Blanco UK Limited

Annual report and financial statements

Registered number 2674018

31 December 2019

Contents

Strategic Report	1
Directors' report	2
Statement of directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements	3
Independent Auditor's Report to the Members of Blanco UK Limited	4
Profit and Loss Account and Other Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Notes	11

Strategic Report

Business Review

Turnover grew by *8.3% to £30.8m (2018: £28.5m)*, reflecting the strength of the brand and the measures taken by management to adapt to challenges in the present environment. The company continues to grow both with its current customer base and by securing new customers. Margins have been improved as a result of effective management control.

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

	2019	2018	*Change*
	£000	£000	
Turnover	**30,849**	28,479	*8%*
Operating profit	**1,528**	1,373	*11%*
Profit before tax	**1,536**	1,383	*11%*
Profit after tax	**1,232**	1,103	*12%*
Shareholders' funds	**3,622**	3,590	*1%*
No. of employees	**69**	67	*3%*

Objectives of the company

The company retails high quality sinks, taps and other related products in the domestic kitchen market to an increasing range of customers and channels. In addition the company aims to increase the strength and visibility of the BLANCO brand with its customers and end-users by delivering a high level of service and customer satisfaction.

Risk and Uncertainties

The company operates in a competitive market place and there are a number of risks facing the business. These are listed below:

Competitive risk

The company seeks to mitigate its exposure to increased competition and the possibility of adverse market conditions by maintaining a wide portfolio of customers in different sectors. The company is not reliant on trade with any one particular customer and has a broad customer base.

Credit risk

The company aims to mitigate liquidity risk by managing cash generation by its operations and operating cash collection targets across the different product categories.

Brexit impact

The company was well prepared for both the economic and political uncertainty relating to Brexit and continues to closely monitor developments during the transitional period to ensure a high level of service to our customers is maintained.

Coronavirus impact

The company is taking all necessary steps to minimise the impact caused to both the business, staff and other stakeholders.

By order of the board

S.S. Hart

S Hart
Director

Registered office:
1 Victor Way
Colney Street
St Albans
Herts
AL2 2FL

Directors' report

The directors present their Directors' Report and the financial statements for the year ended 31 December 2019.

Principal activities

The company's principal activities during the year continued to be the sale and distribution of sinks and related products into the domestic kitchen market.

Results

The profit for the year, after taxation, amounted to £1,232,292 *(2018: profit of £1,103,343).*

Dividends

The company paid a dividend of £1,200,000 during the year (*2018: £1,200,000*).

Directors

The directors who held office during the year were as follows:

S Ridge
S Hart

Political and charitable contributions

During the year, the company made charitable donations of £4,255 *(2018: £9,878).* The company made no political contributions during the year *(2018: nil).*

Disclosure of information to auditor

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 auditor is unaware. 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 auditor is aware of that information.

Auditor

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

S.J. Hart.

S Hart
Director

Registered office:
1 Victor Way
Colney Street
St Albans
Herts
AL2 2FL

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, 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 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland.*

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANCO UK LIMITED

Opinion

We have audited the financial statements of Blanco UK Limited ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account and Other Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement 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 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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.

The impact of uncertainties consequent upon the UK's departure from the European Union on our audit

Uncertainties related to the effects of the UK's departure from the European Union (EU) are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of trade and other receivables, stocks and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

The uncertainty over the UK's future trading relationships with the rest of the world and related economic effects give rise to extreme levels of uncertainty, with the full range of possible effects currently unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to the impact of the UK's departure from the EU.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Strategic report and directors' report

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

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANCO UK LIMITED *(continued)*

Strategic report and directors' report *(continued)*

Our responsibility is to read the strategic report and 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 strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have 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.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BLANCO UK LIMITED ***(continued)***

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.

C. Anderson

Charlotte Anderson (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
58 Clarendon Road
Watford
WD17 1DE
United Kingdom

Date: 9 March 2020

Profit and Loss Account and Other Comprehensive Income

for the year ended 31 December 2019

	Note	**2019**	2018
		£	£
Turnover	*2*	**30,849,325**	28,478,736
Cost of sales		**(21,032,930)**	(19,544,576)
Gross profit		**9,816,395**	8,934,160
Distribution costs		**(3,350,440)**	(3,087,370)
Administrative expenses		**(4,937,765)**	(4,473,612)
Operating profit		**1,528,190**	1,373,178
Other interest receivable and similar income	*6*	**7,901**	9,412
Profit before taxation	*3-5*	**1,536,091**	1,382,590
Tax on profit	*7*	**(303,799)**	(279,247)
Profit for the financial year		**1,232,292**	1,103,343
Other comprehensive income		-	-
Total comprehensive income for the year		**1,232,292**	1,103,343

All profits arise from continuing operations.

