators to monitor and measure performance on a weekly and monthly basis.

This report was approved by the board on 11 November 2016 and signed on its behalf.


Gillian M Homden
Director

R.A HOMDEN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2016

The directors present their report and the financial statements for the year ended 31 March 2016.

Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Group'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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £632,353 (2015 - £588,083).

No dividends have been paid or recommended in the current or prior year.

Directors

The directors who served during the year were:

Gillian M Homden
Richard L Homden
Jonathon S Homden

Future developments

There are no specific future developments planned for the Group, other than the continuation of its current activities.

R.A HOMDEN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2016**

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 and the Group'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 and the Group's auditors are aware of that information.

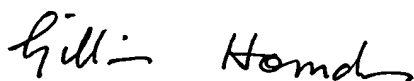
Post balance sheet events

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

Auditors

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

This report was approved by the board on 11 November 2016 and signed on its behalf.



Gillian M Homden
Director

R.A HOMDEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R.A HOMDEN LIMITED

We have audited the financial statements of R.A Homden Limited for the year ended 31 March 2016, set out on pages 6 to 32. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the 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'.

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.

Respective responsibilities of Directors and Auditors

As explained more fully in the Directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the Group's and the parent Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Group strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and the parent Company's affairs as at 31 March 2016 and of the Group's profit or loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with those financial statements.

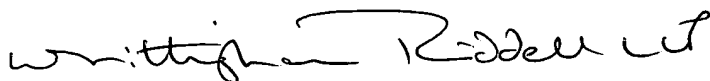
R.A HOMDEN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF R.A HOMDEN LIMITED
(CONTINUED)

Matters on which we are required to report by exception

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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.



John Fletcher BA (Hons) FCA (Senior statutory auditor)

for and on behalf of

Whittingham Riddell LLP

Chartered Accountants
Statutory Auditors

Belmont House
Shrewsbury Business Park
Shrewsbury
Shropshire
SY2 6LG

8 December 2016

R.A HOMDEN LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2016**

	Note	2016 £	2015 £
Turnover	4	11,781,894	8,074,589
Cost of sales		(9,179,811)	(6,080,305)
GROSS PROFIT		2,602,083	1,994,284
Distribution costs		(501,066)	(323,216)
Administrative expenses		(1,366,589)	(955,996)
OPERATING PROFIT	5	734,428	715,072
Interest receivable and similar income	9	17,497	9,474
PROFIT BEFORE TAXATION		751,925	724,546
Tax on profit	10	(119,572)	(136,463)
PROFIT FOR THE YEAR		632,353	588,083
Owners of the parent Company		632,353	588,083
		632,353	588,083
Owners of the parent Company		632,353	588,083
		632,353	588,083

There were no recognised gains and losses for 2016 or 2015 other than those included in the consolidated statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

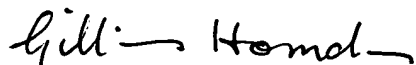
The notes on pages 14 to 32 form part of these financial statements.

R.A HOMDEN LIMITED
REGISTERED NUMBER: 01362506

CONSOLIDATED BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		<u>5,224,398</u>		<u>4,682,108</u>
			5,224,398		4,682,108
CURRENT ASSETS					
Stocks	15	597,885		695,817	
Debtors: amounts falling due within one year	16	3,104,361		3,688,762	
Cash at bank and in hand	17	<u>3,658,531</u>		<u>3,325,395</u>	
		7,360,777		7,709,974	
Creditors: amounts falling due within one year	18	<u>(2,590,727)</u>		<u>(3,037,510)</u>	
NET CURRENT ASSETS			4,770,050		4,672,464
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,994,448</u>		<u>9,354,572</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	20	<u>(327,578)</u>		<u>(320,055)</u>	
			<u>(327,578)</u>		<u>(320,055)</u>
NET ASSETS			<u>9,666,870</u>		<u>9,034,517</u>
CAPITAL AND RESERVES					
Called up share capital	21		2,667,128		2,667,128
Profit and loss account	22		6,999,742		6,367,389
EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT COMPANY			<u>9,666,870</u>		<u>9,034,517</u>
			<u>9,666,870</u>		<u>9,034,517</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 November 2016.



Gillian M Homden
Director

The notes on pages 14 to 32 form part of these financial statements.

