

**MAIN MAN SUPPLIES LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**



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## MAIN MAN SUPPLIES LIMITED

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### COMPANY INFORMATION

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<b>Directors</b>	R N Bastock M A Brooker A W Cook A D Everett (resigned 29 March 2019) L P Hapangama A V R D S Jayatilleke M J Peck S Wright
<b>Company secretary</b>	M A Brooker
<b>Registered number</b>	02422319
<b>Registered office</b>	Unit 15 Charlton Drive Corgreaves Trading Estate Cradley Heath West Midlands B64 7BJ
<b>Independent auditor</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

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**MAIN MAN SUPPLIES LIMITED**

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## MAIN MAN SUPPLIES LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2019

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The directors present their report and the financial statements for the year ended 31 March 2019.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £205,711 (2018 - £28,205).

The directors have not recommended a dividend be paid.

#### Directors

The directors who served during the year were:

R N Bastock  
M A Brooker  
A W Cook  
A D Everett (resigned 29 March 2019)  
L P Hapangama  
A V R D S Jayatilleke  
M J Peck  
S Wright

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MAIN MAN SUPPLIES LIMITED

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DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

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**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 and the Group'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 and the Group's auditor is aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group 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 *28 November 2019* and signed on its behalf.



**M A Brooker**  
Director

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## MAIN MAN SUPPLIES LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2019

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#### Introduction

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

#### Business review

The results of the group for the year as set out on pages 8 to 32, show a profit before tax of £169,365 (2018: £31,246). The shareholder's funds of the group total £5,759,811 (2018: £5,554,100).

The performance of the Group during 2019 was an improvement over 2018 but disappointing compared to budget. The directors continue to control expenditure and feel that the company is in a good position to increase profitability.

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

	2019	2018
	£	£
Turnover	21,077,324	21,730,884
Gross profit margin	25%	22.8%
Group profit before tax	169,365	31,246
Net Assets	5,759,811	5,554,100

#### Principal risks and uncertainties

The directors believe that the business is exposed to the following key risks.

Competition  
Reputation  
Market/regulatory shift  
Foreign exchange rates

Financial instruments  
Cash flow risk, credit risk, market price risk and liquidity risk.

##### Cash flow risk

The company makes most of its purchases in US dollars, but in general sales are made in sterling. The company manages exposure to currency fluctuations through daily monitoring of exchange rates and taking appropriate action.

##### Credit risk

The company's primary credit risk is attributable to its trade receivables. The company policy is to check all potential customers and maintain an ongoing review of existing customers. Targeted credit checks and debtor days analysis will help to minimise bad debts.

##### Market price risk

A significant percentage of the company's purchases are imported, consequently price volatility is a factor. The risk is considered when negotiating purchase contracts, mindful of existing stocks, estimated stock usage patterns, lead times and currency factors.

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MAIN MAN SUPPLIES LIMITED

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GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

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**Liquidity risk**

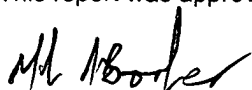
Liquidity is managed through the profitable on-going transactions. The company has sufficient cash and banking and discount facilities to manage its liquidity and does not rely on its parent company for underpinning the regular cash flow facilities.

The financial statements are prepared on the going concern basis. The company's activities together with the factors likely to affect its future development, performance and positions are set out in the business review. The directors have considered the working capital requirements for a period of 12 months from the date of this report. As a consequence, the directors believe that the company is well positioned to manage its business risks successfully, despite the current economic outlook.

**Future developments**

Moving forward to 2019, we seek to maintain growth in revenue and profitability through expanding product lines and geographical markets and cost control through supplier diversification. To achieve this, we will utilise our existing customer base, reputation and resources as well as the network of the Lalan Group.

This report was approved by the board on *28 November 2019* and signed on its behalf.



**M A Brooker**  
Director

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## MAIN MAN SUPPLIES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAIN MAN SUPPLIES LIMITED

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#### Opinion

We have audited the financial statements of Main Man Supplies Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 March 2019, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows 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 Group's and of the parent Company's affairs as at 31 March 2019 and of the Group's 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 Group 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 Group's or the parent 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



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## MAIN MAN SUPPLIES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAIN MAN SUPPLIES LIMITED (CONTINUED)

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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.

