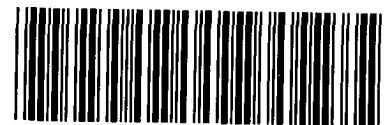


JOHN GEORGE & SONS LTD

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

WEDNESDAY



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COMPANIES HOUSE

JOHN GEORGE & SONS LTD

COMPANY INFORMATION

Directors	B M Lambert Mrs B M Lambert D S Lambert J M Lambert J L Lambert
Registered number	01573582
Registered office	2 - 4 Deacon Way Reading Berkshire RG30 6AZ
Independent auditor	Crowe U.K. LLP Aquis House 49 - 51 Blagrove Street Reading Berkshire RG1 1PL

JOHN GEORGE & SONS LTD

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JOHN GEORGE & SONS LTD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

Introduction

The directors present their strategic report for the year ended 31 December 2018.

Business review

The company continued to grow through 2018 with turnover growing by 1% over 2017.

Net profit before tax increased to £370k in 2018 compared to £232k in 2017. The change in net profit is considered to be reasonable by the directors given market conditions and overheads incurred through the year.

The company continued to hold high levels of stock through the year to ensure stock availability was maintained. Stock availability rose back to over 99.3% from 98.7% in 2017 due to a move of picking warehouse in 2017.

Principal risks and uncertainties

The directors consider that the main risks to which the group is exposed are:

- bad debts, managed by strong credit control procedures;
- exchange rate movements, managed by currency hedging; and
- market confidence surrounding the proposed withdrawal from the European Union, managed by maintaining a strong balance sheet and access to adequate working capital.

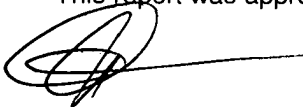
Future developments

The company continues to invest in new product ranges and brand enhancements. The directors are confident that the current positive trading conditions will continue for the next twelve months.

This report was approved by the board on

3/9/19

and signed on its behalf.



J M Lambert
Director

JOHN GEORGE & SONS LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The principal activity is that of importation, distribution and wholesale of products to merchants in the building, roofing, fencing and agricultural trades.

Results and dividends

The profit for the year, after taxation, amounted to £306,429 (2017 - £175,683).

The directors do not recommend the payment of a dividend.

Directors

The directors who served during the year were:

B M Lambert
Mrs B M Lambert
D S Lambert
J M Lambert
J L Lambert

JOHN GEORGE & SONS LTD

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Post balance sheet events

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

Auditor

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

3/9/19

and signed on its behalf.



J M Lambert
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GEORGE & SONS LTD

Opinion

We have audited the financial statements of John George & Sons Ltd (the 'company') for the year ended 31 December 2018, which comprise the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 31 December 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 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

JOHN GEORGE & SONS LTD

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GEORGE & SONS LTD (CONTINUED)

misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

JOHN GEORGE & SONS LTD

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF JOHN GEORGE & SONS LTD
(CONTINUED)**

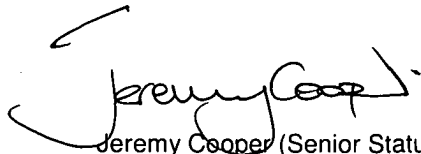
Auditor's responsibilities for the audit of the financial statements

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

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 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.



Jeremy Cooper (Senior Statutory Auditor)

For and on behalf of
Crowe U.K. LLP

Statutory Auditor

Aquis House
49 - 51 Blagrove Street
Reading
Berkshire
RG1 1PL

Date:

5th September 2019.

JOHN GEORGE & SONS LTD

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	10,565,546	10,449,207
Cost of sales		(7,703,025)	(7,486,671)
Gross profit		2,862,521	2,962,536
Distribution costs		(983,620)	(876,765)
Administrative expenses		(1,555,318)	(1,812,068)
Operating profit	5	323,583	273,703
Interest receivable and similar income		125	1,245
Interest payable and similar expenses		(57)	(787)
Gain/(loss) on measurement of derivatives at fair value		46,467	(42,024)
Profit before tax		370,118	232,137
Tax on profit	10	(63,689)	(56,454)
Profit for the financial year		306,429	175,683


The notes on pages 10 to 21 form part of these financial statements.

