

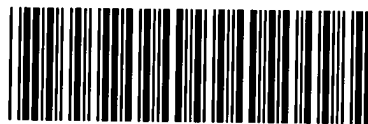
Registered number: 01363601

Verdict Gauge Limited

Annual report and financial statements

For the year ended 30 September 2017

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Verdict Gauge Limited

Company Information

Directors

M J Allen
T J Allen
A C Gibson

Company secretary

A C Gibson

Registered number

01363601

Registered office

Hilton Road
Cobbs Wood Industrial Estate
Ashford
Kent
TN23 1EW

Independent auditors

Kreston Reeves LLP
Chartered Accountants & Statutory Auditor
One Jubilee Street
Brighton
East Sussex
BN1 1GE

Verdict Gauge Limited

Strategic report For the year ended 30 September 2017

Introduction

The directors present their strategic report for the year ended 30 September 2017.

Business review

The profit/(loss) for the year after taxation, and after an intercompany loan write off of £266,155 (2016: £43,810) amounted to £258,918 (2016: (£4,961)).

The directors are pleased that the company has made a profit this year, and are confident that the company will return to overall profitability.

The company continues to enjoy strong relations with its distributors and suppliers, and the directors continue to strive to reduce overheads and increase revenue and profits.

The directors will continue to monitor the performance of the company and its overall contribution to the group, and remain committed in their efforts to return the company to profitability. The directors consider that the company will continue in its current trading activities for the foreseeable future.

Principal risks and uncertainties

The directors believe the main uncertainties faced by the company arise from the current economic climate and reduced visibility and certainty of forward order schedules. This also causes the directors to believe that there may be an increased risk of customers failing financially. Continuing fluctuations in foreign exchange rates also give rise to uncertainty over margins to be achieved on sales overseas and the cost of purchases from overseas suppliers.

Financial key performance indicators

Turnover increased by 16.2% from £229,557 to £266,854.

Gross Profit as a percentage of turnover has increased from 28.2% to 29.3%.

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



A C Gibson

Secretary

Date: 8TH JUNE 2018

Verdict Gauge Limited

Directors' report For the year ended 30 September 2017

The directors present their report and the financial statements for the year ended 30 September 2017.

Principal activity

The principal activity of the company is the manufacture and supply of precision gauges.

Directors

The directors who served during the year were:

M J Allen
T J Allen
A C Gibson

Principal risks and uncertainties

The company's financial risk management policies are designed to reduce the risk of liquidity and credit risk exposure. The company's principal financial instruments comprise of cash at bank, trade debtors and creditors, and a balance with the parent company.

Price risk, credit risk, liquidity risk and cash flow risk

The company manages its cash flow to ensure it has sufficient funds to meet its liabilities as they fall due for payment, whilst at the same time operating within agreed bank facilities. Trade debtors are monitored on an on-going basis and at the year end there was no significant concerns of credit risk in the company.

Future developments

The company continues to develop its product range to ensure maximum availability to its customers. The company will continue to develop its relationships with its supply chain to maintain efficient pricing.

Directors' responsibilities statement

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

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

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

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

The 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.

Verdict Gauge Limited

Directors' report (continued) For the year ended 30 September 2017

Results and dividends

The profit for the year, after taxation, amounted to £258,918 (2016 - loss £4,961).

In order to maintain working capital requirements, the directors do not recommend payment of a dividend.

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, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



A C Gibson
Secretary

Date: 8TH JUNE 2018

Verdict Gauge Limited

Independent auditors' report to the shareholders of Verdict Gauge Limited

Opinion

We have audited the financial statements of Verdict Gauge Limited for the year ended 30 September 2017, set out on pages 7 to 22. 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2017 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.

Independent auditors' report to the shareholders of Verdict Gauge Limited (continued)

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 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 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 and 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 2, 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.

Verdict Gauge Limited

Independent auditors' report to the shareholders of Verdict Gauge 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. The description forms part of our Auditors' report.