#### **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 Group 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 Group 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 Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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 1, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

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## MAIN MAN SUPPLIES LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF MAIN MAN SUPPLIES LIMITED (CONTINUED)

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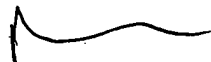
#### Auditor's responsibilities for the audit of the financial statements

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](http://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.



Ross Prince (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date:

2 DECEMBER 2019

**MAIN MAN SUPPLIES LIMITED**

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 MARCH 2019**

	Note	2019 £	2018 £
Turnover	4	21,077,324	21,730,884
Cost of sales		(15,804,279)	(16,770,265)
<b>Gross profit</b>		<b>5,273,045</b>	<b>4,960,619</b>
Distribution costs		(491,766)	(474,269)
Administrative expenses		(4,550,445)	(4,410,227)
Other operating income	5	8,705	28,955
Gain from changes in fair value of investment property		-	9,500
<b>Operating profit</b>	6	<b>239,539</b>	<b>114,578</b>
Interest receivable and similar income		4,200	2,000
Interest payable and similar expenses	10	(74,374)	(85,332)
<b>Profit before tax</b>		<b>169,365</b>	<b>31,246</b>
Tax on profit	11	36,346	(3,041)
<b>Profit after tax</b>		<b>205,711</b>	<b>28,205</b>
Retained earnings at the beginning of the year		5,503,228	5,475,023
		5,503,228	5,475,023
Profit for the year attributable to the owners of the parent		205,711	28,205
<b>Retained earnings at the end of the year</b>		<b>5,708,939</b>	<b>5,503,228</b>

The notes on pages 14 to 32 form part of these financial statements.

**MAIN MAN SUPPLIES LIMITED**  
**REGISTERED NUMBER: 02422319**

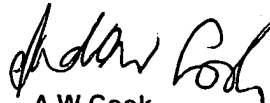
**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	12	72,834	72,834
Tangible assets	13	219,816	278,880
Investment property	15	-	1,432,499
		<u>292,650</u>	<u>1,784,213</u>
<b>Current assets</b>			
Stocks	16	6,180,502	4,543,241
Debtors: amounts falling due after more than one year	17	700,000	-
Debtors: amounts falling due within one year	17	4,719,134	5,060,852
Cash at bank and in hand	18	2,429	2,355
		<u>11,602,065</u>	<u>9,606,448</u>
Creditors: amounts falling due within one year	19	(6,134,904)	(5,394,494)
<b>Net current assets</b>		<u>5,467,161</u>	<u>4,211,954</u>
<b>Total assets less current liabilities</b>		<u>5,759,811</u>	<u>5,996,167</u>
Creditors: amounts falling due after more than one year	20	-	(442,067)
<b>Net assets</b>		<u><u>5,759,811</u></u>	<u><u>5,554,100</u></u>
<b>Capital and reserves</b>			
Called up share capital	23	10,872	10,872
Other reserves	24	40,000	40,000
Profit and loss account	24	5,708,939	5,503,228
		<u><u>5,759,811</u></u>	<u><u>5,554,100</u></u>

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



**M A Brooker**  
Director



**A W Cook**  
Director

28 November 2019.

The notes on pages 14-32 form part of these accounts

**MAIN MAN SUPPLIES LIMITED**  
**REGISTERED NUMBER: 02422319**

**COMPANY BALANCE SHEET**  
**AS AT 31 MARCH 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	13	149,927	176,233
Investments	14	76,779	76,779
Investment property	15	-	1,432,499
		<u>226,706</u>	<u>1,685,511</u>
<b>Current assets</b>			
Stocks	16	5,949,716	4,323,286
Debtors: amounts falling due after more than one year	17	700,000	-
Debtors: amounts falling due within one year	17	4,313,869	4,745,888
Cash at bank and in hand	18	2,082	2,037
		<u>10,965,667</u>	<u>9,071,211</u>
Creditors: amounts falling due within one year	19	(5,259,899)	(4,562,393)
<b>Net current assets</b>		<u>5,705,768</u>	<u>4,508,818</u>
<b>Total assets less current liabilities</b>		<u>5,932,474</u>	<u>6,194,329</u>
Creditors: amounts falling due after more than one year	20	-	(442,067)
<b>Net assets</b>		<u><u>5,932,474</u></u>	<u><u>5,752,262</u></u>

