

Allmat (East Surrey) Limited

Directors' Report and Financial Statements
for the year ended 31 March 2018

Registered number 2612101



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Directors' Report

The Directors present their annual report and the audited financial statements for the year ended 31 March 2018. The Directors' Report has been prepared in accordance with the provisions applicable to companies entitled to small companies' exemption.

Principal activities

The principal activity of the Company is the supply of building products to the building industry.

Results and dividends

The Company paid a dividend of £196,000 during the year (2017: £165,000). The profit after tax for the year is £230,595 (2017: £217,122).

Directors

The Directors in office during the year were as follows:

JR Chadwick (Resigned 27th September 2018)

AJD Ferrar

P Kerr (appointed 27th September 2018)

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditors are unaware; and each Director has taken all the steps that he ought to have taken as a Director to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Donations

The Company made no political or charitable donations in the year (2017: £nil).

Appointment of auditors

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

By order of the Board



AJD Ferrar
Director

66-74 London Road
Redhill
Surrey
RH1 1LJ

21st December 2018

Statement of Directors' Responsibilities in respect of the Directors' Report and the Financial Statements

The Directors are responsible for preparing the Strategic Report, the Directors' Report and the Financial Statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 Reduced Disclosure Framework.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

KPMG LLP
15 Canada Square
London
E14 5GL
United Kingdom

Independent auditor's report to the members of Allmat (East Surrey) Limited

Opinion

We have audited the financial statements of Allmat (East Surrey) Limited ("the company") for the year ended 31 March 2018 which comprise the Profit and Loss Account and other comprehensive income, Balance Sheet, Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Directors' report

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 3, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.


Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

The purpose of our audit work and to whom we owe our responsibilities

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.



Anna Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
 15 Canada Square
 London
 E14 5GL

24 December 2018

Profit and loss account

for the year ended 31 March 2018

	Note	2018 £	2017 £
Turnover	2	3,523,848	3,554,845
Cost of sales	3	(2,335,803)	(2,308,590)
Gross profit		1,188,045	1,246,255
Distribution costs		(520,018)	(611,440)
Administrative expenses		(384,993)	(363,306)
Operating profit		283,034	271,509
Net Interest payable and similar charges	4	(183)	(145)
Profit before tax	5	282,851	271,364
Tax on profit	8	(52,256)	(54,242)
Profit for the financial year		230,595	217,122

The Company's profit arose solely from continuing activities. There were no recognised gains and losses in either year other than those reported in the profit and loss account above and therefore no statement of other comprehensive income is presented. Reported profits are equivalent to historic cost profits.

The notes on page 9 to 16 form part of these financial statements.

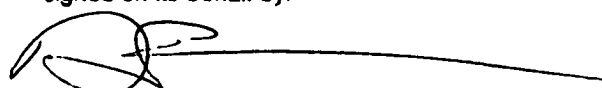
Balance sheet

at 31 March 2018

	Note	£	2018 £	£	2017 £
Non-current assets					
Tangible assets	10		283,783		204,041
Current assets					
Stock	11	314,456		316,979	
Debtors	12	256,487		252,587	
Cash at bank and in hand		131,381		249,310	
			<u>702,324</u>	<u>818,876</u>	
Creditors: amounts falling due within one year	13	(374,388)		(444,594)	
			<u></u>	<u></u>	
Net current assets			327,936		374,282
			<u></u>		<u></u>
Total assets less current liabilities			611,719		578,323
Provisions for liabilities and charges					
Deferred tax	14		(931)		(2,130)
			<u></u>		<u></u>
Net assets			610,788		576,193
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	17		100		100
Share premium	18		19,990		19,990
Profit and loss account			590,698		556,103
			<u></u>		<u></u>
Shareholders' funds			610,788		576,193
			<u></u>		<u></u>

The notes on pages 9 to 16 form part of these Financial Statements.

These Financial Statements were approved by the Board of Directors on 21st December 2018 and were signed on its behalf by:


AJD Ferrar
Director

Statement of changes in equity

at 31 March 2018

	Note	Share Premium £	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2016		19,990	100	503,981	524,071
Profit for the year		-	-	217,122	217,122
Total comprehensive income for the period		-	-	217,122	217,122
Transactions with owners, recorded directly within equity:					
Dividends	9			(165,000)	(165,000)
Total distributions to owners		-	-	(165,000)	(165,000)
Balance at 31 March 2017		19,990	100	556,103	576,193

