

**REGISTERED NUMBER: 01357452 (England and Wales)**

Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 30 April 2018  
for  
Primasil Silicones Limited

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for the Year Ended 30 April 2018

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**DIRECTORS:**

Mrs S E Wheeler  
R Frost  
S J Wheeler  
A W Zarebski  
M R Wheeler

**SECRETARY:**

R Frost

**REGISTERED OFFICE:**

Kington Road  
Weobley  
Herefordshire  
HR4 8QU

**REGISTERED NUMBER:**

01357452 (England and Wales)

**AUDITORS:**

Thorne & Co.  
Accountants and Statutory Auditor  
1 St Mary's Street  
Ross-on-Wye  
Herefordshire  
HR9 5HT

Strategic Report  
for the Year Ended 30 April 2018

The directors present their strategic report for the year ended 30 April 2018.

**REVIEW OF BUSINESS**

Turnover has increased and gross margin has been maintained.

Research and development activity continues to focus on developing new materials and manufacturing techniques for new and existing customers.

The directors have continued to support this investment and capital investment has been committed to extend the company's capabilities.

Despite a reported global economic slowdown, demand for technical products that provide customers with a competitive advantage persists.

A wholly owned manufacturing subsidiary in the Czech Republic provides local EU supply.

The company's key financial and other performance indicators during the year were as follows:

	2018	2017
Debtor days	48	52
Creditor days	67	76
Stock days	77	75

**PRINCIPAL RISKS AND UNCERTAINTIES**

A global shortage of silicone rubber has led to the allocation of supply and unprecedented price increases.

The company has leveraged relationships with suppliers and expertise in adapting formulations (where possible) to maintain customer supply.

We will continue to work closely with suppliers through 2019, by which point normal supply should be resumed.

Brexit may affect the company with regards to logistics and tariffs:

Logistics	Purchased goods and deliveries to non-UK customers may be compromised in the short term due to increased friction at ports. The company's freight forwarders are well placed to deal with logistical changes and the company may increase stock holding.
Tariffs	The company supplies a very diverse range of products. As the average tariff is around 4% individual customers may be affected by specific increases but there is no specific risk to this company.

**ON BEHALF OF THE BOARD:**

S J Wheeler - Director

24 January 2019

Report of the Directors  
for the Year Ended 30 April 2018

The directors present their report with the financial statements of the company for the year ended 30 April 2018.

**DIVIDENDS**

Interim dividends per share on the Ordinary £1 shares were paid as follows:

£450,000	- 31 January 2018
£50,000	- 28 February 2018
£50,000	- 31 March 2018
£50,000	- 30 April 2018
<u>£600,000</u>	

The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the 3 per cent non-cumulative preference £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 30 April 2018 will be £ 600,000 .

**RESEARCH AND DEVELOPMENT**

The company has a history of research and development activity which will increase as new opportunities are presented.

**FUTURE DEVELOPMENTS**

The business continues to take advantage of business opportunities and the directors consider the state of affairs to be satisfactory.

**DIRECTORS**

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

Mrs S E Wheeler  
R Frost  
S J Wheeler  
A W Zarebski  
M R Wheeler

**FINANCIAL INSTRUMENTS**

Working capital is provided by cash and short-term borrowings. Capital expenditure is funded by cash and/or longer term debt.

Regular management accounts allow for financial risks to be identified and addressed, with cross currency exposure the biggest current risk. This is managed by balancing invoicing and purchasing currencies wherever possible. The company does not currently hedge against these risks as the benefits of entering into such agreements is not considered to outweigh the costs.

Report of the Directors  
for the Year Ended 30 April 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**ON BEHALF OF THE BOARD:**

S J Wheeler - Director

24 January 2019

### **Opinion**

We have audited the financial statements of Primasil Silicones Limited (the 'company') for the year ended 30 April 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 April 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

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

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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.

Edward Richards (Senior Statutory Auditor)  
for and on behalf of Thorne & Co.  
Accountants and Statutory Auditor  
1 St Mary's Street  
Ross-on-Wye  
Herefordshire  
HR9 5HT

24 January 2019



Income Statement  
for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
<b>TURNOVER</b>	3	12,937,399	10,413,810
Cost of sales		8,016,681	6,410,917
<b>GROSS PROFIT</b>		4,920,718	4,002,893
Administrative expenses		3,774,977	3,945,336
		1,145,741	57,557
Other operating income		3,000	3,000
<b>OPERATING PROFIT</b>	5	1,148,741	60,557
Interest receivable and similar income		-	310
		1,148,741	60,867
Interest payable and similar expenses	6	7,313	7,896
<b>PROFIT BEFORE TAXATION</b>		1,141,428	52,971
Tax on profit	7	-	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		1,141,428	52,971

