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REGISTERED NUMBER: 02389394 (England and Wales)

COMPANIES HOUSE

**LINTHWAITE LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTOR AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

Milne Craig  
Chartered accountants  
Statutory auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

THURSDAY



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19/07/2018 #414  
COMPANIES HOUSE

# **LINTHWAITE LIMITED**

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**LINTHWAITE LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

<b>DIRECTOR:</b>	David Raymond Merrick
<b>SECRETARY:</b>	Colin Leslie Biggs
<b>REGISTERED OFFICE:</b>	Units 9-11 Lower Road Trading Estate Ledbury Herefordshire HR8 2DJ
<b>REGISTERED NUMBER:</b>	02389394 (England and Wales)
<b>AUDITORS:</b>	Milne Craig Chartered accountants Statutory auditor Abercorn House 79 Renfrew Road Paisley Renfrewshire PA3 4DA
<b>BANKERS:</b>	HSBC Bank PLC The Cross Gloucester GL1 2AP
<b>SOLICITORS:</b>	Paytons Solicitors 112-118 Worcester Road Malvern Worcester WR14 1SS

**LINTHWAITE LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents his strategic report for the year ended 31 December 2017.

**REVIEW OF BUSINESS**

The key financial highlights are as follows:

	2017	2016	2015
Turnover	13,393,469	11,613,190	12,751,014
Turnover growth/(fall)	15%	(9%)	(4%)
Profit before tax	197,269	100,154	372,870

The net assets of the company have increased from £4,828,898 at 31 December, 2016 to £4,977,437 at 31 December, 2017.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The market conditions are difficult given the current economic conditions, but the director considers that the group is well placed to obtain contracts given its experience and business relationships. In addition, the director seeks to control overhead costs in order to maintain the profitability of the group.

**ENVIRONMENT**

The group recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade creditors, a bank loan in relation to the company's properties and a loan from the director. The main purpose of these instruments is to finance the company's operations.

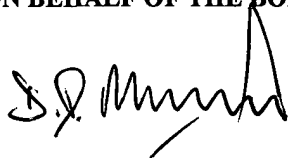
The company has three bank terms loans. The bank loan term ranges from 8-15 years of which 4-9 years remain outstanding. The bank term loans are secured over the company's premises at Unit 17 and Unit 13, Sandbank Trading Estate, Dunoon and Units 9-11, Lower Road Trading Estate, Ledbury and carry interest at 2.5% over the bank base rate.

The loan from the director is interest free and will only be repaid as cashflow allows.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**ON BEHALF OF THE BOARD:**



David Raymond Merrick - Director

25 June 2018

**LINTHWAITE LIMITED**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

The director presents his report with the financial statements of the company for the year ended 31 December 2017.

**PRINCIPAL ACTIVITIES**

The principal activities of the company in the year under review were those of the manufacture and distribution of insulation and building plastic products as well as facilities management and printing services.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2017.

**DIRECTOR**

David Raymond Merrick held office during the whole of the period from 1 January 2017 to the date of this report.

**FINANCIAL INSTRUMENTS**

The company's principal financial instruments comprise bank balances, trade creditors, a bank loan in relation to the company's properties and a loan from the director. The main purpose of these instruments is to finance the company's operations.

The company has three bank terms loans. The bank loan term ranges from 8-15 years of which 5-9 years remain outstanding. The bank term loans are secured over the company's premises at Unit 17 and Unit 13, Sandbank Trading Estate, Dunoon and Units 9-11, Lower Road Trading Estate, Ledbury and carry interest at 2.5% over the bank base rate.

The loan from the director is interest free and will only be repaid as cashflow allows.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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**

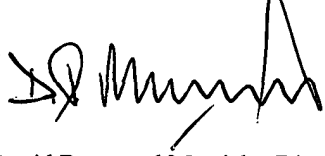
So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information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

**LINTHWAITE LIMITED**  
**REPORT OF THE DIRECTOR**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**AUDITORS**

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A handwritten signature in black ink, appearing to read 'D Merrick', with a long horizontal flourish extending to the right.