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MAIN MAN SUPPLIES LIMITED  
REGISTERED NUMBER: 02422319

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COMPANY BALANCE SHEET (CONTINUED)  
AS AT 31 MARCH 2019

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	Note	31 March 2019 £	31 March 2018 £
<b>Capital and reserves</b>			
Called up share capital	23	10,872	10,872
Other reserves	24	40,000	40,000
Profit and loss account brought forward		5,701,390	5,694,714
Profit for the year		180,212	6,676
		<hr/>	<hr/>
Profit and loss account carried forward		5,881,602	5,701,390
		<hr/>	<hr/>
		5,932,474	5,752,262
		<hr/>	<hr/>

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

  
M A Brooker  
Director

  
A W Cook  
Director

28 November 2019.

The notes on pages 14 to 32 form part of these financial statements.

**MAIN MAN SUPPLIES LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2019**

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	205,711	28,205
<b>Adjustments for:</b>		
Depreciation of tangible assets	110,058	115,996
Profit on disposal of tangible assets	(1,655)	(22,872)
Interest payable	74,374	85,332
Interest receivable	(4,200)	(2,000)
Taxation (credit)/charge	(36,346)	3,041
(Increase)/decrease in stocks	(1,637,261)	1,190,903
Decrease/(increase) in debtors	378,167	(178,247)
(Decrease)/increase in creditors	(376,720)	212,488
Net fair value losses/(gains) recognised in P&L	-	(9,500)
Corporation tax (paid)	(2,966)	(25,942)
<b>Net cash generated from operating activities</b>	<b>(1,290,838)</b>	<b>1,397,404</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(53,189)	(99,969)
Sale of tangible fixed assets	3,850	37,560
Purchase of investment properties	-	(7,999)
Sale of investment properties	732,499	-
Interest received	3,000	2,000
Associates interest received	1,200	-
<b>Net cash from investing activities</b>	<b>687,360</b>	<b>(68,408)</b>

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MAIN MAN SUPPLIES LIMITED

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2019

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	2019 £	2018 £
<b>Cash flows from financing activities</b>		
Repayment of loans	(489,976)	(47,331)
Net movements on invoice discounting facility	1,173,374	(1,267,606)
Interest paid	(74,374)	(85,332)
<b>Net cash used in financing activities</b>	<b>609,024</b>	<b>(1,400,269)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>5,546</b>	<b>(71,273)</b>
Cash and cash equivalents at beginning of year	(304,882)	(233,609)
<b>Cash and cash equivalents at the end of year</b>	<b>(299,336)</b>	<b>(304,882)</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	2,429	2,355
Bank overdrafts	(301,765)	(307,237)
	<b>(299,336)</b>	<b>(304,882)</b>

The notes on pages 14 to 32 form part of these financial statements.



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## MAIN MAN SUPPLIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 1. General information

Main Man Supplies Limited is a company limited by shares (registered number 02422319), which is incorporated in England and Wales. The address of the registered office is Unit 15, Charlton Drive, Corngreaves Trading Estate, Cradley Heath, West Midlands, UK

#### 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of income and retained earnings from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 April 2015.

##### 2.3 Turnover

Turnover is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. Sales are recognised upon despatch of the goods which is usually the date that the goods leave the warehouse on fulfilment of an order.

##### 2.4 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of income and retained earnings on a straight line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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**2. Accounting policies (continued)**

**2.5 Interest payable**

Interest is payable on the group's borrowings. Borrowing costs are recognised in the Consolidated statement of income and retained earnings in the year to which they relate.

**2.6 Pensions**

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings 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 Group in independently administered funds.

**2.7 Taxation**

The tax charge for the year comprises current and deferred tax.

The current and deferred 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 and the Group operate and generate income.

**2.8 Intangible assets**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of income and retained earnings over its useful economic life. The period chosen for amortising goodwill is 10 years.