The notes on pages 11 to 20 form an integral part of these financial statements.

Balance Sheet
at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	*8*		**537,195**		444,242
			537,195		444,242
Current assets					
Stocks	*9*	**2,583,257**		2,083,353	
Debtors	*10*	**3,729,825**		4,126,556	
Cash at bank and in hand		**2,885,488**		2,223,223	
		9,198,570		8,433,132	
Creditors: amounts falling due within one year	*11*	**(6,113,860)**		(5,287,761)	
Net current assets			**3,084,710**		3,145,371
Net assets			**3,621,905**		3,589,613
Capital and reserves					
Called up share capital	*14*		**600,000**		600,000
Profit and loss account			**3,021,905**		2,989,613
Shareholders' funds			**3,621,905**		3,589,613

The notes on pages 11 to 20 form an integral part of these financial statements

These financial statements were approved by the board of directors on 9th March 2020 and were signed on its behalf by:

S.J. Hart.

S Hart
Director

Company registered number: 2674018

Statement of Changes in Equity

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2018	600,000	3,086,270	3,686,270
Total comprehensive income for the period			
Profit	-	1,103,343	1,103,343
Total comprehensive income for the period	-	1,103,343	1,103,343
Dividends	-	(1,200,000)	(1,200,000)
Total distributions to owners	-	(1,200,000)	(1,200,000)
Balance at 31 December 2018	600,000	2,989,613	3,589,613

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2019	600,000	2,989,613	3,589,613
Total comprehensive income for the period			
Profit	-	1,232,292	1,232,292
Total comprehensive income for the period	-	1,232,292	1,232,292
Dividends	-	(1,200,000)	(1,200,000)
Total distributions to owners	-	(1,200,000)	(1,200,000)
Balance at 31 December 2019	**600,000**	**3,021,905**	**3,621,905**

The notes on pages 11 to 20 form an integral part of these Financial Statements

Cash Flow Statement
for year ended 31 December 2019

	2019 £	2018 £
Cash flows from operating activities		
Operating profit	**1,528,190**	1,373,178
Adjustments for:		
Depreciation	**167,047**	175,174
Profit on sale of tangible fixed assets	**(14,811)**	(8,195)
	1,680,426	1,540,157
Decrease/(increase) in trade and other debtors	**359,662**	(750,970)
(Increase)/decrease in stocks	**(499,904)**	216,251
Increase in trade and other creditors	**863,029**	163,472
	2,403,213	1,168,910
Dividends paid	**(1,200,000)**	(1,200,000)
Tax paid	**(303,660)**	(253,092)
Net cash from /(used in) operating activities	**899,553**	(284,182)
Cash flows from investing activities		
Proceeds from sale of tangible fixed assets	**15,445**	17,299
Interest received	**7,901**	9,412
Acquisition of tangible fixed assets	**(260,634)**	(144,287)
Net cash used in investing activities	**(237,288)**	(117,576)
Net increase/(decrease) in cash and cash equivalents	**662,265**	(401,758)
Cash and cash equivalents at 1 January	**2,223,223**	2,624,981
Cash and cash equivalents at 31 December	**2,885,488**	2,223,223

The notes on pages 11 to 20 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

Blanco UK Limited (the "Company") is a private company incorporated, domiciled and registered in the UK. The registered number is 2674018 and the registered address is 1 Victor Way Radlett Road, Colney Street, St Albans, AL2 2FL

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (*"FRS 102"*). The presentation currency of these financial statements is sterling.

The Company's ultimate parent undertaking, Blanc & Fischer Familienholding GmbH includes the Company in its consolidated financial statements. The consolidated financial statements of Blanc & Fischer Familienholding GmbH are prepared in accordance with German GAAP and are available to the public and may be obtained from Rote-Tor-Strasse 14, 75038 Oberderdingen, Germany. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Key Management Personnel compensation.