David Raymond Merrick - Director

25 June 2018

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINTHWAITE LIMITED**

### **Opinion**

We have audited the financial statements of Linthwaite Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Director 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 Director have been prepared in accordance with applicable legal requirements.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF LINTHWAITE 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 or the Report of the Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of director**

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

### **Our 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.



Shona Malcolm - BAcc CA (Senior Statutory Auditor)  
for and on behalf of Milne Craig  
Chartered accountants  
Statutory auditor  
Abercorn House  
79 Renfrew Road  
Paisley  
Renfrewshire  
PA3 4DA

25 June 2018



**LINTHWAITE LIMITED**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

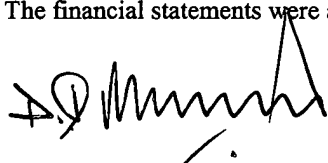
	Notes	2017 £	2016 £
<b>TURNOVER</b>	3	13,393,469	11,613,190
Cost of sales		(9,170,449)	(7,600,237)
<b>GROSS PROFIT</b>		4,223,020	4,012,953
Distribution costs		(1,312,535)	(1,147,992)
Administrative expenses		(2,680,120)	(2,721,048)
		230,365	143,913
Other operating income		16,381	15,381
<b>OPERATING PROFIT</b>		246,746	159,294
Interest payable and similar expenses	5	(49,477)	(59,140)
<b>PROFIT BEFORE TAXATION</b>	6	197,269	100,154
Tax on profit	7	(48,730)	(32,806)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		148,539	67,348
Retained earnings at beginning of year		4,722,583	4,655,235
<b>RETAINED EARNINGS AT END OF YEAR</b>		4,871,122	4,722,583

The notes form part of these financial statements

**BALANCE SHEET**  
**31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	8	2,352,260	2,502,907
<b>CURRENT ASSETS</b>			
Stocks	9	2,391,234	1,807,294
Debtors	10	5,890,783	5,510,825
Cash in hand		976	409
		<u>8,282,993</u>	<u>7,318,528</u>
<b>CREDITORS</b>			
Amounts falling due within one year	11	<u>5,032,462</u>	<u>4,179,679</u>
<b>NET CURRENT ASSETS</b>		<u>3,250,531</u>	<u>3,138,849</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,602,791</u>	<u>5,641,756</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(597,719)	(763,799)
<b>PROVISIONS FOR LIABILITIES</b>	17	(8,530)	(22,697)
<b>ACCRUALS AND DEFERRED INCOME</b>	18	(19,105)	(26,362)
<b>NET ASSETS</b>		<u><u>4,977,437</u></u>	<u><u>4,828,898</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	3,600	3,600
Share premium	20	29,400	29,400
Other reserve	20	73,315	73,315
Retained earnings	20	4,871,122	4,722,583
<b>SHAREHOLDERS' FUNDS</b>		<u><u>4,977,437</u></u>	<u><u>4,828,898</u></u>

The financial statements were approved by the director on 25 June 2018 and were signed by:



David Raymond Merrick - Director

**LINTHWAITE LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. STATUTORY INFORMATION**

Linthwaite Limited is a private company, limited by shares, registered in England and Wales. The company's registered number is 02389394 and registered office address is Units 9-11, Lower Road Trading Estate, Ledbury, Herefordshire, HR8 2DJ.

The nature of the company's operations and its principal activities for the year under review was that of the manufacture and distribution of insulation and building plastic products as well as facilities management and printing services.

**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 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 £.

**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.

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

The company has taken advantage of the following disclosure exemption 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 7 Statement of Cash Flows.

**Related party exemption**

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.

**Critical accounting judgments & key sources of estimation uncertainty**

In preparing these financial statements, the directors have made the following judgements:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. ACCOUNTING POLICIES - continued**

##### **Turnover**

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. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

##### **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.

Freehold property	- 1% on cost
Improvements to property	- 4% on cost
Plant and machinery	- at varying rates on cost
Fixtures and fittings	- 10% on cost
Motor vehicles	- 20% on cost

Assets that have an indefinite life are not subject to amortisation and are tested annually for impairment. Assets subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less disposal costs, and value in use.

##### **Stocks**

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

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. ACCOUNTING POLICIES - continued**

##### **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 transactions 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.

##### 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.

## **LINTHWAITE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017**

#### **2. ACCOUNTING POLICIES - continued**

##### **Taxation**

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

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

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

##### **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.

##### **Leases**

Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **Government grants**

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.

Grants are credited to deferred revenue. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of assets. Grants towards revenue expenditure are released to the profit and loss account as the related expenditure is incurred.

##### **Rental income**

Rental income is included in the profit and loss account in the period in which it is receivable.

# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

### 2. ACCOUNTING POLICIES - continued

#### **Impairment of assets**

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

#### Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

### 3. TURNOVER

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

An analysis of turnover by class of business is given below:

	2017 £	2016 £
Rendering of services	13,393,469	11,613,190
	<u>13,393,469</u>	<u>11,613,190</u>

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	13,393,469	11,613,190
	<u>13,393,469</u>	<u>11,613,190</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**3. TURNOVER - continued**

Segmental analysis has not been provided as the directors consider that such disclosure would be prejudicial to the business.