Alison Jones FCA (Senior statutory auditor)

for and on behalf of

Kreston Reeves LLP

Chartered Accountants

Statutory Auditor

Brighton

Date:

14 June 2018

Verdict Gauge Limited

Statement of comprehensive income For the year ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	266,854	229,557
Cost of sales		(188,674)	(164,773)
Gross profit		78,180	64,784
Distribution costs		(20,271)	(27,124)
Administrative expenses		(63,314)	(80,823)
Operating loss	5	(5,405)	(43,163)
Intercompany loan write off		266,155	43,810
Interest payable and expenses	8	(1,832)	(5,608)
Profit/(loss) before tax		258,918	(4,961)
Profit/(loss) for the financial year		258,918	(4,961)

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016:£NIL).

The notes on pages 10 to 22 form part of these financial statements.

Verdict Gauge Limited
Registered number: 01363601

Balance sheet
As at 30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	11	402	-
Tangible assets	12	1,827	2,614
		<u>2,229</u>	<u>2,614</u>
Current assets			
Stocks	13	378,885	187,865
Debtors: amounts falling due within one year	14	68,939	44,121
Cash at bank and in hand		424	4,391
		<u>448,248</u>	<u>236,377</u>
Creditors: amounts falling due within one year	15	(20,295)	(37,357)
Net current assets		<u>427,953</u>	<u>199,020</u>
Total assets less current liabilities		<u>430,182</u>	<u>201,634</u>
Creditors: amounts falling due after more than one year	16	(61,880)	(92,250)
Net assets		<u><u>368,302</u></u>	<u><u>109,384</u></u>
Capital and reserves			
Called up share capital	17	100	100
Profit and loss account	18	368,202	109,284
		<u><u>368,302</u></u>	<u><u>109,384</u></u>

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



T J Allen

Director

Date: 8TH JUNE 2018



A C Gibson

Director

The notes on pages 10 to 22 form part of these financial statements.

Verdict Gauge Limited

**Statement of changes in equity
For the year ended 30 September 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2015	100	114,245	114,345
Comprehensive income for the year			
Loss for the year	-	(4,961)	(4,961)
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	(4,961)	(4,961)
Total transactions with owners	-	-	-
At 1 October 2016	100	109,284	109,384
Comprehensive income for the year			
Profit for the year	-	258,918	258,918
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	258,918	258,918
Total transactions with owners	-	-	-
At 30 September 2017	100	368,202	368,302

**Notes to the financial statements
For the year ended 30 September 2017**

1. General information

The company is a private company, limited by share capital, and incorporated in England and Wales.

The address of its registered office and principal place of business is:

Hilton Road
Cobbs Wood Industrial Estate
Ashford
Kent
TN23 1EW

The financial statements have been prepared in £ sterling, its presentational and functional currency, and amounts have been rounded to the nearest £1.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Summary of disclosure exemptions

The company is a qualifying entity under FRS 102 and has adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
 - i) categories of financial instruments,
 - ii) items of income, expenses, gains or losses relating to financial instruments, and
 - iii) exposure to and management of financial risks
- key management personnel compensation in total

2.3 Name of parent of group

These financial statements are consolidated in the financial statements of M J Allen Holdings Limited.

The financial statements of M J Allen Holdings Limited may be obtained from Hilton Road, Cobbs Wood Industrial Estate, Ashford, Kent, TN23 1EW.

2.4 Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report.

The company's ability to trade is dependent upon the support of its parent company and they have confirmed that they will continue to support the company for the foreseeable future.

The directors have reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

**Notes to the financial statements
For the year ended 30 September 2017**

2. Accounting policies (continued)

2.5 Revenue recognition

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Sale of goods

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

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

2.6 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.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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.

The estimated useful lives range as follows:

Trademarks	-	10% straight line per annum
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**Notes to the financial statements
For the year ended 30 September 2017**

2. Accounting policies (continued)

2.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation.

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

Depreciation is provided on the following basis:

Plant and equipment	-	15 - 20% straight line per annum
Fixtures, fittings and office equipment including:	-	
- Fixtures and fittings		20% straight line per annum
- Office equipment		25% straight line per annum
- Exhibition equipment		15-20% straight line per annum

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 Statement of comprehensive income.

2.8 Stocks

Stocks comprising of raw materials and consumables are stated at the lower of cost and net realisable value on a weighted average basis, after making due allowance for obsolete and slow-moving goods.

Finished goods and work in progress are valued on a consistent basis at materials cost plus a proportion of factory overheads and labour costs incurred in bringing the work to its present condition or net realisable value if lower.