**2.9 Tangible fixed assets**

Tangible fixed assets under the cost model, other than investment properties, 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 MARCH 2019

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**2. Accounting policies (continued)**

**2.9 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis.

Depreciation is provided on the following basis:

Short-term leasehold property	-	20%	on cost and Term of the lease
Plant and machinery	-	25%	on reducing balance and 20% on cost
Motor vehicles	-	25%	on cost and straight line over 4 years
Office equipment	-	25%	on cost
Computer equipment	-	25%	on reducing balance and 20% on cost

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 consolidated statement of income and retained earnings, as other income.

**2.10 Investment property**

Investment property is carried at fair value at the end of each year. The investment property was sold post year end which has provided an accurate reference point on which to base the current year valuation. Changes in fair value are recognised in the consolidated statement of comprehensive income.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.12 Stocks**

Stocks represent finished goods and 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 weighted average basis and includes applicable freight and duty 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 the consolidated statement of income and retained earnings.

**2.13 Financial instruments**

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to/from related parties.

All basic financial instruments are measured at their notional transaction price.

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## MAIN MAN SUPPLIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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

Significant judgments are made for impairment provisions over debtors and stock in these financial statements based on market knowledge and developments. These provisions are based on known facts and expected market trends that develop throughout the year.

#### 4. Turnover

The whole of the turnover is attributable to the one principal activity of the group.

Analysis of turnover by country of destination:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
United Kingdom	<b>20,712,288</b>	20,947,973
Rest of Europe	<b>365,036</b>	782,911
	<b><u>21,077,324</u></b>	<b><u>21,730,884</u></b>

#### 5. Other operating income

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Discounts received	<b>7,050</b>	6,083
Profit on disposal of tangible assets	<b>1,655</b>	22,872
	<b><u>8,705</u></b>	<b><u>28,955</u></b>

#### 6. Operating profit

The operating profit is stated after charging/(crediting):

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Operating lease rentals	<b>360,460</b>	366,775
Depreciation on owned assets	<b>110,058</b>	89,285
Profit on sale of tangible fixed assets	<b>(1,655)</b>	(22,872)
	<b><u></u></b>	<b><u></u></b>

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**MAIN MAN SUPPLIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**7. Auditor's remuneration**

	<b>Group 2019 £</b>	<i>Group 2018 £</i>
Fees payable to the Group's auditor	<b>25,000</b>	<i>25,000</i>

**Summarised as follows:**

Fees payable to the Group's auditor for the company's financial statements	<b>19,000</b>	<i>19,000</i>
Fees payable of the Group's auditor for the audits of its subsidiaries financial statements	<b>6,000</b>	<i>6,000</i>
	<b>25,000</b>	<i>25,000</i>

**8. Employees**

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

	<b>Group 2019 £</b>	<i>Group 2018 £</i>
Wages and salaries	<b>2,886,611</b>	<i>2,833,785</i>
Social security costs	<b>255,557</b>	<i>237,335</i>
Cost of defined contribution scheme	<b>50,925</b>	<i>26,914</i>
	<b>3,193,093</b>	<i>3,098,034</i>

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

	<b>2019 No.</b>	<i>2018 No.</i>
Office and management	<b>37</b>	<i>37</i>
Warehouse and sales	<b>109</b>	<i>110</i>
	<b>146</b>	<i>147</i>

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**MAIN MAN SUPPLIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**9. Directors' remuneration**

	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Directors' emoluments	<b>307,602</b>	<b>336,815</b>
Company contributions to defined contribution pension schemes	<b>5,184</b>	<b>2,780</b>
	<b>312,786</b>	<b>339,595</b>

During the year retirement benefits were accruing to 4 directors (2018 - 5) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £98,192 (2018 - £95,899) including benefits in kind

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £1,641 (2018 - £820).

The Key Management Personnel ("KMP") of the Company are considered to be the directors. Total remuneration, including benefits in kind, employers' NIC and pension contributions amounted to £384,191 (2018 - £365,563).