R.A HOMDEN LIMITED
REGISTERED NUMBER: 01362506

COMPANY BALANCE SHEET
AS AT 31 MARCH 2016

	Note	£	2016 £	£	2015 £
FIXED ASSETS					
Tangible assets	12		3,443,461		3,448,131
Investments	13		202,404		202,402
			<u>3,645,865</u>		<u>3,650,533</u>
CURRENT ASSETS					
Debtors: amounts falling due after more than one year	16	1,200,000		1,100,000	
Debtors: amounts falling due within one year	16	295,107		552,282	
Cash at bank and in hand	17	2,979,680		3,022,174	
		<u>4,474,787</u>		<u>4,674,456</u>	
Creditors: amounts falling due within one year	18	(302,166)		(803,661)	
NET CURRENT ASSETS			<u>4,172,621</u>		<u>3,870,795</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>7,818,486</u>		<u>7,521,328</u>
PROVISIONS FOR LIABILITIES					
Deferred taxation	20	(90,212)		(107,875)	
			<u>(90,212)</u>		<u>(107,875)</u>
NET ASSETS			<u>7,728,274</u>		<u>7,413,453</u>
CAPITAL AND RESERVES					
Called up share capital	21		2,667,128		2,667,128
Profit and loss account	22		5,061,146		4,746,325
			<u>7,728,274</u>		<u>7,413,453</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11 November 2016.

Gillian Homden

Gillian M Homden
Director

The notes on pages 14 to 32 form part of these financial statements.

R.A HOMDEN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016

	Called up share capital	Profit and loss account	Equity attributable to owners of parent Company	Total equity
	£	£	£	£
At 1 April 2015	2,667,128	6,367,389	9,034,517	9,034,517
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	632,353	632,353	632,353
AT 31 MARCH 2016	2,667,128	6,999,742	9,666,870	9,666,870

R.A HOMDEN LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015

	Called up share capital £	Profit and loss account £	Equity attributable to owners of parent Company £	Total equity £
At 1 April 2014	2,667,128	5,779,306	8,446,434	8,446,434
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	588,083	588,083	588,083
AT 31 MARCH 2015	<u>2,667,128</u>	<u>6,367,389</u>	<u>9,034,517</u>	<u>9,034,517</u>

The notes on pages 14 to 32 form part of these financial statements.

R.A HOMDEN LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2015	2,667,128	4,746,325	7,413,453
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	314,821	314,821
AT 31 MARCH 2016	2,667,128	5,061,146	7,728,274

R.A HOMDEN LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 April 2014	2,667,128	4,407,924	7,075,052
COMPREHENSIVE INCOME FOR THE YEAR			
Profit for the year	-	338,401	338,401
AT 31 MARCH 2015	2,667,128	4,746,325	7,413,453

The notes on pages 14 to 32 form part of these financial statements.

R.A HOMDEN LIMITED

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2016**

	2016 £	2015 £
CASH FLOWS FROM OPERATING ACTIVITIES		
Operating profit	632,353	588,083
ADJUSTMENTS FOR:		
Depreciation of tangible assets	377,025	241,598
Loss on disposal of tangible assets	32,606	(249)
Interest received	(17,497)	(9,474)
Taxation	119,572	136,463
Decrease/(increase) in stocks	97,932	(124,550)
Decrease/(increase) in debtors	691,401	(1,423,740)
Decrease in amounts owed by joint ventures	(107,000)	-
(Decrease)/increase in creditors	(538,377)	1,836,469
Corporation tax	(20,455)	(44,803)
NET CASH GENERATED FROM OPERATING ACTIVITIES	<u>1,267,560</u>	<u>1,199,797</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of tangible fixed assets	(951,921)	(804,025)
Sale of tangible fixed assets	-	250
Interest received	17,497	9,474
NET CASH FROM INVESTING ACTIVITIES	<u>(934,424)</u>	<u>(794,301)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Issue of shares	-	1,000,000
NET CASH USED IN FINANCING ACTIVITIES	<u>-</u>	<u>1,000,000</u>
INCREASE IN CASH AND CASH EQUIVALENTS	<u>333,136</u>	<u>1,405,496</u>
Cash and cash equivalents at beginning of year	<u>3,325,395</u>	<u>1,919,899</u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR	<u><u>3,658,531</u></u>	<u><u>3,325,395</u></u>
CASH AND CASH EQUIVALENTS AT THE END OF YEAR COMPRISE:		
Cash at bank and in hand	<u>3,658,531</u>	<u>3,325,395</u>
	<u><u>3,658,531</u></u>	<u><u>3,325,395</u></u>

R.A HOMDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

1. GENERAL INFORMATION

R A Homden Limited is incorporated and domiciled in the UK and has a registered office and principal place of business at Brixton Way, Harlescott Industrial Estate, Shrewsbury, Shropshire, SY1 3LB.