2.9 Debtors

Short term debtors are measured at transaction price.

2.10 Creditors

Short term creditors are measured at the transaction price.

2.11 Foreign currency translation

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.

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 Statement of comprehensive income.

**Notes to the financial statements
For the year ended 30 September 2017**

2. Accounting policies (continued)

2.12 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash received.

2.13 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.

2.14 Taxation

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

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

**Notes to the financial statements
For the year ended 30 September 2017**

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

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 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.

Judgements

Stock valuation - All raw materials are valued on a weighted average basis. The directors have chosen this method because raw materials are purchased in bulk every few years and a significant amount of finished goods are purchased from China. This means that the price of these goods fluctuates and therefore the weighted average method accounts for this.

Key sources of estimation uncertainty

Bad debt provision - The company offers credit terms to its customers and is at risk to the extent that customers may be unable to pay the debt on the specified due date. The risk is mitigated by the strong on-going customer relationships. Bad debts are provided for when the company considers the debt is not recoverable and the carrying amount of the bad debt provision as at 30 September 2017 is £1,626 (2016: £600).

Stock provisions - The company has a standard policy of only recognising a stock provision when the quantity of stock held is greater than the sales of that item in the last year. In making this judgement the company considers that all products less than one year old can be sold for at least more than cost and are not included in the provision. In addition management review all stock on a regular basis and provide against the value where appropriate. Management deem this estimate to be appropriate and the carrying amount of the stock provision is £41,568 (2016: £26,500).

Intercompany loan write off - The company reviews its intercompany accounts on a regular basis and based on the directors estimate and current projections a write off of £266,155 (2016: £43,810) has been made.

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

4. Turnover

An analysis of turnover by class of business is as follows:

	2017 £	2016 £
Sale of goods	266,854	229,557
	<u>266,854</u>	<u>229,557</u>

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	213,145	211,325
Rest of Europe	53,709	18,232
	<u>266,854</u>	<u>229,557</u>

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	5,294	6,692
Stock provision	15,069	7,509
Cost of stock recognised as an expenses	151,369	111,042
Amortisation of intangible assets	18	-
Auditors remuneration	3,200	3,200
Foreign exchange losses	4,754	1,068
(Profit)/loss on disposal of fixed assets	62	-
	<u>62</u>	<u>-</u>

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

6. Employees

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

	2017 £	2016 £
Wages and salaries	46,645	58,019
Social security costs	7,384	9,215
Cost of defined contribution scheme	2,196	2,771
	<u>56,225</u>	<u>70,005</u>

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

	2017 No.	2016 No.
Administration and support	2	2
Sales, marketing and distribution	1	1
	<u>3</u>	<u>3</u>

7. Directors' remuneration

	2017 £	2016 £
Directors' emoluments (including benefits in kind)	6,489	6,726
Company contributions to defined contribution pension schemes	1,293	538
	<u>7,782</u>	<u>7,264</u>

During the year retirement benefits were accruing to 3 directors (2016 - 3) in respect of defined contribution pension schemes.

8. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	1,832	5,608
	<u>1,832</u>	<u>5,608</u>

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

9. Taxation

	2017 £	2016 £
Total current tax	-	-
Deferred tax		
Total deferred tax	-	-
Taxation on profit on ordinary activities	-	-

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - the same as) the standard rate of corporation tax in the UK of 19% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	258,918	(4,961)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.50% (2016 - 20%)	50,485	(992)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	823	6
Capital allowances for year in excess of depreciation	16	1,182
Short term timing difference leading to an increase (decrease) in taxation	3,288	120
Non-taxable income	(51,897)	(8,762)
Unrelieved tax losses carried forward	(2,715)	-
Group relief	-	8,446
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has corporation tax losses carried forward which will reduce tax payments in the future.

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

10. Exceptional items

	2017 £	2016 £
Intercompany loan write off	(266,155)	(43,810)
	<u>(266,155)</u>	<u>(43,810)</u>

In 2017 £50,356 (2016: £43,810) of the intercompany loan from M J Allen Holdings Limited, the parent company, was written off together with a trade creditor balance with Foremost Machinery Corporation of £215,799 (2016: £nil).