**10. Interest payable and similar expenses**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>
Bank interest payable	<b>8,264</b>	<b>19,728</b>
HMRC interest payable	<b>-</b>	<b>5,592</b>
Invoice discounting interest payable	<b>66,110</b>	<b>60,012</b>
	<b>74,374</b>	<b>85,332</b>

# MAIN MAN SUPPLIES LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

### 11. Taxation

	Group 2019 £	Group 2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	(33,408)	3,041
Adjustments in respect of previous periods	(2,938)	-
<b>Total current tax</b>	<b>(36,346)</b>	<b>3,041</b>

#### Factors affecting tax charge/(credit) for the year

The tax assessed for the year is lower than (2018 - *lower than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	Group 2019 £	Group 2018 £
Profit before tax	169,365	31,246
Profit after tax multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	32,179	5,937
<b>Effects of:</b>		
Underprovision prior year	104	-
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,917	1,376
Capital allowances for year in excess of depreciation	7,274	(4,178)
Utilisation of tax losses	(10,975)	(94)
Land remediation surrendered as tax credit	(67,845)	-
<b>Total tax charge/(credit) for the year</b>	<b>(36,346)</b>	<b>3,041</b>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Davern Work-Wear Limited has taxable losses carried forward as at 31 March 2019 of £1,878,135 (2018: £1,935,988) that can be relieved against future taxable profits of the same trade. No deferred tax asset has been recognised in relation to the taxable losses.

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MAIN MAN SUPPLIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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12. Intangible assets

Group

	Goodwill £
<b>Cost</b>	
At 1 April 2018	340,448
At 31 March 2019	<u>340,448</u>
<b>Amortisation</b>	
At 1 April 2018	267,614
At 31 March 2019	<u>267,614</u>
<b>Net book value</b>	
At 31 March 2019	<u>72,834</u>
At 31 March 2018	<u>72,834</u>



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MAIN MAN SUPPLIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

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12. Intangible assets (continued)

Company

	Goodwill £
<b>Cost</b>	
At 1 April 2018	213,614
At 31 March 2019	<u>213,614</u>
<b>Amortisation</b>	
At 1 April 2018	213,614
At 31 March 2019	<u>213,614</u>
<b>Net book value</b>	
At 31 March 2019	<u><u>-</u></u>
At 31 March 2018	<u><u>-</u></u>

MAIN MAN SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

13. Tangible fixed assets

Group

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost or valuation</b>					
At 1 April 2018	59,801	623,260	201,905	64,144	949,110
Additions	-	37,194	15,995	-	53,189
Disposals	-	(5,500)	(15,055)	-	(20,555)
At 31 March 2019	59,801	654,954	202,845	64,144	981,744
<b>Depreciation</b>					
At 1 April 2018	47,248	420,939	144,571	57,472	670,230
Charge for the year on owned assets	10,234	69,005	29,151	1,668	110,058
Disposals	-	(5,500)	(12,860)	-	(18,360)
At 31 March 2019	57,482	484,444	160,862	59,140	761,928
<b>Net book value</b>					
At 31 March 2019	2,319	170,510	41,983	5,004	219,816
At 31 March 2018	12,553	202,321	57,334	6,672	278,880

MAIN MAN SUPPLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019

13. Tangible fixed assets (continued)

Company

	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>				
At 1 April 2018	8,632	444,596	201,905	655,133
Additions	-	37,194	15,995	53,189
Disposals	-	(5,500)	(15,055)	(20,555)
At 31 March 2019	8,632	476,290	202,845	687,767
<b>Depreciation</b>				
At 1 April 2018	8,632	325,697	144,571	478,900
Charge for the year on owned assets	-	48,149	29,151	77,300
Disposals	-	(5,500)	(12,860)	(18,360)
At 31 March 2019	8,632	368,346	160,862	537,840
<b>Net book value</b>				
At 31 March 2019	-	107,944	41,983	149,927
At 31 March 2018	-	118,899	57,334	176,233

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**MAIN MAN SUPPLIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 April 2018	<b>76,779</b>
At 31 March 2019	<b>76,779</b>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Anglian Health & Safety Supplies Limited	Dormant	Ordinary	100%
Industrial Protective & Safetywear Limited	Dormant	Ordinary	100%
Davern Work-Wear Limited	Wholesaling of industrial clothing	Ordinary	100%

The registered office for each of the above subsidiary companies is Unit 15, Charlton Drive, Corngreaves Trading Estate, Cradley Heath, West Midlands, B64 7BJ

**MAIN MAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**15. Investment property**

**Group and Company**

	Freehold investment property £
At 1 April 2018	1,432,499
Disposals	(1,432,499)
<b>At 31 March 2019</b>	<b>-</b>

At the previous year end the property valuation was based on the estimated sales proceeds of the land which was sold in May 2018 for a total consideration of £1,435,000.