**4. EMPLOYEES AND DIRECTORS**

	2017	2016
	£	£
Wages and salaries	1,521,369	1,560,415
Other pension costs	10,380	10,380
	<u>1,531,749</u>	<u>1,570,795</u>

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

	2017	2016
Administration	30	34
Production	10	11
Warehouse and drivers	25	22
	<u>65</u>	<u>67</u>

	2017	2016
	£	£
Director's remuneration	8,246	8,304
Director's pension contributions to money purchase schemes	10,380	10,380
	<u>18,626</u>	<u>18,684</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank interest	18,064	21,713
Bank loan interest	28,833	32,855
Hire purchase	2,580	4,572
	<u>49,477</u>	<u>59,140</u>

**6. PROFIT BEFORE TAXATION**

The profit is stated after charging/(crediting):

	2017	2016
	£	£
Hire of plant and machinery	20,404	16,486
Depreciation - owned assets	193,545	189,739
Depreciation - assets on hire purchase contracts	23,745	19,751
Loss/(profit) on disposal of fixed assets	213	(1,870)
Auditors' remuneration	20,492	17,924
	<u>238,399</u>	<u>232,826</u>



# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

### 7. TAXATION

#### Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	62,897	30,343
(Over)/ Under provision	-	18
	<u>62,897</u>	<u>30,361</u>
Total current tax	62,897	30,361
Deferred tax	(14,167)	2,445
Tax on profit	<u>48,730</u>	<u>32,806</u>

UK corporation tax has been charged at 19.24%.

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

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

	2017 £	2016 £
Profit before tax	<u>197,269</u>	<u>100,154</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.246% (2016 - 20%)	37,966	20,031
Effects of:		
Expenses not deductible for tax purposes	10,581	10,407
Other timing differences	-	18
Deferred tax rate changes	(1,011)	(1,194)
Prior year adjustment - deferred tax	1,194	3,544
	<u>48,730</u>	<u>32,806</u>
Total tax charge	<u>48,730</u>	<u>32,806</u>

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 6 September 2016. These reduce the main rate to 19% from 1 April 2017 and to 17% from 1 April 2020. The deferred tax assets and liabilities reflect these rates.

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 January 2017	1,578,847	556,973	1,531,579
Additions	-	1,774	27,914
At 31 December 2017	1,578,847	558,747	1,559,493
<b>DEPRECIATION</b>			
At 1 January 2017	132,286	169,075	1,166,883
Charge for year	12,610	22,311	112,631
Eliminated on disposal	-	-	-
At 31 December 2017	144,896	191,386	1,279,514
<b>NET BOOK VALUE</b>			
At 31 December 2017	1,433,951	367,361	279,979
At 31 December 2016	1,446,561	387,898	364,696
	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 January 2017	110,351	278,517	4,056,267
Additions	-	55,505	85,193
Disposals	-	(75,182)	(75,182)
At 31 December 2017	110,351	258,840	4,066,278
<b>DEPRECIATION</b>			
At 1 January 2017	75,296	9,820	1,553,360
Charge for year	709	69,029	217,290
Eliminated on disposal	-	(56,632)	(56,632)
At 31 December 2017	76,005	22,217	1,714,018
<b>NET BOOK VALUE</b>			
At 31 December 2017	34,346	236,623	2,352,260
At 31 December 2016	35,055	268,697	2,502,907

Properties carried at valuation on transition to FRS 102 are now included at deemed cost and depreciated in accordance with the accounting policies.

The net book value of tangible fixed assets includes £125,667 (2016 - £93,907) in respect of assets held under hire purchase contracts.

**9. STOCKS**

	2017 £	2016 £
Finished goods	2,391,234	1,807,294

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

	2017	2016
	£	£
Trade debtors	2,388,502	2,129,359
Amounts owed by group undertakings	2,157,187	2,106,752
Amounts owed by associates	706,622	385,841
Other debtors	11,743	190,347
Prepayments	626,729	698,526
	<u>5,890,783</u>	<u>5,510,825</u>

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

	2017	2016
	£	£
Bank loans and overdrafts (see note 13)	962,915	280,820
Other loans (see note 13)	16,917	14,809
Hire purchase contracts (see note 14)	21,687	15,938
Trade creditors	2,798,592	2,366,681
Corporation tax	62,897	30,343
Social security and other taxes	217,941	211,480
Directors' current accounts	11,591	329,285
Accrued expenses	939,922	930,323
	<u>5,032,462</u>	<u>4,179,679</u>

