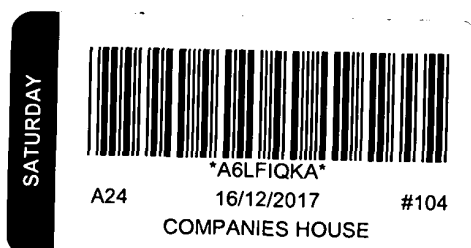


Chp

Company Registration No. 01502152 (England and Wales)

CHP SUPPLIES LIMITED
ANNUAL REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2017



CHP SUPPLIES LIMITED

COMPANY INFORMATION

Directors	Mr J T Shirley Mr P H Wilding Mr S P Hollowed
Secretary	Mr S P Hollowed
Company number	01502152
Registered office	55 Pottery Road Wigan
Auditor	Barlow Andrews LLP Carlyle House 78 Chorley New Road Bolton
Bankers	HSBC Bank plc 21 The Grand Arcade Wigan

CHP SUPPLIES LIMITED

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CHP SUPPLIES LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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

Fair review of the business

The company continues to operate out of five depots which are based in the North West.

The directors are pleased to report growth in sales was achieved in all five depots.

Principal risks and uncertainties

A risk assessment is carried out on a regular basis by the directors to formally identify the risks most important to the company. Risk management and internal control reviews are also carried out throughout the year.

Key performance indicators

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

	2017	2016
	£'m	£'m
Company sales	15.9	15.1
Company gross profit	23.1%	23.4%
Company overheads	2.5	2.6
Number of employees	70	72
Number of depots	5	5

The directors are pleased to report an overall 5% increase in sales along with an increase in gross margin, whilst at the same time controlling the company overheads.

In the current year, they look to continue increasing their market share by increasing sales through their existing depots and also looking for opportunities to open new depots at key strategic locations.

On behalf of the board



Mr S P Hollowed

Director

28 November 2017

CHP SUPPLIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2017

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

Principal activities

The principal activity of the company is the wholesale of central heating parts and general plumbing requisites and the retail of bathroom furniture and accessories.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr J T Shirley
Mr P H Wilding
Mr S P Hollowed

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £130,000. The directors do not recommend payment of a final dividend.

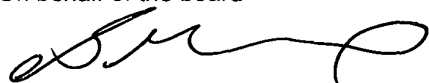
Auditor

The auditor, Barlow Andrews LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr S P Hollowed
Director
28 November 2017

CHP SUPPLIES LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 JUNE 2017

The directors are responsible for preparing the annual 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 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.

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF CHP SUPPLIES LIMITED

Opinion

We have audited the financial statements of CHP Supplies Limited (the 'company') for the year ended 30 June 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows 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 FRS 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 June 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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.
-

CHP SUPPLIES LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF CHP SUPPLIES LIMITED

Matters on which we are required to report by exception

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

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 Directors' Responsibilities Statement, 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.

Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



James Barden (Senior Statutory Auditor)
for and on behalf of Barlow Andrews LLP

28 November 2017

Chartered Accountants
Statutory Auditor

Carlyle House
78 Chorley New Road
Bolton

CHP SUPPLIES LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 2017

		2017 £	2016 £
	Notes		
Turnover	3	15,863,057	15,096,222
Cost of sales		(12,205,978)	(11,563,983)
		<hr/>	<hr/>
Gross profit		3,657,079	3,532,239
Administrative expenses		(2,545,966)	(2,650,613)
Other operating income		8,998	-
		<hr/>	<hr/>
Operating profit	4	1,120,111	881,626
Interest receivable and similar income	7	10,787	9,660
Interest payable and similar expenses	8	(250)	-
		<hr/>	<hr/>
Profit before taxation		1,130,648	891,286
Tax on profit	9	(224,076)	(195,342)
		<hr/>	<hr/>
Profit for the financial year		<u>906,572</u>	<u>695,944</u>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CHP SUPPLIES LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11	147,940		164,750	
Investments	12	3,380		3,380	
		<u>151,320</u>		<u>168,130</u>	
Current assets					
Stocks	14	2,042,889		2,226,575	
Debtors	15	2,807,882		2,374,623	
Cash at bank and in hand		2,772,773		2,052,149	
		<u>7,623,544</u>		<u>6,653,347</u>	
Creditors: amounts falling due within one year	16	(2,755,493)		(2,578,678)	
Net current assets		<u>4,868,051</u>		<u>4,074,669</u>	
Total assets less current liabilities		<u>5,019,371</u>		<u>4,242,799</u>	
Capital and reserves					
Called up share capital	18	5,001		5,001	
Capital redemption reserve	19	205,029		205,029	
Profit and loss reserves		4,809,341		4,032,769	
Total equity		<u>5,019,371</u>		<u>4,242,799</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 November 2017 and are signed on its behalf by:



Mr S P Hollowed
Director

Company Registration No. 01502152

CHP SUPPLIES LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 July 2015		5,031	204,999	3,771,825	3,981,855
Year ended 30 June 2016:					
Profit and total comprehensive income for the year		-	-	695,944	695,944
Dividends	10	-	-	(435,000)	(435,000)
Redemption of shares	18	(30)	30	-	-
Reduction of shares	18	(1,250)	-	-	(1,250)
Other movements		1,250	-	-	1,250
Balance at 30 June 2016		5,001	205,029	4,032,769	4,242,799
Year ended 30 June 2017:					
Profit and total comprehensive income for the year		-	-	906,572	906,572
Dividends	10	-	-	(130,000)	(130,000)
Balance at 30 June 2017		5,001	205,029	4,809,341	5,019,371

CHP SUPPLIES LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	22	1,071,188		702,008	
Interest paid		(250)		-	
Corporation tax paid		(195,342)		(124,044)	
Net cash inflow from operating activities		<u>875,596</u>		<u>577,964</u>	
Investing activities					
Purchase of tangible fixed assets		(80,161)		(16,739)	
Proceeds on disposal of tangible fixed assets		14,551		21,003	
Proceeds from other investments and loans		29,851		(10,145)	
Interest received		10,787		9,660	
Net cash (used in)/generated from investing activities		<u>(24,972)</u>		<u>3,779</u>	
Financing activities					
Dividends paid		(130,000)		(435,000)	
Net cash used in financing activities		<u>(130,000)</u>		<u>(435,000)</u>	
Net increase in cash and cash equivalents		<u>720,624</u>		<u>146,743</u>	
Cash and cash equivalents at beginning of year		2,052,149		1,905,406	
Cash and cash equivalents at end of year		<u><u>2,772,773</u></u>		<u><u>2,052,149</u></u>	

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

Company information

CHP Supplies Limited is a private company limited by shares incorporated in England and Wales. The registered office is 55 Pottery Road, Wigan.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Straight line over the life of the lease
Plant and machinery	7% and 20% straight line
Fixtures, fittings & equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and deposits held at call with banks.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2 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 amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

	2017 £	2016 £
Turnover analysed by class of business		
Wholesale	14,918,771	14,123,259
Retail	944,286	972,963
	<u>15,863,057</u>	<u>15,096,222</u>

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

3 Turnover and other revenue

(Continued)

	2017 £	2016 £
Other significant revenue		
Interest income	10,787	9,660

	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	15,863,057	15,096,222

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10,400	10,500
Depreciation of owned tangible fixed assets	96,972	113,228
Profit on disposal of tangible fixed assets	(14,551)	(12,158)
Cost of stocks recognised as an expense	12,205,978	11,563,983

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration	10	10
Selling and distribution	60	62
	70	72

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,351,269	1,430,208
Social security costs	128,406	122,892
Pension costs	12,327	18,072
	1,492,002	1,571,172

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	120,290	158,084
Company pension contributions to defined contribution schemes	3,510	3,442
	<u>123,800</u>	<u>161,526</u>

The directors are also considered to be the key management personnel.