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2019 £	2018 £
Historic cost	-	1,547,813
Accumulated depreciation and impairments	-	(157,075)
	<u>-</u>	<u>1,390,738</u>

**16. Stocks**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Finished goods	6,180,502	4,543,241	5,949,716	4,323,286
	<u>6,180,502</u>	<u>4,543,241</u>	<u>5,949,716</u>	<u>4,323,286</u>

**MAIN MAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**17. Debtors**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Due after more than one year</b>				
Other debtors	700,000	-	700,000	-
	<u>700,000</u>	<u>-</u>	<u>700,000</u>	<u>-</u>
	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Due within one year</b>				
Trade debtors	4,004,512	4,291,093	3,483,829	3,799,314
Amounts owed by group undertakings	-	-	137,068	209,940
Other debtors	100,000	100,000	100,000	100,000
Prepayments and accrued income	578,173	669,759	556,523	636,634
Corporate tax	36,449	-	36,449	-
	<u>4,719,134</u>	<u>5,060,852</u>	<u>4,313,869</u>	<u>4,745,888</u>

**18. Cash and cash equivalents**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Cash at bank and in hand	2,429	2,355	2,082	2,037
Less: bank overdrafts	(301,765)	(307,237)	(132,923)	(136,546)
	<u>(299,336)</u>	<u>(304,882)</u>	<u>(130,841)</u>	<u>(134,509)</u>

**MAIN MAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**19. Creditors: Amounts falling due within one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Loans and overdrafts	301,765	355,146	132,923	184,457
Trade creditors	2,118,981	2,536,840	1,915,754	2,345,228
Amounts owed to parent undertaking	44,204	117,447	44,204	117,447
Corporation tax	-	2,863	-	2,863
Other taxation and social security	250,988	171,172	196,410	140,552
Proceeds of factored debts	3,037,549	1,864,175	2,606,413	1,439,971
Other creditors	9,412	3,829	8,144	3,393
Accruals and deferred income	372,005	343,022	356,051	328,482
	<b>6,134,904</b>	<b>5,394,494</b>	<b>5,259,899</b>	<b>4,562,393</b>

**20. Creditors: Amounts falling due after more than one year**

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Bank loans	-	442,067	-	442,067
	<b>-</b>	<b>442,067</b>	<b>-</b>	<b>442,067</b>

The following liabilities were secured:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Bank loans and overdrafts	301,765	797,214	132,923	626,524
Invoice discounting facility	3,037,549	1,864,175	2,606,413	1,439,971
	<b>3,339,314</b>	<b>2,661,389</b>	<b>2,739,336</b>	<b>2,066,495</b>

Details of security provided:

The above liabilities, included in creditors, are secured by way of a fixed and floating charge dated 6 January 1990 over the assets of the Company in favour of HSBC Bank PLC.

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**MAIN MAN SUPPLIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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**21. Loans**

At the previous balance sheet date, the bank loan was due for repayment by equal instalments. The bank loan carried a fifteen year term and was advanced to the Company on 29 March 2012. Interest was charged at 2.65% per annum over the bank base rate. The loan was repaid in full during the year.

The bank loan was secured by way of a fixed and floating charge dated 6 January 1990 over the assets of the company and the group in favour of HSBC Bank PLC.

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
<b>Amounts falling due within one year</b>				
Bank loans	-	47,909	-	47,909
	<u>-</u>	<u>47,909</u>	<u>-</u>	<u>47,909</u>
<b>Amounts falling due 1-2 years</b>				
Bank loans	-	49,440	-	49,440
	<u>-</u>	<u>49,440</u>	<u>-</u>	<u>49,440</u>
<b>Amounts falling due 2-5 years</b>				
Bank loans	-	158,003	-	158,003
	<u>-</u>	<u>158,003</u>	<u>-</u>	<u>158,003</u>
<b>Amounts falling due after more than 5 years</b>				
Bank loans	-	234,624	-	234,624
	<u>-</u>	<u>234,624</u>	<u>-</u>	<u>234,624</u>
	<u>-</u>	<u>489,976</u>	<u>-</u>	<u>489,976</u>