JOHN GEORGE & SONS LTD
REGISTERED NUMBER: 01573582

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	11	569,485	660,202
		<u>569,485</u>	<u>660,202</u>
Current assets			
Stocks	12	3,799,035	3,231,045
Debtors: amounts falling due within one year	13	1,549,204	1,682,363
Cash at bank and in hand	14	86,068	438,165
		<u>5,434,307</u>	<u>5,351,573</u>
Creditors: amounts falling due within one year	15	(2,742,306)	(3,062,476)
Net current assets		<u>2,692,001</u>	<u>2,289,097</u>
Total assets less current liabilities		<u>3,261,486</u>	<u>2,949,299</u>
Provisions for liabilities			
Deferred tax		(17,598)	(11,840)
		<u>(17,598)</u>	<u>(11,840)</u>
Net assets		<u><u>3,243,888</u></u>	<u><u>2,937,459</u></u>
Capital and reserves			
Called up share capital	18	90,000	90,000
Share premium account		732,583	732,583
Profit and loss account		2,421,305	2,114,876
		<u>3,243,888</u>	<u>2,937,459</u>

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

3/9/19

J M Lambert
 Director

The notes on pages 10 to 21 form part of these financial statements.

JOHN GEORGE & SONS LTD

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2017	90,000	732,583	1,939,193	2,761,776
Comprehensive income for the year				
Profit for the year	-	-	175,683	175,683
Total comprehensive income for the year	-	-	175,683	175,683
At 1 January 2018	90,000	732,583	2,114,876	2,937,459
Comprehensive income for the year				
Profit for the year	-	-	306,429	306,429
Total comprehensive income for the year	-	-	306,429	306,429
At 31 December 2018	90,000	732,583	2,421,305	3,243,888

The notes on pages 10 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

The company is a private limited company (registered number 01573582) which is incorporated and domiciled in the UK. The address of the registered office is 2-4 Deacon Way, Reading, Berkshire, RG30 6AZ.

The principal activity of the company is that of merchants to the ironmongery trade.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the disclosure exemptions specified in Section 1 Scope, paragraph 1.12 of FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation;
- the requirements of Section 33 Related Party Disclosures paragraph 33.1A from disclosing transactions entered into between itself and other wholly owned subsidiaries of the Deacon Holdings Limited group of companies.

2.3 Going concern

The company has cash resources and external funding facilities to meet its day to day working capital requirements. Current forecasts indicate that the company expects to be able to operate within these facilities for the foreseeable future. The directors continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Revenue represents the sale of ironmongery parts to merchants in the building, roofing, fencing and agricultural trade. Revenue on the supply of goods is recognised on the date of delivery to the customer.

2.6 Operating leases: the company as lessee

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

2.7 Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Borrowing costs

All borrowing costs are recognised in the profit and loss account in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.9 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.10 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.11 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using either the straight line and reducing balance method as detailed below. .

Depreciation is provided on the following basis (with a full year charged in the year of purchase and none charged in the year of disposal):

Motor vehicles	-	33.3% reducing balance
Fixtures & fittings	-	10% - 33.3% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like cash, trade debtors, trade creditors, amounts due to group undertakings and connected companies, obligations under finance lease, other creditors and accruals.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. Accounting policies (continued)

2.16 Financial instruments (continued)

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 income as appropriate.

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

Preparation of the financial statements requires management to make judgements and estimates. The directors consider that there are material judgements in relation to the calculation of provisions for obsolete and slow moving stock.

4. Turnover

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	215,495	236,867
Gain/(loss) on disposal of tangible assets	4,095	(6,560)
Defined contribution pension cost	31,217	28,475
Operating lease cost	9,349	119,857
	<u> </u>	<u> </u>

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	9,450	9,100
	<u> </u>	<u> </u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

JOHN GEORGE & SONS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

7. Employees

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

	2018 £	2017 £
Wages and salaries	1,503,778	1,541,824
Social security costs	121,596	126,789
Cost of defined contribution scheme	31,217	28,475
	<u>1,656,591</u>	<u>1,697,088</u>

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

	2018 No.	2017 No.
Administration	22	23
Distribution	41	42
	<u>63</u>	<u>65</u>

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	465	14,423
	<u>465</u>	<u>14,423</u>

The company's key management personnel comprise entirely of the directors of the business.