The principal activity of the company is that of a parent company to Salop Design & Engineering Ltd, SDE Pressings Ltd, Salop Fabrications Ltd and Salop Powder Coating Ltd.

2. ACCOUNTING POLICIES

2.1 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 UK and the Republic of Ireland and the Companies Act 2006.

Information on the impact of first-time adoption of FRS 102 is given in note 29.

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

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2014.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

2.4 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance methods..

The estimated useful lives range as follows:

Freehold property	- 2% straight line
Plant and machinery	- 7.5%-22.5% reducing balance
Motor vehicles	- 33.3% reducing balance

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 Consolidated statement of comprehensive income.

2.5 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

R.A HOMDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.6 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. 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.

2.7 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.

2.8 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 Consolidated 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.

2.9 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.

2.10 Financial instruments

The Group only enters into basic financial instruments 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 payables or receivables, 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 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (continued)

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Profit and loss account if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Group would receive for the asset if it were to be sold at the balance sheet date.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and loss account except when deferred in other comprehensive income as qualifying cash flow hedges.

2.12 Operating leases: the Group as lessee

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

2. ACCOUNTING POLICIES (CONTINUED)

2.13 Pensions

Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payments 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 Group in independently administered funds.

2.14 Interest income

Interest income is recognised in the Profit and loss account using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

2. ACCOUNTING POLICIES (CONTINUED)

2.16 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 change 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 and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION
UNCERTAINTY

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

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the relates actual results. In the opinion of the directors there are no estimates nor assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Freehold properties

R A Homden Limited holds certain freehold land and buildings which are used by the subsidiary company in the ordinary course of business, being the manufacture and production of precision metal pressing and assemblies predominantly for the automotive and domestic appliance industries. Under FRS102, in the parent company accounts, these would technically be regarded as investment properties and should be subject to revaluation on an annual basis, whilst the value taken at consolidated group level would be held at net book value on the historical cost basis. This would lead to a different valuation of the freehold properties applied in the parent company to that of the consolidated group. The Directors have considered the most appropriate treatment of these properties and consider time and expense of carrying these annual valuations out amounts to undue cost and effort in context of the commercial benefits gained.

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

4. TURNOVER

The whole of the turnover is attributable to the manufacture and production of precision metal pressing and assemblies predominantly for the automotive and domestic appliance industries.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	11,043,694	7,058,589
Other EU	738,200	1,016,000
	<u>11,781,894</u>	<u>8,074,589</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	377,025	241,598
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	1,315	1,275
Exchange differences	(9,164)	(40,340)
Other operating lease rentals	68,384	39,418
Defined contribution pension cost	21,389	13,457
	<u> </u>	<u> </u>

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	6,770	6,570
	<u> </u>	<u> </u>

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

7. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	1,882,155	1,620,807
Social security costs	166,692	125,238
Cost of defined contribution scheme	21,389	13,457
	2,070,236	1,759,502

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

	2016 No.	2015 No.
Employees	71	60

8. DIRECTORS' REMUNERATION

	2016 £	2015 £
Directors' emoluments	334,400	267,211
Company contributions to defined contribution pension schemes	10,801	9,600
	345,201	276,811

During the year retirement benefits were accruing to 3 directors (2015 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £98,500 (2015 - £80,086).

9. INTEREST RECEIVABLE

	2016 £	2015 £
Other interest receivable	17,497	9,474
	17,497	9,474

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

10. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	112,049	23,836
	<u>112,049</u>	<u>23,836</u>
TOTAL CURRENT TAX	<u>112,049</u>	<u>23,836</u>
DEFERRED TAX		
Origination and reversal of timing differences	7,523	112,627
TOTAL DEFERRED TAX	<u>7,523</u>	<u>112,627</u>
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	<u>119,572</u>	<u>136,463</u>

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	751,925	724,546
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	150,385	144,909
EFFECTS OF:		
Capital allowances for year in excess of depreciation	(40,025)	(74,177)
Utilisation of tax losses	-	(46,896)
Adjustments to tax charge in respect of prior periods	1,689	-
Origination and reversal of timing differences	7,523	112,627
TOTAL TAX CHARGE FOR THE YEAR	<u>119,572</u>	<u>136,463</u>

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There are no factors that will affect future tax charges.