**MAIN MAN SUPPLIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

**22. Financial instruments**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Financial assets</b>				
Financial assets measured at fair value through profit or loss	-	1,432,499	-	1,432,499
Financial assets measured at amortised cost	4,806,941	4,393,448	4,422,979	4,110,661
	<u>4,806,941</u>	<u>5,825,947</u>	<u>4,422,979</u>	<u>5,543,160</u>
<b>Financial liabilities</b>				
Financial liabilities measured at amortised cost	(5,883,826)	(5,662,526)	(5,063,489)	(3,991,758)

Financial assets measured at fair value through profit or loss comprise investment properties.

Financial assets measured at amortised cost comprise trade and other debtors excluding prepayments.

Financial liabilities measured at amortised cost comprise trade and other creditors excluding deferred income and statutory taxes.

**23. Share capital**

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
10,872 (2018 - 10,872) Ordinary shares of £1.00 each	<u>10,872</u>	<u>10,872</u>

**24. Reserves**

**Other reserves**

This is the share option reserve formed in 2010 on exercise of share options being the difference between the share issue price and the market value on exercise. There have been no share option schemes in operation since 2010.

**Profit and loss account**

Includes all current and prior period retained profits and losses.

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## MAIN MAN SUPPLIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 25. Contingent liabilities

The parent company has entered into a composite multi-lateral guarantee to guarantee the borrowings of fellow group companies. At the year end the amount guaranteed amounted to £599,978 (2018: £594,895).

#### 26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £56,109 (2018 - £26,914). Contributions totalling £7,983 (2018 - £3,568) were payable to the fund at the balance sheet date and are included in creditors.

#### 27. Commitments under operating leases

At 31 March 2019 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	<b>Group 2019 £</b>	<b>Group 2018 £</b>	<b>Company 2019 £</b>	<b>Company 2018 £</b>
Not later than 1 year	<b>487,303</b>	430,536	<b>467,303</b>	410,536
Later than 1 year and not later than 5 years	<b>1,410,042</b>	1,279,135	<b>1,330,042</b>	1,199,135
Later than 5 years	<b>192,161</b>	440,579	<b>188,828</b>	420,579
	<b><u>2,089,506</u></b>	<u>2,150,250</u>	<b><u>1,986,173</u></b>	<u>2,030,250</u>

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## MAIN MAN SUPPLIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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#### 28. Related party transactions

##### **Everett Mitchell**

During the year, the Company paid management fees of £16,073 (2018 - £16,425) to Everett Mitchell, a business in which A D Everett, a director of the Company has an interest. Fees of £3,182 (2018 - £4,887) were outstanding at the year end and are shown within Trade Creditors.

##### **LR International Trading (PVT) Limited**

During the year the Company purchased goods from LR International Trading (PVT) Limited, a Company under common control, to the value of £419,851 (2018 - £432,300). At the year end, the Company owed LR International Trading (PVT) Limited £44,204 (2018 - £117,447) which is shown under Trade Creditors.

##### **Lalan Rubbers (PVT) Limited**

During the year, the Company purchased goods from Lalan Rubbers (PVT) Limited, the Company's holding company to the value of £301,012 (2018 - £324,475). At the year end the Company owned Lalan Rubbers (PVT) Limited £nil (2018 - £nil) which is shown within Trade Creditors.

##### **Safety Care Limited**

In the year ended 31 March 2016 the Company made a loan to Safety Care Limited, a Company under common control of £100,000. The loan bears interest of 3% per annum and is repayable on demand.

The Company has taken advantage under the exemption under FRS102 33 (1a) not to disclose related party transactions between wholly owned members of the same group.

#### 29. Controlling party

The controlling party is L P Hapangama.

The directors consider Lalan Rubbers (Pvt) Limited to be its immediate and ultimate parent, a company incorporated in Sri Lanka. The main address of the above company is shown below:

No 95B, Zone A  
Export Processing Zone  
Biyagama  
Malwana  
Sri Lanka

The smallest and largest group in which Main Man Supplies Limited and its subsidiaries are included within the consolidated accounts headed by Lalan Rubbers (Pvt) Limited and these can be obtained from the Department of the Registrar of Companies in Sri Lanka.