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	10,787	6,768
Other interest income	-	2,892
	<u>10,787</u>	<u>9,660</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	<u>10,787</u>	<u>6,768</u>
--	---------------	--------------

8 Interest payable and similar expenses

	2017 £	2016 £
Other finance costs:		
Other interest	<u>250</u>	<u>-</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	<u>224,076</u>	<u>195,342</u>

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,130,648	891,286
Expected tax charge based on the standard rate of corporation tax in the UK of 19.75% (2016: 20.00%)	223,303	178,257
Tax effect of expenses that are not deductible in determining taxable profit	219	876
Depreciation on assets not qualifying for tax allowances	554	16,209
Taxation charge for the year	224,076	195,342

10 Dividends

	2017 £	2016 £
Interim paid	130,000	435,000

11 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 July 2016	256,042	88,293	533,161	309,777	1,187,273
Additions	-	-	-	80,161	80,161
Disposals	-	-	-	(37,978)	(37,978)
At 30 June 2017	256,042	88,293	533,161	351,960	1,229,456
Depreciation and impairment					
At 1 July 2016	192,520	88,293	504,009	237,700	1,022,522
Depreciation charged in the year	21,174	-	14,576	61,222	96,972
Eliminated in respect of disposals	-	-	-	(37,978)	(37,978)
At 30 June 2017	213,694	88,293	518,585	260,944	1,081,516
Carrying amount					
At 30 June 2017	42,348	-	14,576	91,016	147,940
At 30 June 2016	63,522	-	29,152	72,076	164,750

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

12 Fixed asset investments

	2017 £	2016 £
Unlisted investments	3,380	3,380

13 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	2,297,091	1,840,568
Equity instruments measured at cost less impairment	3,380	3,380
Carrying amount of financial liabilities		
Measured at amortised cost	2,357,697	2,291,502

14 Stocks

	2017 £	2016 £
Finished goods and goods for resale	2,042,889	2,226,575

15 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,295,863	1,807,721
Other debtors	1,228	32,847
Prepayments and accrued income	510,791	534,055
	2,807,882	2,374,623

16 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	2,113,134	1,910,141
Corporation tax	224,076	195,342
Other taxation and social security	173,720	91,834
Other creditors	190,867	63,043
Accruals and deferred income	53,696	318,318
	2,755,493	2,578,678

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

17 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	12,327	18,072

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

18 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
3,751 Ordinary A shares of £1 each	3,751	3,751
250 Ordinary B shares of £1 each	250	250
1,000 Ordinary C shares of £1 each	1,000	1,000
	5,001	5,001

The holders of ordinary shares are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual value.

CHP SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 JUNE 2017

19 Capital redemption reserve

The capital redemption reserve records the nominal value of shares repurchased by the company.

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	38,270	32,883
Between two and five years	213,165	-
	<u>251,435</u>	<u>32,883</u>

21 Directors' transactions

Dividends totalling £5,000 (2016 - £380,000) were paid in the year in respect of shares held by the company's directors.

During the year, the company was charged rent, in relation to various branches, totalling £303,445 (2016: £278,932) by Mr S P Hollowed, director.

At the year end, the company owed the director, Mr S P Hollowed, £17,295 (2016: The director owed the company £29,851). There are no fixed repayment terms on this amount and no interest has been paid in the year.

22 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	906,572	695,944
Adjustments for:		
Taxation charged	224,076	195,342
Finance costs	250	-
Investment income	(10,787)	(9,660)
Gain on disposal of tangible fixed assets	(14,551)	(12,158)
Depreciation and impairment of tangible fixed assets	96,972	113,228
Movements in working capital:		
Decrease/(increase) in stocks	183,685	(264,100)
(Increase)/decrease in debtors	(463,110)	20,358
Increase/(decrease) in creditors	148,081	(36,946)
Cash generated from operations	<u>1,071,188</u>	<u>702,008</u>