The notes form part of these financial statements

Other Comprehensive Income  
for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
<b>PROFIT FOR THE YEAR</b>		1,141,428	52,971
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		<u>1,141,428</u>	<u>52,971</u>

Balance Sheet  
30 April 2018

	Notes	30.4.18 £	£	30.4.17 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		1,044,615		1,037,555
<b>CURRENT ASSETS</b>					
Stocks	10	1,654,735		1,276,206	
Debtors	11	2,041,910		1,819,756	
Cash at bank		<u>19,458</u>		<u>2,236</u>	
		3,716,103		3,098,198	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>3,271,574</u>		<u>3,168,854</u>	
<b>NET CURRENT ASSETS/(LIABILITIES)</b>			<u>444,529</u>		<u>(70,656)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,489,144		966,899
<b>CREDITORS</b>					
Amounts falling due after more than one year	13		<u>55,244</u>		<u>74,427</u>
<b>NET ASSETS</b>			<u>1,433,900</u>		<u>892,472</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		55,000		55,000
Share premium	18		15,320		15,320
Retained earnings	18		<u>1,363,580</u>		<u>822,152</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,433,900</u>		<u>892,472</u>

The financial statements were approved by the Board of Directors on 24 January 2019 and were signed on its behalf by:

S J Wheeler - Director

Statement of Changes in Equity  
for the Year Ended 30 April 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
<b>Balance at 1 May 2016</b>	55,000	769,181	15,320	839,501
<b>Changes in equity</b>				
Total comprehensive income	-	52,971	-	52,971
<b>Balance at 30 April 2017</b>	55,000	822,152	15,320	892,472
<b>Changes in equity</b>				
Dividends	-	(600,000)	-	(600,000)
Total comprehensive income	-	1,141,428	-	1,141,428
<b>Balance at 30 April 2018</b>	55,000	1,363,580	15,320	1,433,900

**Cash Flow Statement**  
**for the Year Ended 30 April 2018**

	Notes	30.4.18 £	30.4.17 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	23	985,451	(70,163)
Interest paid		(1,828)	(2,956)
Interest element of hire purchase payments paid		(5,485)	(4,940)
Taxation refund		-	17,576
Net cash from operating activities		<u>978,138</u>	<u>(60,483)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(186,339)	(84,228)
Sale of tangible fixed assets		100	3,959
Interest received		-	310
Net cash from investing activities		<u>(186,239)</u>	<u>(79,959)</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(39,273)	(73,611)
Equity dividends paid		(600,000)	-
Net cash from financing activities		<u>(639,273)</u>	<u>(73,611)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>152,626</u>	<u>(214,053)</u>
<b>Cash and cash equivalents at beginning of year</b>	24	(1,333,556)	(1,119,503)
<b>Cash and cash equivalents at end of year</b>	24	<u>(1,180,930)</u>	<u>(1,333,556)</u>

Notes to the Financial Statements  
for the Year Ended 30 April 2018

**1. STATUTORY INFORMATION**

Primasil Silicones Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

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

The principal activity of the company is the manufacture, design and development of fluorosilicone, silicone and fluorocarbon compounds, mouldings and extrusions.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

The company has early adopted the Amendments to FRS 102 'Triennial review 2017'. There have been no adjustments to the figures previously reported as a result of this change.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Significant judgements and estimates**

The company makes estimates and assumptions concerning the future, and judgements in applying the company's accounting policies. The resulting accounting estimates will, by definition, seldom equal the actual results. There were no estimates or assumptions that have a significant risk of causing a material adjustment to the carrying value of assets and liabilities within the next financial year.

**Turnover**

Turnover represents amounts invoiced by the company in respect of goods and services provided and the value of work done, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance and 10% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 20% on cost
Motor vehicles	- 25% on reducing balance

**Stocks**

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

Cost is calculated using the first-in, first-out method and includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Net realisable value is based on selling price less anticipated costs to completion and selling costs.

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

**2. ACCOUNTING POLICIES - continued**

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**Foreign currencies**

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

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

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

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

3. **TURNOVER**

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

An analysis of turnover by geographical market is given below:

	30.4.18	30.4.17
	£	£
United Kingdom	10,045,557	7,270,985
Europe	2,117,647	2,643,929
Rest of world	774,195	498,896
	<u>12,937,399</u>	<u>10,413,810</u>

4. **EMPLOYEES AND DIRECTORS**

	30.4.18	30.4.17
	£	£
Wages and salaries	2,899,772	2,440,660
Social security costs	270,930	225,851
Other pension costs	214,452	202,545
	<u>3,385,154</u>	<u>2,869,056</u>

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

	30.4.18	30.4.17
Production	89	85
Administration and support	31	30
	<u>120</u>	<u>115</u>