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

11. PARENT COMPANY PROFIT FOR THE YEAR

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements. The profit after tax of the parent Company for the year was £314,821 (2015 - £338,401).

12. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Total £
COST OR VALUATION				
At 1 April 2015	3,032,332	6,924,964	5,875	9,963,171
Additions	179,763	772,158	-	951,921
Disposals	-	(73,398)	-	(73,398)
At 31 March 2016	3,212,095	7,623,724	5,875	10,841,694
DEPRECIATION				
At 1 April 2015	845,301	4,435,762	-	5,281,063
Charge for period on owned assets	54,433	321,123	1,469	377,025
Disposals	-	(40,792)	-	(40,792)
At 31 March 2016	899,734	4,716,093	1,469	5,617,296
NET BOOK VALUE				
At 31 March 2016	2,312,361	2,907,631	4,406	5,224,398
At 31 March 2015	2,187,031	2,489,202	5,875	4,682,108

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

Company

	Freehold property £	Plant and machinery £	Total £
COST OR VALUATION			
At 1 April 2015	3,032,332	1,300,000	4,332,332
Additions	179,763	-	179,763
At 31 March 2016	3,212,095	1,300,000	4,512,095
DEPRECIATION			
At 1 April 2015	845,301	38,900	884,201
Charge for period on owned assets	54,433	130,000	184,433
At 31 March 2016	899,734	168,900	1,068,634
At 31 March 2016	<u>2,312,361</u>	<u>1,131,100</u>	<u>3,443,461</u>
At 31 March 2015	<u>2,187,031</u>	<u>1,261,100</u>	<u>3,448,131</u>

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

13. FIXED ASSET INVESTMENTS

Company

	Investments in subsidiary companies £
COST OR VALUATION	
At 1 April 2015	202,402
Additions	2
At 31 March 2016	<u>202,404</u>
At 31 March 2016	<u>-</u>
NET BOOK VALUE	
At 31 March 2016	<u>202,404</u>
At 31 March 2015	<u>202,402</u>

14. JOINT VENTURE INVESTMENTS

The group has a 50% share in a joint venture - In-Comm Training Academy Shropshire Limited - the loss attributable to the group in the year from this joint venture is £18,714.

15. STOCKS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Raw materials and consumables	230,403	352,554	-	-
Work in progress (goods to be sold)	152,379	147,467	-	-
Finished goods and goods for resale	215,103	195,796	-	-
	<u>597,885</u>	<u>695,817</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £5,901,962 (2015: £4,010,242).

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

16. DEBTORS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade debtors	2,544,726	3,155,614	5,400	2,979
Amounts owed by group undertakings	-	-	-	171,500
Amounts owed by joint ventures and associated undertakings	107,000	-	-	-
Other debtors	309,271	377,803	289,707	377,803
Prepayments and accrued income	143,364	155,345	-	-
	<u>3,104,361</u>	<u>3,688,762</u>	<u>295,107</u>	<u>552,282</u>

17. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	3,658,531	3,325,395	2,979,680	3,022,174
	<u>3,658,531</u>	<u>3,325,395</u>	<u>2,979,680</u>	<u>3,022,174</u>

18. CREDITORS: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	1,699,821	1,917,061	3,952	343
Amounts owed to group undertakings	-	-	179,767	786,002
Corporation tax	115,430	23,836	93,936	14,817
Taxation and social security	113,904	230,040	22,011	-
Other creditors	113,408	82,696	-	-
Accruals and deferred income	548,164	783,877	2,500	2,499
	<u>2,590,727</u>	<u>3,037,510</u>	<u>302,166</u>	<u>803,661</u>

R.A HOMDEN LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016

19. FINANCIAL INSTRUMENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
FINANCIAL ASSETS				
Financial assets measured at fair value through profit or loss	3,658,531	3,325,395	2,979,680	3,022,174
Financial assets that are debt instruments measured at amortised cost	2,960,997	3,533,417	1,495,107	1,652,282
	<u>6,619,528</u>	<u>6,858,812</u>	<u>4,474,787</u>	<u>4,674,456</u>
FINANCIAL LIABILITIES				
Financial liabilities measured at amortised cost	(2,247,985)	(2,700,938)	(186,219)	(788,844)
	<u>(2,247,985)</u>	<u>(2,700,938)</u>	<u>(186,219)</u>	<u>(788,844)</u>

Financial assets measured at fair value through profit or loss comprise of bank and cash balances.