11. Intangible assets

	Trademarks £
Cost	
Additions	420
At 30 September 2017	<u>420</u>
Amortisation	
Charge for the year	18
At 30 September 2017	<u>18</u>
Net book value	
At 30 September 2017	<u>402</u>
At 30 September 2016	<u>-</u>

Verdict Gauge Limited

**Notes to the financial statements
For the year ended 30 September 2017**

12. Tangible fixed assets

	Plant and equipment £	Fixtures, fittings, and office equipment £	Total £
Cost or valuation			
At 1 October 2016	8,512	1,995	10,507
Additions	-	380	380
Disposals	-	(1,671)	(1,671)
At 30 September 2017	<u>8,512</u>	<u>704</u>	<u>9,216</u>
Depreciation			
At 1 October 2016	6,033	1,860	7,893
Charge for the year	998	107	1,105
Disposals	-	(1,609)	(1,609)
At 30 September 2017	<u>7,031</u>	<u>358</u>	<u>7,389</u>
Net book value			
At 30 September 2017	<u>1,481</u>	<u>346</u>	<u>1,827</u>
At 30 September 2016	<u>2,479</u>	<u>135</u>	<u>2,614</u>

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

13. Stocks

	2017 £	2016 £
Raw materials and consumables	187,046	153,511
Finished goods and goods for resale	191,839	34,354
	<u>378,885</u>	<u>187,865</u>

Stock recognised in cost of sales during the year as an expense was £151,369 (2016 - (£111,042)).

An impairment gain / (loss) of £15,069 (2016 - (£7,509)) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

14. Debtors

	2017 £	2016 £
Trade debtors	64,731	34,528
Amounts owed by group undertakings	380	-
Other debtors	3,828	9,593
	<u>68,939</u>	<u>44,121</u>

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	12,376	29,559
Other taxation and social security	-	122
Other creditors	-	4,337
Accruals and deferred income	7,919	3,339
	<u>20,295</u>	<u>37,357</u>

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

	2017 £	2016 £
Amounts owed to group undertakings	61,880	92,250
	<u>61,880</u>	<u>92,250</u>

Amounts due to the parent company after one year are lent on an unsecured basis. Interest is charged at market rate. The parent company has indicated that it will not demand repayment for a period of at least 12 months from the date of signing the balance sheet.

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

17. Share capital

	2017 £	2016 £
Shares classified as equity		
Authorised, allotted, called up and fully paid		
90 Ordinary A shares of £1 each	90	90
10 Ordinary B shares of £1 each	10	10
	<hr/>	<hr/>
	100	100
	<hr/>	<hr/>

(a) The 'A' shares are not redeemable and in the event of a winding up, carry the right to any surplus arising. Voting rights are one vote for every 10 shares held and they shall be entitled to payment of a dividend at a rate not less than the 'B' shares.

(b) The 'B' shares are not redeemable and in the event of a winding up, carry the right to repayment at their paid up value only. Voting rights are one vote per share and they shall be entitled to a payment of a fixed dividend of 15% per annum non-cumulative payable at the discretion of the directors.

18. Reserves

Profit and loss account

Includes all current and prior period retained profit and losses.

19. Contingent liabilities

The bank overdraft is secured by fixed and floating charges on all the assets of the company dated March 2014, together with secured charges on the Freehold Property owned by the Parent company dated April and May 2014. On 21 March 2014, the company also entered into unlimited cross-guarantees to the bank in respect of M J Allen Holdings Limited and each of its subsidiary companies. The aggregate of bank overdrafts and finance facilities in the other group companies at the balance sheet date amounted to £6,119,275 (2016: £4,441,132)

20. Pension commitments

The company is a member of the M.J. Allen Group stakeholder pension scheme and a Small Self Administered Scheme (SSAS). The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £2,196 (2016 - £2,771). There are no outstanding or prepaid contributions at the balance sheet date.

21. Related party transactions

The company considers its key management personnel for both 2017 and 2016 to be its directors and comprise of: M J Allen, T J Allen and A C Gibson.

The company has taken advantage of the exemption in FRS 102 Section 33.1A from disclosing transactions with other wholly owned members of the group.

Verdict Gauge Limited

Notes to the financial statements For the year ended 30 September 2017

22. Controlling party

The company's immediate parent is M J Allen Holdings Limited who owns 100% of the issued share capital and is incorporated in England and Wales.

The ultimate controlling party is M J Allen.