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

	2017	2016
	£	£
Bank loans (see note 13)	485,662	654,433
Other loans (see note 13)	43,076	62,101
Hire purchase contracts (see note 14)	68,981	47,265
	<u>597,719</u>	<u>763,799</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	484,932	127,304
Bank loans	477,983	153,516
Other loans	16,917	14,809
	<u>979,832</u>	<u>295,629</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	161,144	153,516
Other loans - 1-2 years	16,917	14,809
	<u>178,061</u>	<u>168,325</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**13. LOANS - continued**

	2017 £	2016 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	164,936	284,005
Other loans - 2-5 years	26,159	44,427
	<u>191,095</u>	<u>328,432</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years	159,582	216,912
Other loans more than 5 years	-	2,865
	<u>159,582</u>	<u>219,777</u>

**14. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017 £	2016 £
Net obligations repayable:		
Within one year	21,687	15,938
Between one and five years	68,981	47,265
	<u>90,668</u>	<u>63,203</u>
	Non-cancellable operating leases	
	2017 £	2016 £
Within one year	197,851	150,584
Between one and five years	311,856	227,649
	<u>509,707</u>	<u>378,233</u>

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdrafts	484,932	127,304
Bank loans	963,645	807,949
	<u>1,448,577</u>	<u>935,253</u>

The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

The company has three bank terms loans. The bank loan term ranges from 8-15 years of which 5-9 years remain outstanding. The bank term loans are secured over the company's premises at Unit 17 and Unit 13, Sandbank Trading Estate, Dunoon and Units 9-11, Lower Road Trading Estate, Ledbury and carry interest at 2.5% over the bank base rate.

The hire purchase and lease creditors are secured over the assets which they relate.

The company has entered into a guarantee for £20,000 in favour of H M Revenue and Customs.

**16. FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument is as follows:

	2017 £	2016 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>8,282,993</u>	<u>7,318,528</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>5,630,181</u>	<u>4,943,478</u>

**17. PROVISIONS FOR LIABILITIES**

	2017 £	2016 £
Deferred tax	<u>8,530</u>	<u>22,697</u>
		Deferred tax
		£
Balance at 1 January 2017		22,697
Originating and reversal of timing differences		(13,267)
Effect of changes in tax rates		(900)
Balance at 31 December 2017		<u>8,530</u>

# LINTHWAITE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 DECEMBER 2017

### 17. PROVISIONS FOR LIABILITIES - continued

Details of the provision for deferred taxation are given below:

	2017 £	2016 £
Accelerated capital allowances	12,257	24,428
Other timing differences	(3,727)	(1,731)
	<u>8,530</u>	<u>22,697</u>
Provision for deferred tax liability	<u>8,530</u>	<u>22,697</u>

### 18. ACCRUALS AND DEFERRED INCOME

	2017 £	2016 £
Accruals and deferred income	19,105	26,362
	<u>19,105</u>	<u>26,362</u>

### 19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2017 £	2016 £
3,600	Ordinary	£1	3,600	3,600
			<u>3,600</u>	<u>3,600</u>

### 20. RESERVES

	Retained earnings £	Share premium £	Other reserve £	Totals £
At 1 January 2017	4,722,583	29,400	73,315	4,825,298
Profit for the year	148,539			148,539
	<u>4,871,122</u>	<u>29,400</u>	<u>73,315</u>	<u>4,973,837</u>
At 31 December 2017	<u>4,871,122</u>	<u>29,400</u>	<u>73,315</u>	<u>4,973,837</u>

Profit and loss account includes all current and prior period retained profits and losses.

Other reserve represents previous revaluations of property prior to the transition to FRS 102.

### 21. ULTIMATE PARENT COMPANY

The ultimate parent company is Linthwaite Group Limited, company number 07864395, registered in England. Copies of the group financial statements are available from Units 9-11, Lower Road Trading Estate, Ledbury, HR8 2DJ.

### 22. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the period the company received an interest free loan from the director, and the balance outstanding on this loan at the period end was £11,591 (2016 - £329,285).

**LINTHWAITE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**23. RELATED PARTY DISCLOSURES**

The company operates from a property owned by the director for which the company pays a rent to him of £83,000 (2016 - £64,500).

Included in debtors and creditors there are amounts due to/from Davant Products Limited Directors Retirement Benefit Scheme on which interest is payable. The scheme members include the director. The amount due at the year end amounted to £59,993 (2016 - £76,911) and the amount due from amounted to £11,743 (2016 - £11,743).

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £163,432 (2016 - £161,953).

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party by virtue of his shareholding in Linthwaite Group Limited is D R Merrick.