	Note	Share Premium £	Called up share capital £	Profit and loss account £	Total equity £
Balance at 1 April 2017		19,990	100	556,103	576,193
Profit for the year		-	-	230,595	230,595
Total comprehensive income for the period		-	-	230,595	230,595
Transactions with owners, recorded directly within equity:					
Dividends	9			(196,000)	(196,000)
Total distributions to owners				(196,000)	(196,000)
Balance at 31 March 2018		19,990	100	590,698	610,788

Notes (forming part of the Financial Statements)

1 Accounting policies

Basis of preparation

Allmat (East Surrey) Limited is a company incorporated, domiciled and registered in England, the UK. The Company is limited by shares, the registered number is 2612101 and the registered address is 66-74 London Road, Redhill, Surrey, RH1 1LJ.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101").

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs") but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The Company has applied IFRS 1 whilst ensuring that its assets and liabilities are measured in compliance with FRS 101.

The Company's ultimate parent undertaking, Sumisho Osaka Gas Water UK Ltd includes the Company in its consolidated financial statements. The consolidated financial statements of Sumisho Osaka Gas Water UK Ltd are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ.

In these financial statements, the Company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a cash flow statement and related notes;
- comparative period reconciliations for share capital and tangible fixed assets;
- disclosures in respect of capital management; and
- the effects of new but not yet effective IFRSs.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the Directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 15.

Turnover

Turnover represents the amount (excluding value added tax) receivable from the provision of goods and services to customers.

Notes (*accounting policies continued*)

Leases

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

Dividends

Dividends are only recognised as a liability to the extent that they are declared and paid prior to the year end. Unpaid dividends that do not meet these criteria are disclosed in the notes to the Financial Statements.

Fixed assets and depreciation

Depreciation is provided by the Company to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Plant and Machinery	-	4 - 20 years
Fixtures & fittings	-	4 - 20 years
Motor vehicles	-	4 - 10 years
Office equipment	-	4 - 20 years

Stocks

Stocks are stated at the lower of cost and net realisable value, provision having been made for any slow moving or obsolete stock where this is considered necessary. Cost is determined on a last price paid basis.

Pension costs

The Company offers a Group Personal Pension Plan to employees. The amount charged against profits represents the contributions payable to these schemes.

Going concern

The Directors have considered the Company's assets and liabilities as at the date of signing these accounts and have concluded that the Company will continue to be able to meet its liabilities for at least twelve months from the date of signature of these accounts. A going concern basis has therefore been adopted.

Notes (continued)

2 Turnover

	2018 £	2017 £
Sales of Building Materials	3,523,848	3,554,845

All turnover arises in the UK.

3 Cost of sales

	2018 £	2017 £
Materials and consumables	2,398,368	2,367,464
Settlement discount received	(83,064)	(70,569)
Obsolete stock written off	20,498	11,695
	<u>2,335,803</u>	<u>2,308,590</u>

4 Net interest payable and similar charges

	2018 £	2017 £
Interest payable and similar charges	220	1,294
Interest receivable and similar income	(37)	(1,149)
	<u>183</u>	<u>145</u>

5 Expenses and auditor's remuneration

	2018 £	2017 £
Included in profit before tax are the following:		
Audit of these Financial Statements	7,000	5,460
Depreciation	54,586	42,580
Operating lease rentals – land and buildings	46,500	46,500
Operating lease rentals – other	6,587	6,587
Loss/(profit) on disposal of fixed assets	5,621	(3,333)

No fees are paid to KPMG LLP other than for the statutory audit of the Company (2017: £nil).

Notes (continued)

6 Directors' remuneration

The Directors received no remuneration or fees in respect of their services to the Company for the year ended 31 March 2018 (2017: £nil).

7 Staff numbers and costs

The average number of persons employed by the Company during the year, analysed by category, was as follows:

	2018 Number	2017 Number
Administration	5	5
Sales and distribution	14	16
	<hr/> 19	<hr/> 21

The aggregate payroll costs of these persons were as follows:

	2018 £	2017 £
Wages and salaries	473,338	552,668
Social security costs	43,036	51,069
Pension costs	36,310	43,033
	<hr/> 552,684	<hr/> 646,770

8 Taxation

Analysis of charge in period

	2018 £	2017 £
<i>UK corporation tax</i>		
Current tax on income for the period	53,307	53,793
Adjustments in respect of prior periods	148	(257)
	<hr/> 53,455	<hr/> 53,536
<i>Deferred tax</i>		
Deferred tax charge	(1,199)	706
	<hr/> 52,256	<hr/> 54,242

Notes (taxation continued)

Factors affecting the tax charge for the current year

The current tax charge for the year is lower (2017: lower) than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below.