As the consolidated financial statements of ultimate parent undertaking include the disclosures equivalent to those required by FRS 102, the Company has also taken the exemptions available in respect of the following disclosures:

- Certain disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

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

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The directors have prepared forecasts which demonstrate that the company will be able to operate for the foreseeable future and meet its liabilities as they fall due for payment.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for a foreseeable future, thus they continue to adopt the going concern principle in their annual financial statements.

1.3 Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Notes *(continued)*

1 Accounting policies *(continued)*

1.4 Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. The estimated useful lives are as follows:

- plant and equipment 4 years
- fixtures and fittings 4-8 years
- motor vehicles 4 years
- leasehold improvements 15 years

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

1.7 Impairment excluding stocks and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Notes *(continued)*

1 Accounting policies *(continued)*

1.7 Impairment excluding stocks and deferred tax assets (continued)

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than stocks and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

1.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.9 Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

1.10 Turnover

Revenue is recognised to the extent that the company obtains the right consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding VAT and other sales taxes or duty. All discounts and rebates have been netted off. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

1.11 Income / Expenses

Operating lease

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

Interest receivable

Interest income is recognised in profit or loss as it accrues.

Notes *(continued)*

1 Accounting policies *(continued)*

1.12 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 timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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

2 Turnover

	2019	2018
	£	£
Sale of goods	**30,849,325**	28,478,736
Total turnover	**30,849,325**	28,478,736

The turnover and profit of the company derive from the distribution of sinks and kitchen appliances and arise within the United Kingdom and the Republic of Ireland.

3 Expenses and auditor's remuneration

Included in profit are the following:

	2019	2018
	£	£
(Profit) / loss on disposal of tangible fixed assets	**(14,811)**	(8,195)
Depreciation of tangible fixed assets	**167,047**	175,174

Auditor's remuneration:

	2019	2018
	£	£
Audit of these financial statements	**21,000**	20,700
Amounts receivable by the company's auditor in respect of:		
Taxation compliance services	**5,500**	5,400

Notes *(continued)*

4 Staff numbers and costs

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

	Number of employees **2019**	2018
Selling and distribution staff	**54**	50
Administration	**15**	17
	69	67

The aggregate payroll costs were as follows:

	2019 **£**	2018 £
Wages and salaries	**3,200,848**	3,026,661
Social security costs	**430,105**	428,838
Contributions to defined contribution plans	**172,682**	140,286
	3,803,635	3,595,785

5 Directors' remuneration

	2019 **£**	2018 £
Directors' remuneration	**347,189**	332,073
Company contributions to money purchase pension plans	**20,605**	25,280

The aggregate of remuneration of the highest paid director was £195,312 *(2018:£184,166)* and company pension contributions of £10,706 *(2018: £16,191)* were made to a money purchase scheme on his behalf.

	Number of directors **2019**	2018
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	**2**	2

Notes *(continued)*

6 Other interest receivable and similar income

	2019	2018
	£	£
Bank interest receivable	**7,901**	9,412

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2019		2018	
	£	**£**	£	£
Current tax				
Current tax on income for the period	**253,329**		264,227	
Adjustments in respect of prior periods	**13,401**		212	
Total current tax		**266,730**		264,439
Deferred tax (see note 12)				
Origination and reversal of timing differences	**37,069**		14,808	
Total deferred tax		**37,069**		14,808
Total tax		**303,799**		279,247

Reconciliation of effective tax rate

	2019	2018
	£	£
Profit before taxation for the year	**1,536,091**	1,382,590
Tax using the UK corporation tax rate of 19.00% *(2018: 19.00%)*	**291,857**	262,689
Expenses not deductible for tax purposes	**6,290**	6,379
Fixed asset differences	**10,180**	9,397
Other timing differences	**(17,929)**	570
Under provided in prior years	**13,401**	212
Total tax expense included in profit or loss	**303,799**	279,247

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 6 September 2017. This will reduce the company's future current tax charge accordingly.

The deferred tax asset at 31 December 2019 has been calculated based on these rates.