9. Other finance costs

	2018 £	2017 £
Gain/(loss) on measurement of derivatives at fair value	46,467	(42,024)
	<u>46,467</u>	<u>(42,024)</u>

JOHN GEORGE & SONS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	57,931	54,984
	<u>57,931</u>	<u>54,984</u>
Deferred tax		
Deferred tax - current year	5,758	1,470
Total deferred tax	<u>5,758</u>	<u>1,470</u>
Taxation on profit on ordinary activities	<u>63,689</u>	<u>56,454</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - *higher than*) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>370,118</u>	<u>232,137</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	70,322	44,678
Effects of:		
Adjustments to tax charges in respect of previous periods	(11,493)	-
Expenses not deductible for tax purposes	-	9,291
Capital allowances for year in excess of depreciation	2,662	2,408
Other timing differences leading to an increase/(decrease) in taxation	2,198	(192)
Other differences leading to an increase in the tax charge	-	269
Total tax charge for the year	<u>63,689</u>	<u>56,454</u>

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

JOHN GEORGE & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

11. Tangible fixed assets

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
Cost or valuation			
At 1 January 2018	848,214	665,613	1,513,827
Additions	163,982	6,334	170,316
Disposals	(179,272)	(47,111)	(226,383)
At 31 December 2018	<u>832,924</u>	<u>624,836</u>	<u>1,457,760</u>
Depreciation			
At 1 January 2018	519,143	334,482	853,625
Charge for the year on owned assets	153,564	61,931	215,495
Disposals	(133,734)	(47,111)	(180,845)
At 31 December 2018	<u>538,973</u>	<u>349,302</u>	<u>888,275</u>
Net book value			
At 31 December 2018	<u>293,951</u>	<u>275,534</u>	<u>569,485</u>
At 31 December 2017	<u>329,071</u>	<u>331,131</u>	<u>660,202</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2018 £	2017 £
Motor vehicles	-	22,333
	<u>-</u>	<u>22,333</u>

JOHN GEORGE & SONS LTD

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

12. Stocks

	2018 £	2017 £
Finished goods and goods for resale	3,799,035	3,231,045
	<u>3,799,035</u>	<u>3,231,045</u>

13. Debtors

	2018 £	2017 £
Trade debtors	1,422,147	1,436,268
Prepayments and accrued income	80,590	246,095
Financial instruments	46,467	-
	<u>1,549,204</u>	<u>1,682,363</u>

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	86,068	438,165
Less: bank overdrafts	(161,968)	-
	<u>(75,900)</u>	<u>438,165</u>

JOHN GEORGE & SONS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

15. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank overdrafts	161,968	-
Trade creditors	1,150,045	817,548
Amounts owed to group undertakings	633,967	1,049,055
Amounts owed to connected companies	-	170,000
Corporation tax	69,694	54,715
Taxation and social security	99,998	132,530
Obligations under finance lease and hire purchase contracts	-	25,708
Other creditors	4,568	3,139
Accruals and deferred income	622,066	767,757
Financial instruments	-	42,024
	<u>2,742,306</u>	<u>3,062,476</u>

16. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	46,467	-
Financial assets measured at amortised cost	1,508,215	1,874,433
	<u>1,554,682</u>	<u>1,874,433</u>
Financial liabilities		
Financial liabilities measured at amortised cost	2,590,212	2,833,207
Financial liabilities measured at fair value through profit or loss	-	42,024
	<u>-</u>	<u>42,024</u>

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise trade creditors, amounts due to group undertakings and connected companies, other creditors and accruals.

Other financial liabilities measured at fair value through profit or loss represents forward contracts.

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17. Deferred taxation

	2018 £
At beginning of year	11,840
Charged to profit or loss	5,758
At end of year	17,598

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	18,254	12,330
Short term timing differences	(656)	(490)
	17,598	11,840

18. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
90,000 (2017 - 90,000) A Ordinary shares of £1.00 each	90,000	90,000

19. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund.

The pension cost charge represents contributions payable by the company to the fund and amounted to £31,217 (2017: £28,475). Contributions totalling £3,860 (2017 - £2,904) were payable to the fund at the balance sheet date and are included in creditors.

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20. Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	-	9,349
	<u>-</u>	<u>9,349</u>

21. Other financial commitments

At the year end the company had forward contracts to purchase US\$ 2,700,000 (2017: US\$ 1,800,000) with a fair value of £2,125,197 (2017: £1,333,944). The effect of the revaluation was a gain of £46,467 (2017: loss of £42,024) which has been recognised within profit and loss.

22. Related party transactions

The directors of John George & Sons Ltd are also directors of another company. During the year sales were made to the company of £22,476 (2017: £23,505) and purchases were made from the company of £1,866 (2017: £1,286). At the balance sheet date the total due from the company was £4,736 (2017: £170,000 due to the company).

A director bought a car from the company for £4,000 during the year. This was fully paid at the year end.

23. Controlling party

The parent company is Deacon Holdings Limited, a company incorporated in the UK, whose registered office is Grove House, Icknield Road, Goring, Berkshire, RG8 0LT.

The ultimate controlling party is a trust, in which there is no controlling party.