

Company Registration No. 03202446 (England and Wales)

THE LITTLE GREENE PAINT COMPANY LIMITED

**ANNUAL REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2018



THE LITTLE GREENE PAINT COMPANY LIMITED

COMPANY INFORMATION

Directors	D R Mottershead R E H Mottershead B D Mottershead M N Hanif R M Ranken M Cosgrove (Appointed 28 April 2019)
Secretary	M N Hanif
Company number	03202446
Registered office	The Coachworks 420 Ashton Old Road Openshaw Manchester M11 2DT
Auditor	UHY Hacker Young Manchester LLP St James Building 79 Oxford Street Manchester M1 6HT
Business address	The Coachworks 420 Ashton Old Road Openshaw Manchester M11 2DT

THE LITTLE GREENE PAINT COMPANY LIMITED

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THE LITTLE GREENE PAINT COMPANY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Fair review of the business

The principal activity during the year was the manufacture and sale of paints and the design and distribution of wallpapers.

The company has seen an overall sales growth of 6% and an excellent growth the company's branded products of 16%. These very satisfactory results have been achieved through a continuous focus on sales, customer service, product quality and reliable execution. The directors are satisfied with the performance during the period in all markets.

We consider the key performance indicators to be turnover and gross margin. Both indicators are in line with expectation.

The principal uncertainties facing the company are the risk associated with defaults on debts from customers, the rising prices of raw materials and the continuous uncertainty associated with Brexit.

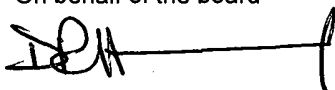
The control of potential bad debts remains efficient together with the installation of appropriate account management of the client base. The policy of long-term contracts with financially sound suppliers and clients provides stability and effective business control.

The year saw a considerable rise in raw material prices and an ongoing investment programme in in-store brand presentation, these extra costs to the business have been obviated by sheading low margin business and a strong sales performance on the company's branded products together with a continuous drive for operational efficiency.

A new and bespoke Company headquarters was commissioned during the year which will provide the bedrock for future prosperity and excellent working environment for its employees.

Our financial risk management has provided sufficient working capital for the company and this has been achieved by careful management of cash balances. The company's cash position has remained in line with expectation and we envisage this to continue. The cash position of the company remains stable.

On behalf of the board



.....
D R Mottershead

Director

31/10/19

THE LITTLE GREENE PAINT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2018

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

Principal activities

The principal activity during the year was the manufacture and sale of paints and the design and distribution of wallpapers.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

D R Mottershead
R E H Mottershead
B D Mottershead
M N Hanif
R M Ranken
M Cosgrove

(Appointed 28 April 2019)

Results and dividends

The results for the year are set out on page 6.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Charitable donations

During the year the company made charitable donations of £31,427 (2017 - £29,936).

Financial instruments

The company has a normal level of exposure to price, credit, liquidity and cash flow risks arising from its trading activities. The company does not enter into any hedging transactions.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 accounting 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

THE LITTLE GREENE PAINT COMPANY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

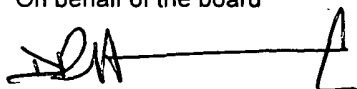
Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Going Concern

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

On behalf of the board



.....
D R Mottershead

Director

31/5/19

THE LITTLE GREENE PAINT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE LITTLE GREENE PAINT COMPANY LIMITED

Opinion

We have audited the financial statements of The Little Greene Paint Company Limited (the 'company') for the year ended 31 October 2018 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material 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.

Opinions on other matters prescribed by the Companies Act 2006

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

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

THE LITTLE GREENE PAINT COMPANY LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF THE LITTLE GREENE PAINT COMPANY LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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: <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.



Stephen Grayson FCCA (Senior Statutory Auditor)
for and on behalf of UHY Hacker Young Manchester LLP

315119

Chartered Accountants
Statutory Auditor

St James Building
79 Oxford Street
Manchester
M1 6HT

THE LITTLE GREENE PAINT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2018

	Notes	2018 £	2017 £
Turnover	3	23,879,847	22,476,229
Cost of sales		(16,155,530)	(14,880,261)
Gross profit		<u>7,724,317</u>	<u>7,595,968</u>
Administrative expenses		(2,470,474)	(2,286,023)
Profit before taxation		<u>5,253,843</u>	<u>5,309,945</u>
Taxation	7	(899,271)	(863,093)
Profit for the financial year		<u><u>4,354,572</u></u>	<u><u>4,446,852</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

THE LITTLE GREENE PAINT COMPANY LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2018

	2018 £	2017 £
Profit for the year	4,354,572	4,446,852
Other comprehensive income	-	-
Total comprehensive income for the year	<u>4,354,572</u>	<u>4,446,852</u>