Notes *(continued)*

8 Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Motor Vehicles £	Leasehold improvements £	Total £
Cost					
Balance at 1 January 2019	333,730	1,408,326	87,596	647,950	2,477,602
Additions	142,055	69,693	-	48,886	260,634
Disposals	(57,500)	-	(33,149)	-	(90,649)
Balance at 31 December 2019	418,285	1,478,019	54,447	696,836	2,647,587
Depreciation and impairment					
Balance at 1 January 2019	263,970	1,301,655	55,681	412,054	2,033,360
Depreciation charge for the year	43,625	55,778	14,065	53,579	167,047
Disposals	(57,500)	-	(32,515)	-	(90,015)
Balance at 31 December 2019	250,095	1,357,433	37,231	465,633	2,110,392
Net book value					
At 1 January 2019	69,760	106,671	31,915	235,896	444,242
At 31 December 2019	**168,190**	**120,587**	**17,215**	**231,203**	**537,195**

9 Stocks

	2019 £	2018 £
Finished goods	**2,583,257**	2,083,353
	2,583,257	2,083,353

Finished goods recognised as cost of sales in the year amounted to £20,788,644 *(2018:£19,345,450)*. The net write down of stocks to net realisable value and the reversal of write down amounted to £56,394 *(2018: £131,552)*.

Notes *(continued)*

10 Debtors

	2019 £	2018 £
Trade debtors	**3,483,085**	3,764,907
Amounts owed by group undertakings	**298**	2,147
Other debtors	**5,885**	5,314
Deferred tax assets (see note 12)	**10,605**	47,674
Prepayments and accrued income	**229,952**	306,514
	3,729,825	4,126,556
Due within one year	**3,729,825**	4,126,556
Due after more than one year	-	-
	3,729,825	4,126,556

11 *Creditors: amounts falling due within one year*

	2019 £	2018 £
Trade creditors	**485,275**	451,789
Amounts owed to group undertakings	**2,448,050**	1,621,260
Taxation and social security	**959,593**	1,037,969
Accruals	**2,088,216**	2,007,087
Corporation tax	**132,726**	169,656
	6,113,860	5,287,761

12 Deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2019 £	2018 £	Liabilities 2019 £	2018 £	Net 2019 £	2018 £
Accelerated capital allowances	**(10,605)**	(47,674)	-	-	**(10,605)**	(47,674)
Tax (assets)	**(10,605)**	(47,674)	-	-	**(10,605)**	(47,674)

Notes *(continued)*

13 Employee benefits

Defined contribution plans

The Company operates a defined contribution pension plan.

The total expense relating to these plans in the current year was £172,682 *(2018: £140,286)*.

14 Capital and reserves

Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
600,000 ordinary shares of £1 each	**600,000**	600,000
	600,000	600,000
Shares classified in shareholders' funds	**600,000**	600,000
	600,000	600,000

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

15 Operating leases

Leases as lessee

Non-cancellable *operating lease* rentals are payable as follows:

	2019 £	2018 £
Less than one year	**684,696**	629,105
Between one and five years	**1,734,671**	1,774,406
More than five years	**-**	63,092
	2,419,367	2,466,603

During the year £771,838 was recognised as an expense in the profit and loss account in respect of operating leases *(2018: £657,781)*.

16 Commitments

Capital commitments

There are no contractual commitments to purchase tangible fixed assets at the year-end *(2018: £nil)*.

Notes *(continued)*

17 Related parties

Other related party transactions

	Purchases of inventory and capital equipment 2019 £	2018 £	Administrative expenses incurred 2019 £	2018 £
Entities with control, joint control or significant influence				
Blanco GmbH Co KG	**15,885,194**	13,436,386	**-**	-
Blanc and Fischer IT Services GmbH	**-**	-	**239,523**	186,403
	15,885,194	13,436,386	**239,523**	186,403

	Receivables outstanding 2019 £	2018 £	Creditors outstanding 2019 £	2018 £
Entities with control, joint control or significant influence				
Blanco GmbH Co KG	**-**	-	**2,402,261**	1,584,123
Blanc and Fischer IT Services GmbH	**-**	-	**45,789**	37,137
Others	**298**	2,147	**-**	-
	298	2,147	**2,448,050**	1,621,260

18 Ultimate parent company and parent company of larger group

The directors regard Blanc & Fischer Familienholding GmbH, registered at Rote-Tor-Strasse 14, 75038 Oberderdingen, Germany, as the ultimate parent undertaking and controlling party.

The parent undertaking of the smallest group of undertakings for which group financial statements are drawn up but not made publicly available, and of which the company is a member, is Blanco International GmbH, registered in Germany. Blanc & Fischer Familienholding GmbH is the parent undertaking of the largest such group of undertakings.