

**PREPARED FOR THE REGISTRAR
RALPH DAVIES INTERNATIONAL LIMITED
ANNUAL REPORT AND UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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RALPH DAVIES INTERNATIONAL LIMITED

CONTENTS

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 10

RALPH DAVIES INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors M R Phillips
 T I Love
 A Cooper

Registered office Hazlewoods LLP
 Staverton Court
 Staverton
 Cheltenham
 Gloucestershire
 GL51 0UX

Accountants Hazlewoods LLP
 Chartered Accountants
 Staverton Court
 Staverton
 Cheltenham
 GL51 0UX

RALPH DAVIES INTERNATIONAL LIMITED

(REGISTRATION NUMBER: 02226625)
BALANCE SHEET AS AT 31 DECEMBER 2017

	Note	31 December 2017 £	31 December 2016 £
Fixed assets			
Tangible assets	5	220,063	391,361
Current assets			
Stocks	9	27,568	54,075
Debtors	6	1,515,492	1,548,602
Cash at bank and in hand		23,239	1,400,795
		<u>1,566,299</u>	<u>3,003,472</u>
Creditors: Amounts falling due within one year	7	<u>(1,669,699)</u>	<u>(986,146)</u>
Net current (liabilities)/assets		<u>(103,400)</u>	<u>2,017,326</u>
Total assets less current liabilities		116,663	2,408,687
Creditors: Amounts falling due after more than one year	7	(111,628)	(9,355)
Deferred tax liabilities	4	<u>-</u>	<u>(9,446)</u>
Net assets		<u>5,035</u>	<u>2,389,886</u>
Capital and reserves			
Called up share capital	10	2	2
Profit and loss account		<u>5,033</u>	<u>2,389,884</u>
Total equity		<u>5,035</u>	<u>2,389,886</u>

For the financial year ending 31 December 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.


Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 28/9/2018 and signed on its behalf by:


M R Phillips
Director

The notes on pages 3 to 10 form an integral part of these financial statements.

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1 General information

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

The address of its registered office is:

Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
Gloucestershire
GL51 0UX

The principal place of business is:

Williams Point
Wainwright Road
Worcester
Worcestershire
WR4 9FA

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except for, where disclosed in these accounting policies, certain items that are shown at fair value.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Revenue from services is recognised in the accounting periods in which the services were rendered.

Going concern

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, 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.

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Judgements

No significant judgements have been made by management in preparing these financial statements.

Key sources of estimation uncertainty

No key sources of estimation have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

No key sources of estimation uncertainty have been identified by management in preparing these financial statements other than those detailed in these accounting policies.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a charge attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	25% reducing balance
Fixtures and fittings	25% on cost and 15% reducing balance
Motor vehicles	25% reducing balance
Commercial vehicles	25% reducing balance
Leasehold improvements	Over the term of the lease

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. All trade debtors are repayable within one year and hence are included at the undiscounted cost of cash expected to be received. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the debtors.

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and all are repayable within one year and hence are included at the undiscounted amount of cash expected to be paid.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Financial instruments

Classification

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities such as trade and other receivables and payables, loans from related parties and investments in non-puttable ordinary shares.

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the company is presented as a liability on the balance sheet. The corresponding dividends relating to the liability component are charged as interest expenses in the profit and loss account.

Debt instruments like loans and other receivables and payables are initially measured at present value of the future payments 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 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 of finance at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of future payments discounted at a market rate of interest for a similar debt instrument.

Investments in non-puttable ordinary shares are measured at cost less impairment for all other investments.

Recognition and measurement

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 profit or loss. For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying value and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract. For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and the best estimate, which is an approximation, of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount recognised in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Impairment

At each reporting date, non-financial assets not carried at fair value, such as property, plant and equipment are reviewed to determine whether there is an indication that an asset may be impaired. If there is an indication of possible impairment, the recoverable amount of any asset or group of related assets, which is the higher of value in use and fair value less costs to sell, is estimated and compared with its carrying amount. If the recoverable amount is lower, the carrying amount of the asset is reduced to its recoverable amounts and an impairment loss is recognised immediately in profit or loss.