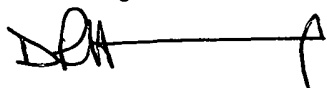
THE LITTLE GREENE PAINT COMPANY LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	8	1,112,310		614,268	
Investments	9	1		1	
		<u>1,112,311</u>		<u>614,269</u>	
Current assets					
Stocks	11	2,135,133		2,318,920	
Debtors	12	15,562,074		12,219,598	
Cash at bank and in hand		3,189,760		1,746,778	
		<u>20,886,967</u>		<u>16,285,296</u>	
Creditors: amounts falling due within one year	13	(3,918,010)		(3,223,038)	
Net current assets		<u>16,968,957</u>		<u>13,062,258</u>	
Total assets less current liabilities		<u>18,081,268</u>		<u>13,676,527</u>	
Provisions for liabilities	14	(50,169)		-	
Net assets		<u>18,031,099</u>		<u>13,676,527</u>	
Capital and reserves					
Called up share capital	17	2		2	
Capital redemption reserve	18	361,000		361,000	
Profit and loss reserves	19	17,670,097		13,315,525	
Total equity		<u>18,031,099</u>		<u>13,676,527</u>	

The financial statements were approved by the board of directors and authorised for issue on 31/10/19 and are signed on its behalf by:



D R Mottershead
Director

Company Registration No. 03202446

THE LITTLE GREENE PAINT COMPANY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2018

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2016	2	361,000	8,868,673	9,229,675
Year ended 31 October 2017:				
Profit and total comprehensive income for the year	-	-	4,446,852	4,446,852
Balance at 31 October 2017	2	361,000	13,315,525	13,676,527
Year ended 31 October 2018:				
Profit and total comprehensive income for the year	-	-	4,354,572	4,354,572
Balance at 31 October 2018	2	361,000	17,670,097	18,031,099

THE LITTLE GREENE PAINT COMPANY LIMITED

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

1 Accounting policies

Company information

The Little Greene Paint Company Limited is a private company limited by shares incorporated in England and Wales. The registered office is The Coachworks, 420 Ashton Old Road, Openshaw, Manchester, M11 2DT.

1.1 Accounting convention

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The Little Greene Paint Company Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the exemptions available to it in respect of its financial statements. Exemptions have been taken in relation to financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover represents amounts receivable for goods net of VAT and trade discounts, and is recognised on the dispatch of goods.

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), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets, other than freehold land, are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land & buildings	2% straight line
Plant and machinery	10% and 33% straight line
Fixtures, fittings & equipment	10%, 20% and 33% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks.

1.9 Financial instruments

The financial instruments of the company are all identified as basic financial instruments.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors and loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.13 Retirement benefits

The company contributes to personal pension schemes for certain staff. Such payments are charged to the profit and loss account as they become payable.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

1 Accounting policies

(Continued)

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.15 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

It is considered that the financial statements contain no critical judgements and key sources of estimation uncertainty.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	16,400,649	16,857,172
Rest of World	7,479,198	5,619,057
	<u>23,879,847</u>	<u>22,476,229</u>

4 Operating profit

	2018 £	2017 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(131,650)	(71,957)
Fees payable to the company's auditor for the audit of the company's financial statements	18,000	18,000
Depreciation of owned tangible fixed assets	149,734	120,652
Loss on disposal of tangible fixed assets	2,956	2,623
Cost of stocks recognised as an expense	7,472,485	8,108,918
Operating lease charges	<u>265,772</u>	<u>261,316</u>

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018 Number	2017 Number
Production	26	27
Selling and distribution	59	57
Administration	21	20
	<u>106</u>	<u>104</u>

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	3,925,528	3,552,137
Social security costs	355,540	354,948
Pension costs	138,875	99,266
	<u>4,419,943</u>	<u>4,006,351</u>

6 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	391,613	366,236
Company pension contributions to defined contribution schemes	42,289	18,438
	<u>433,902</u>	<u>384,674</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 5 (2017 - 5).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2018 £	2017 £
Remuneration for qualifying services	<u>140,987</u>	<u>101,328</u>

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

7 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	903,470	919,587
Adjustments in respect of prior periods	(57,133)	(60,113)
Total UK current tax	846,337	859,474
Foreign current tax on profits for the current period	2,765	3,619
Total current tax	849,102	863,093
Deferred tax		
Origination and reversal of timing differences	33,846	-
Adjustment in respect of prior periods	16,323	-
Total deferred tax	50,169	-
Total tax charge	899,271	863,093