	30.4.18	30.4.17
	£	£
Directors' remuneration	339,271	173,253
Directors' pension contributions to money purchase schemes	<u>12,346</u>	<u>11,645</u>

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

	2	2
Money purchase schemes	<u>2</u>	<u>2</u>

Information regarding the highest paid director for the year ended 30 April 2018 is as follows:

	30.4.18
	£
Emoluments etc	130,360
Pension contributions to money purchase schemes	<u>6,915</u>



Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

5. **OPERATING PROFIT**

The operating profit is stated after charging:

	30.4.18	30.4.17
	£	£
Other operating leases	261,053	254,199
Depreciation - owned assets	154,646	139,165
Depreciation - assets on hire purchase contracts	24,533	19,198
Auditors' remuneration	7,000	7,000
Other non-audit services	23,710	24,280
Foreign exchange differences	<u>19,615</u>	<u>11,100</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.4.18	30.4.17
	£	£
Bank interest	1,828	2,956
Hire purchase interest	<u>5,485</u>	<u>4,940</u>
	<u>7,313</u>	<u>7,896</u>

7. **TAXATION**

**Analysis of the tax charge**

No liability to UK corporation tax arose for the year ended 30 April 2018 nor for the year ended 30 April 2017.

**Reconciliation of total tax charge included in profit and loss**

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

	30.4.18	30.4.17
	£	£
Profit before tax	<u>1,141,428</u>	<u>52,971</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.917%)	216,871	10,550
Effects of:		
Expenses not deductible for tax purposes	779	433
Capital allowances in excess of depreciation	(3,106)	(9,756)
Utilisation of tax losses	(85,837)	-
Losses surrendered to group companies	-	131,484
Losses carried forward	-	3,620
Research and development tax credit	<u>(128,707)</u>	<u>(136,331)</u>
Total tax charge	<u>-</u>	<u>-</u>

8. **DIVIDENDS**

	30.4.18	30.4.17
	£	£
Ordinary shares of £1 each		
Interim	<u>600,000</u>	<u>-</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

9. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 May 2017	3,647,279	697,050	19,196	4,363,525
Additions	157,561	28,778	-	186,339
Disposals	-	(100)	-	(100)
At 30 April 2018	<u>3,804,840</u>	<u>725,728</u>	<u>19,196</u>	<u>4,549,764</u>
<b>DEPRECIATION</b>				
At 1 May 2017	2,733,280	574,203	18,487	3,325,970
Charge for year	142,992	36,008	179	179,179
At 30 April 2018	<u>2,876,272</u>	<u>610,211</u>	<u>18,666</u>	<u>3,505,149</u>
<b>NET BOOK VALUE</b>				
At 30 April 2018	<u>928,568</u>	<u>115,517</u>	<u>530</u>	<u>1,044,615</u>
At 30 April 2017	<u>913,999</u>	<u>122,847</u>	<u>709</u>	<u>1,037,555</u>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>			
At 1 May 2017	250,939	26,165	277,104
Transfer to ownership	(173,389)	-	(173,389)
At 30 April 2018	<u>77,550</u>	<u>26,165</u>	<u>103,715</u>
<b>DEPRECIATION</b>			
At 1 May 2017	53,081	545	53,626
Charge for year	18,128	6,405	24,533
Transfer to ownership	(48,041)	-	(48,041)
At 30 April 2018	<u>23,168</u>	<u>6,950</u>	<u>30,118</u>
<b>NET BOOK VALUE</b>			
At 30 April 2018	<u>54,382</u>	<u>19,215</u>	<u>73,597</u>
At 30 April 2017	<u>197,858</u>	<u>25,620</u>	<u>223,478</u>

10. STOCKS

	30.4.18 £	30.4.17 £
Raw materials	969,106	696,930
Work-in-progress	252,456	210,364
Finished goods	<u>433,173</u>	<u>368,912</u>
	<u>1,654,735</u>	<u>1,276,206</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

11. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.18	30.4.17
	£	£
Trade debtors	1,928,783	1,683,153
Other debtors	-	18,850
Prepayments and accrued income	113,127	117,753
	<u>2,041,910</u>	<u>1,819,756</u>

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.18	30.4.17
	£	£
Bank loans and overdrafts (see note 14)	1,200,388	1,335,792
Hire purchase contracts (see note 15)	19,183	39,273
Trade creditors	1,439,362	1,491,843
Amounts owed to group undertakings	152,219	67,740
Social security and other taxes	86,116	63,913
VAT	187,623	119,616
Accruals and deferred income	186,683	50,677
	<u>3,271,574</u>	<u>3,168,854</u>

13. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	30.4.18	30.4.17
	£	£
Hire purchase contracts (see note 15)	<u>55,244</u>	<u>74,427</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	30.4.18	30.4.17
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>1,200,388</u>	<u>1,335,792</u>

15. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts 30.4.18	30.4.17
	£	£
Net obligations repayable:		
Within one year	19,183	39,273
Between one and five years	<u>55,244</u>	<u>74,427</u>
	<u>74,427</u>	<u>113,700</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

15. **LEASING AGREEMENTS - continued**

	Non-cancellable operating leases	
	30.4.18	30.4.17
	£	£
Within one year	74,232	51,836
Between one and five years	110,591	110,587
	<u>184,823</u>	<u>162,423</u>

16. **SECURED DEBTS**

The following secured debts are included within creditors:

	30.4.18	30.4.17
	£	£
Bank overdrafts	1,200,388	1,335,792
Hire purchase contracts	74,427	113,700
	<u>1,274,815</u>	<u>1,449,492</u>

The company's bankers hold a cross guarantee and debenture (see note 21 for further details). They also hold a mortgage debenture over the company's fixed and floating assets. The short term loan is secured by an all assets debenture over the company's fixed and floating assets. Liabilities under hire purchase contracts are secured specifically on the underlying asset.

17. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			30.4.18	30.4.17
Number:	Class:	Nominal value:	£	£
50,000	Ordinary	£1	50,000	50,000
5,000	3 per cent non-cumulative preference	£1	5,000	5,000
			<u>55,000</u>	<u>55,000</u>

The 3 per cent non-cumulative preference shares of £1 each have attached thereto the rights and privileges and being subject to the restrictions and provisions set out below, namely:

- the right to receive, out of the profits of the company available for distribution and from time to time determined to be distributed by way of dividend, a fixed non-cumulative dividend at the rate of 3 per cent per annum on the amounts paid up thereon in priority to any dividend paid on the ordinary shares of the company
- the right on a return of capital on liquidation or otherwise to repayment of the amounts paid up thereon in priority to any payment in respect of the ordinary shares of the company
- the preference shares shall not carry the right to receive notice of or to attend and vote at any general meeting of the company and shall not carry any other right to participate in the profits or assets of the company

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

18. **RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 May 2017	822,152	15,320	837,472
Profit for the year	1,141,428		1,141,428
Dividends	(600,000)		(600,000)
At 30 April 2018	<u>1,363,580</u>	<u>15,320</u>	<u>1,378,900</u>

19. **PENSION COMMITMENTS**

Contributions totalling £15,581 (2017 - £15,416) were payable to the scheme at the end of the year and are included in creditors.

20. **ULTIMATE PARENT COMPANY**

Chase Products Limited is regarded by the directors as being the company's ultimate parent company.

21. **CONTINGENT LIABILITIES**

The company and Chase Products Limited, its parent company, are party to a cross guarantee given to Handelsbanken in respect of group overdraft and loan facilities. The amount guaranteed is £446,222 (2017 - £606,297).

22. **RELATED PARTY DISCLOSURES**

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

23. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.4.18 £	30.4.17 £
Profit before taxation	1,141,428	52,971
Depreciation charges	179,179	158,363
Finance costs	7,313	7,896
Finance income	-	(310)
	<u>1,327,920</u>	<u>218,920</u>
(Increase)/decrease in stocks	(378,529)	26,626
Increase in trade and other debtors	(222,154)	(113,630)
Increase/(decrease) in trade and other creditors	<u>258,214</u>	<u>(202,079)</u>
<b>Cash generated from operations</b>	<u>985,451</u>	<u>(70,163)</u>

Notes to the Financial Statements - continued  
for the Year Ended 30 April 2018

24. **CASH AND CASH EQUIVALENTS**

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

**Year ended 30 April 2018**

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	19,458	2,236
Bank overdrafts	(1,200,388)	(1,335,792)
	<u>(1,180,930)</u>	<u>(1,333,556)</u>

**Year ended 30 April 2017**

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	2,236	5,486
Bank overdrafts	(1,335,792)	(1,124,989)
	<u>(1,333,556)</u>	<u>(1,119,503)</u>

25. **ANALYSIS OF CHANGES IN NET DEBT**

	£	£	£	At 1.5.17	Cash flow	At 30.4.18
Net cash:						
Cash at bank and in hand				2,236	17,222	19,458
				<u>2,236</u>	<u>17,222</u>	<u>19,458</u>
Bank overdraft				(1,335,792)	135,404	(1,200,388)
				<u>(1,333,556)</u>	<u>152,626</u>	<u>(1,180,930)</u>
Debt:						
Finance leases				(113,700)	39,273	(74,427)
				<u>(113,700)</u>	<u>39,273</u>	<u>(74,427)</u>
Total				<u>(1,447,256)</u>	<u>191,899</u>	<u>(1,255,357)</u>

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