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

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 32 (2016 - 53).

4 Deferred tax

Deferred tax assets and liabilities

	Asset £
2017	
Accelerated capital allowances	(4,375)
Other short term timing differences	(112)
Tax losses and other deductions	<u>(87,521)</u>
	<u><u>(92,008)</u></u>
	Liability £
2016	
Accelerated capital allowances	9,557
Other short term timing differences	(111)
Tax losses and other deductions	<u>-</u>
	<u><u>9,446</u></u>

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

5 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Commercial vehicles £	Total £
Cost						
At 1 January 2017	-	166,379	117,796	118,952	1,071,952	1,475,079
Additions	13,170	6,252	-	13,712	168,588	201,722
Disposals	-	(134,985)	(42,581)	(105,275)	(943,466)	(1,226,307)
At 31 December 2017	13,170	37,646	75,215	27,389	297,074	450,494
Depreciation						
At 1 January 2017	-	157,294	93,504	99,027	733,893	1,083,718
Charge for the period	-	6,865	5,737	3,095	78,814	94,511
Eliminated on disposal	-	(134,985)	(39,027)	(93,105)	(680,681)	(947,798)
At 31 December 2017	-	29,174	60,214	9,017	132,026	230,431
Carrying amount						
At 31 December 2017	13,170	8,472	15,001	18,372	165,048	220,063
At 31 December 2016	-	9,085	24,292	19,925	338,059	391,361

Assets held under finance lease and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance lease and hire purchase contracts:

	2017 £	2016 £
Motor vehicles	12,450	16,600
Commercial vehicles	138,734	127,615
	151,184	144,215

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6 Debtors

	31 December 2017 £	31 December 2016 £
Trade debtors	1,225,425	1,149,973
Other debtors	-	154,286
Prepayments	198,059	244,343
Deferred tax assets	92,008	-
	<u>1,515,492</u>	<u>1,548,602</u>

7 Creditors

Creditors: amounts falling due within one year

	Note	31 December 2017 £	31 December 2016 £
Due within one year			
Loans and borrowings	8	171,796	31,542
Trade creditors		732,678	630,192
Amounts due to related parties		586,123	-
Social security and other taxes		38,985	116,343
Other creditors		63,292	92,279
Accrued expenses		76,825	30,593
Corporation tax liability		-	85,197
		<u>1,669,699</u>	<u>986,146</u>
Due after one year			
Loans and borrowings	8	<u>111,628</u>	<u>9,355</u>

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	8	<u>111,628</u>	<u>9,355</u>

8 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	147,836	11,418
Finance lease liabilities	23,960	20,124
	<u>171,796</u>	<u>31,542</u>
Non-current loans and borrowings		
Finance lease liabilities	<u>111,628</u>	<u>9,355</u>

RALPH DAVIES INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

The company's bank borrowings are secured by a fixed charge and a floating charge over the property and undertaking of the company.

The bank borrowings impose a negative pledge which prohibits the group from creating any security interests over the assets pledged as security.

Obligations under finance lease and hire purchase contracts are secured against the assets to which they relate.

9 Stocks

	31 December 2017	31 December 2016
	£	£
Raw materials and consumables	<u>27,568</u>	<u>54,075</u>

10 Share capital

Allotted, called up and fully paid shares

	31 December 2017 No.	£	31 December 2016 No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

11 Reserves

Share capital

Share capital represents the issued share capital of the company.

Retained earnings

Retained earnings represents cumulative profits or losses, net of dividends paid and other adjustments.

12 Dividends

	31 December 2017	31 December 2016
	£	£
Dividends paid	<u>1,800,000</u>	<u>90,000</u>

13 Financial commitments, guarantees and contingencies

At 30 December 2017 the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £2,042,669 (2016 - £2,159,574).

14 Parent and ultimate parent undertaking

The company's immediate and ultimate parent is Topeka Logistics Limited, incorporated in England and Wales.

Topeka Logistics Limited is not considered to have an ultimate controlling party.