	2018 £	2017 £
<i>Reconciliation of effective tax rate</i>		
Profit for the year	282,851	271,364
	<hr/>	<hr/>
Tax using the UK corporation rate of 19% (2017: 20%)	53,742	54,273
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(601)	(92)
(Profit)/loss on disposal of fixed assets	1,068	(667)
Capital allowances for period (greater)/less than depreciation	(902)	279
Deferred tax charge for the year	(1,199)	706
Adjustments in respect of previous periods	148	(257)
	<hr/>	<hr/>
Total tax expense	52,256	54,242
	<hr/>	<hr/>

Reductions in the UK corporation tax rate from 20% to 19% (effective from 1 April 2017) was substantively enacted on 26 October 2015. A Further reduction to the UK corporation tax rate to 17% (effective from 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly. The deferred tax liability at 31st March 2018 has been calculated based on these rates.

9 Dividends

	2018 £	2017 £
Ordinary dividend paid of £1,960 per share (2017: £1,650 per share)	196,000	165,000
	<hr/>	<hr/>

Notes (continued)

10 Tangible fixed assets

	Plant and Machinery	Fixtures and Fittings	Office Equipment	Total
	£	£	£	£
Cost				
At beginning of year	336,945	81,744	22,730	441,419
Additions	144,857	3,517	0	148,374
Disposals	(46,615)	0	0	(46,615)
At end of year	435,187	85,261	22,730	543,178
Depreciation				
At beginning of year	156,106	65,580	15,692	237,378
Charge for year	45,757	7,613	1,216	54,586
Disposals	(32,569)	0	0	(32,569)
At end of year	169,294	73,193	16,908	259,395
Net book value				
At 31 March 2018	265,893	12,068	5,822	283,783
At 31 March 2017	180,839	16,164	7,038	204,041

11 Stocks

	2018 £	2017 £
Finished goods and goods for resale	314,456	316,979

12 Debtors

	2018 £	2017 £
Trade debtors	234,066	229,560
Amounts owed by group undertakings	649	2,454
Other debtors	7,522	7,858
Prepayments and accrued income	14,250	12,715
	256,487	252,587

Notes (continued)

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	177,996	252,464
Amounts owed to group undertakings	47,860	64,450
Other creditors including taxation and social security	68,457	70,443
Corporation tax	53,307	53,792
Accruals and deferred income	26,768	3,445
	<hr/> 374,388 <hr/>	<hr/> 444,594 <hr/>

14 Provisions for liabilities and charges

	2018 £	2017 £
<i>Deferred tax liability (attributable to tangible fixed assets)</i>		
Creditor as at 1 April	2,130	1,424
Profit and loss account charge	(1,199)	706
	<hr/> 931 <hr/>	<hr/> 2,130 <hr/>

15 Accounting estimates and judgements

Investments

Tangible fixed assets are stated at cost less impairments which are shown in note 10 of these financial statements. The board has assessed the recoverability of its fixed assets in the period and no additional provisions have been made.

Turnover

Turnover is recognised upon despatch of goods from the Company's premises. There are no other revenue recognition policies in operation.

Recoverability of Trade Debtors

Trade debtors are stated at transaction price less provisions for impairments. The board has assessed the need for provisions for irrecoverable debts, no provision has been included for 2018 (2017: £1,526).

16 Pension scheme

The Company offers a Group Personal Pension Plan to its employees. The pension charge for the year represents contributions payable by the Company to the scheme and amounted to £36,310 (2017: £43,033). There were no outstanding contributions at the end of the financial period (2017: £3,162).

Notes (continued)

17 Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
100 ordinary shares of £1 each	100	100
	<hr/>	<hr/>

18 Share premium account

	2018 £	2017 £
At beginning and end of year	19,990	19,990
	<hr/>	<hr/>

19 Capital commitments

The Company had no contracted capital commitments (2017: £Nil).

20 Commitments

Non-cancellable operating lease rentals are payable as follows:

	2018 £	2017 £
Less than one year	6,587	6,587
Between one and five years	5,238	11,825
	<hr/>	<hr/>
	11,825	18,412
	<hr/>	<hr/>

During the year £6,587 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £6,587).

21 Ultimate parent Company

The ultimate parent Company and the smallest and largest group in which the results of the Company are consolidated is Sumisho Osaka Gas Water UK Limited. No other group financial statements include the results of the Company. The consolidated accounts are available to the public at Vintners' Place, 68 Upper Thames Street, London EC4V 3BJ.