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018 £	2017 £
Profit before taxation	5,253,843	5,309,945
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.41%)	998,230	1,030,660
Tax effect of expenses that are not deductible in determining taxable profit	8,139	9,132
Adjustments in respect of prior years	(57,133)	(60,113)
Group relief	(70,065)	(110,713)
Deferred tax adjustments in respect of prior years	16,323	-
Foreign corporation tax	2,765	3,619
Other adjustments	(33)	(9,492)
Ineligible depreciation	4,624	-
Difference in tax rates	(3,579)	-
Taxation charge for the year	899,271	863,093

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

8 Tangible fixed assets

	Freehold land & buildings	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 November 2017	332,666	1,618,230	595,268	259,244	2,805,408
Additions	-	140,186	431,556	108,734	680,476
Disposals	-	-	-	(94,038)	(94,038)
At 31 October 2018	332,666	1,758,416	1,026,824	273,940	3,391,846
Depreciation and impairment					
At 1 November 2017	38,845	1,537,613	494,545	120,137	2,191,140
Depreciation charged in the year	5,083	32,738	72,144	39,769	149,734
Eliminated in respect of disposals	-	-	-	(61,338)	(61,338)
At 31 October 2018	43,928	1,570,351	566,689	98,568	2,279,536
Carrying amount					
At 31 October 2018	288,738	188,065	460,135	175,372	1,112,310
At 31 October 2017	293,821	80,617	100,723	139,107	614,268

9 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	10	1	1

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 November 2017 & 31 October 2018	1
Carrying amount	
At 31 October 2018	1
At 31 October 2017	1

10 Subsidiaries

The Little Greene Paint Company Limited owns 100% of the ordinary share capital of Bradite Limited, a company incorporated in England & Wales, which is dormant.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

11 Stocks

	2018 £	2017 £
Raw materials and consumables	807,388	1,017,823
Finished goods and goods for resale	1,327,745	1,301,097
	<u>2,135,133</u>	<u>2,318,920</u>

12 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	3,105,275	2,521,620
Amount due from group undertakings	11,887,279	9,241,467
Other debtors	59,691	89,536
Prepayments and accrued income	509,829	366,975
	<u>15,562,074</u>	<u>12,219,598</u>

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,527,922	2,304,584
Amounts owed to group undertakings	1	1
Corporation tax	448,701	366,503
Other taxation and social security	539,615	359,053
Accruals and deferred income	401,771	192,897
	<u>3,918,010</u>	<u>3,223,038</u>

14 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	15	<u>50,169</u>	<u>-</u>

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

15 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
ACAs	52,649	-
Other short term timing differences	(2,480)	-
	<u>50,169</u>	<u>-</u>
Movements in the year:		2018 £
Liability at 1 November 2017		-
Charge to profit or loss		50,169
Liability at 31 October 2018		<u>50,169</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

16 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>138,875</u>	<u>99,266</u>

The company contributes to a defined contribution pension scheme for certain members of staff.

17 Share capital

	2018 £	2017 £
Alloted called up and fully paid		
1 'A' Ordinary share of £1	1	1
1 Deferred ordinary share of £1	1	1
	<u>2</u>	<u>2</u>

The shares rank pari passu in all respects other than the deferred shares carry no voting rights.

18 Capital redemption reserve

The capital redemption reserves relates to the excess paid on the buyback of certain shares.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

19 Profit and loss reserves

The profit and loss account includes all current and prior period retained profits and losses, net of dividends paid.

20 Financial commitments, guarantees and contingent liabilities

The company is party to a group bank loan agreement and therefore a cross guarantee is currently in place whereby a £3.5m loan at the year end (2017 - £3.5m), reflected in the accounts of the ultimate parent company, is secured on the assets of this company.

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	578,367	171,715
Between two and five years	2,128,308	269,651
In over five years	6,057,355	-
	<u>8,764,030</u>	<u>441,366</u>

22 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018 £	2017 £
Acquisition of tangible fixed assets	<u>1,280,000</u>	<u>-</u>

23 Events after the reporting date

On 1 November 2018 a separate legal entity was incorporated in France and the trade of The Little Greene Paint Company's Paris branch was transferred to the French entity.

THE LITTLE GREENE PAINT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2018

24 Controlling party

The immediate parent company is Little Greene Limited, a company registered in England and Wales.

The ultimate parent company is Little Greene (Holdings) Limited, a company registered in England and Wales.

The consolidated financial statements of Little Greene (Holdings) Limited may be obtained from the company's registered office at The Coachworks, 420 Ashton Old Road, Openshaw, Manchester, M11 2DT.

The ultimate controlling party is D R Mottershead, by virtue of his shareholding and directorship in Little Greene (Holdings) Limited.