Financial assets measured at amortised cost comprise of trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise of trade creditors and accruals.

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

20. DEFERRED TAXATION

Group

	2016 £
At beginning of year	(320,055)
Charged to the profit or loss	(7,523)
AT END OF YEAR	(327,578)

Company

	2016 £
At beginning of year	(107,875)
Charged to the profit or loss	17,663
AT END OF YEAR	(90,212)

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Accelerated capital allowances	(327,578)	(320,055)	(90,212)	(107,875)
	(327,578)	(320,055)	(90,212)	(107,875)

21. SHARE CAPITAL

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
128 Ordinary shares of £1 each	128	128
2,667 Redeemable shares of £1,000 each	2,667,000	2,667,000
	2,667,128	2,667,128

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

21. SHARE CAPITAL (CONTINUED)

The shares have the following rights and characteristics:

1. Redeemable shares of £1,000 each:

(a) At any General Meeting of the company, the majority if the holders of the above shares can propose resolution instructing the company to pay a dividend of up to £80 per Redeemable share. The total dividend cannot exceed one third of the group's post tax profits.

(b) The above shares carry one vote.

(c) On the winding up of the company, surplus assets will be applied firstly in repaying the above shares at par. No further distribution to the holders of the Redeemable shares per annum.

Due to the above characteristics, these shares have been classified as equity shares.

2. Ordinary shares of £1 each:

(a) The shares carry 100 votes each, except for when voting on the resolution detailed at 1(a) above, when they carry one vote.

(b) Except as detailed in 1(a) and 1(d) above, all company distribution are solely payable to the holders of Ordinary shares.

Due to the rights and characteristics, these shares have been disclosed as equity shares.

22. RESERVES

Profit and loss account

Group

The profit and loss account comprises of brought forward amount of £5,779,306 with the current year profit of £628,387. This reserve represents the value of the cumulative retained profits and losses of the group since incorporation.

Company

The profit and loss account comprises of brought forward amount of £4,407,923 with the current year profit of £230,722. This reserve represents the value of the cumulative retained profits and losses of the company since incorporation.

23. PENSION COMMITMENTS

Salop Design and Engineering Limited operates a defined contributions pension scheme for the benefits of directors and senior employees. 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 Salop Design and Engineering Limited to the fund and amounted to £21,389 (2015: £13,457).

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

24. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016 £	Group 2015 £
Not later than 1 year	24,788	36,634
Later than 1 year and not later than 5 years	111,547	114,509
Later than 5 years	-	24,788
	136,335	175,931

The group has no commitments under the non-cancellable operating leases as at the balance sheet date.

25. TRANSACTIONS WITH DIRECTORS

During the year the group has operated a loan account with Mr R L Homden, a director. At the end of the year the loan amount outstanding was £249,792 (2015: £222,175) and this amount is included within other debtors.

Interest has been charged on this loan account of £7,233 (2015: £4,356).

26. RELATED PARTY TRANSACTIONS

The Company has taken advantage of the exemption contained in FRS102 and has therefore not disclosed transactions or balances with entities which form part of the group. The group consolidated financial statements can be obtained from Companies House.

Included in debtors due within 1 year is a loan account due from In-Comm Training Academy Shropshire Limited, a joint venture entity. This amounted to £107,000 (2015: £nil) at the year end.

27. CONTROLLING PARTY

The company is under the control of Mrs G M Homden by virtue of her owning more that 50% of the voting rights.

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

28. SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Holding	Principal activity
Salop Design and Engineering Limited	United Kingdom	100 %	Manufacturing and production of precision metal pressings
SDE Pressings Limited	United Kingdom	50 %	Dormant
Salop Fabrications Limited	United Kingdom	100 %	Dormant
Salop Powder Coating Limited	United Kingdom	100 %	Dormant

R.A HOMDEN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2016**

29. FIRST TIME ADOPTION OF FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.