

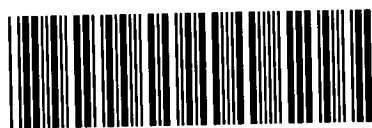
Registered number: 03469752

**R J B STONE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2019**

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**R J B STONE LIMITED**

**COMPANY INFORMATION**

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**Directors**

R Stone  
L Silenko  
D T Heap

**Registered number**

03469752

**Registered office**

Elsley Court  
20 - 22 Great Titchfield Street  
London  
W1W 8BE

**Independent auditor**

SRLV Audit Limited  
Chartered Accountants & Statutory Auditor  
Elsley Court  
20 - 22 Great Titchfield Street  
London  
W1W 8BE

## **R J B STONE LIMITED**

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## **R J B STONE LIMITED**

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

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#### **Business review**

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

The statement of comprehensive income on page 8 of the financial statements provides a summary of the company's trading results for the period. The performance and results for the year are in line with the directors' expectations.

The directors continue to review the business and industry to minimise or mitigate the risks that are prevalent in a commercial environment. The company continues to develop its product range and sales markets throughout the European Union and the rest of the world.

#### **Principal risks and uncertainties**

The company's principal risks are considered to be the economic environment in which it operates, supply chain management and operational efficiency. These risks are reviewed and managed through the company's business performance and risk management processes.

The company's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and cash flow risk, plus price and exchange rate risk.

The company has in place a risk management programme that seeks to limit the possible adverse effects on the financial performance of the company by monitoring levels of cash.

The directors have not delegated the responsibility of monitoring financial risk management and the company's finance department implements the policies set by the company's directors. The department has specific guidelines agreed by the directors to manage credit risk.

##### *Credit risk*

The company has implemented policies that require appropriate credit checks on potential customers before new accounts are accepted.

##### *Liquidity and cash flow risk*

The directors consider the company to have sufficient available funds for operations.

##### *Price risk*

Expenditure made by the company is authorised prior to it being made by management in order to ensure that goods and services are not obtained at a higher price than necessary.

##### *Exchange rate risk*

The company receives income in Euros and US dollars and pays costs in US dollars and as such is exposed to changes in foreign currency exchange rates. It is the company's policy to continually monitor movements in the exchange rates and take appropriate action as necessary. One such strategy the company employs in managing this risk is by taking out forward currency contracts which guarantee exchange rates of foreign currencies for a set period.

**R J B STONE LIMITED**

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

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**Financial key performance indicators**

Financial key performance indicators are used by the directors to manage the business and by the management team when liaising with clients. The management team is strong and focused on providing timely and accurate information and reports to ensure that the business continues to operate efficiently.

Financially, the company saw an increase in turnover of 6% between 2018 and 2019 and the gross profit margin has decreased from 24% in 2018 to 16% in 2019. Structural changes were made in the year to allow for growth at a higher rate. This was reviewed in Q4 when the business experienced a fall in revenue due to external economic and political factors.

The company constantly monitors a number of key performance indicators such as revenue growth by customer group, and gross and operating profit margins, to ensure optimal business performance. Analysis is maintained on monthly turnover, age of debt and margin rates.

This report was approved by the board on

**11 DEC 2019**

and signed on its behalf.



**R Stone**  
Director

## **R J B STONE LIMITED**

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

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

#### **Principal activity**

The principal activity of the company continued to be that of the design, manufacture and sale of gift and novelty items.

#### **Results and dividends**

The loss for the year, after taxation, amounted to £200,482 (2018 - profit £728,756).

The company has declared and paid a dividend of £300,000 (2018 - £150,000) in the year.

The directors do not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year were:

R Stone  
L Silenko (appointed 1 January 2019)  
D.T Heap (appointed 1 January 2019)

#### **Future developments**

The directors are focused on continuing to grow the business and expect to see an increase in turnover arising from its ongoing principal activity. The growth objective of the company will be achieved by strengthening existing business and targeting new markets.

#### **Matters covered in the strategic report**

The principal risks and uncertainties facing the company have been considered in the strategic report.

#### **Disclosure of information to auditors**

The directors at the time when this directors' report is approved have confirmed that:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditor**

Under section 487(2) of the Companies Act 2006, SRLV Audit Limited will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the board on

**11 DEC 2019**

and signed on its behalf.



**R Stone**  
Director

## **R J B STONE LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2019**

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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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 for the company's financial statements 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **R J B STONE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R J B STONE LIMITED**

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#### **Opinion**

We have audited the financial statements of R J B Stone Limited (the 'company') for the year ended 31 March 2019, which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 auditors' 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.



## **R J B STONE LIMITED**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R J B STONE LIMITED**

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#### **Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the strategic report and the 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.

#### **Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, 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 on page 4, 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.

#### **Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

**R J B STONE LIMITED**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF R J B STONE LIMITED**

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**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 auditors' 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.



Richard Gilbert (Senior Statutory Auditor)

for and on behalf of  
**SRLV Audit Limited**

Chartered Accountants  
Statutory Auditor

Elsley Court  
20 - 22 Great Titchfield Street  
London  
W1W 8BE

**11 DEC 2019**

# R J B STONE LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2019 £	2018 £
Turnover	4	13,959,515	13,183,472
Cost of sales		(11,763,564)	(9,970,148)
<b>Gross profit</b>		<b>2,195,951</b>	<b>3,213,324</b>
Administrative expenses		(2,407,374)	(2,245,885)
Other operating income	5	82,913	20,483
<b>Operating (loss)/profit</b>	6	<b>(128,510)</b>	<b>987,922</b>
Interest receivable and similar income	10	12,299	14,575
Interest payable and similar charges	11	(105,611)	(61,588)
<b>(Loss)/profit before tax</b>		<b>(221,822)</b>	<b>940,909</b>
Tax on profit	12	21,340	(212,153)
<b>(Loss)/profit for the financial year</b>		<b>(200,482)</b>	<b>728,756</b>

There was no other comprehensive income for 2019 (2018 - £NIL).

The notes on pages 12 to 29 form part of these financial statements.

**R J B STONE LIMITED**  
**REGISTERED NUMBER:03469752**

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

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	14	6,279	21,973
Tangible assets	15	352,146	490,728
		<u>358,425</u>	<u>512,701</u>
<b>Current assets</b>			
Stocks	16	2,587,944	1,990,711
Debtors	17	2,718,950	3,153,969
Cash at bank and in hand	18	463,298	198,380
		<u>5,770,192</u>	<u>5,343,060</u>
Creditors: amounts falling due within one year	19	(2,736,675)	(1,924,989)
<b>Net current assets</b>		<u>3,033,517</u>	<u>3,418,071</u>
<b>Total assets less current liabilities</b>		<u>3,391,942</u>	<u>3,930,772</u>
Creditors: amounts falling due after more than one year	20	-	(36,672)
<b>Provisions for liabilities</b>			
Deferred tax	24	(22,530)	(34,206)
Other provisions	25	(144,500)	(134,500)
		<u>(167,030)</u>	<u>(168,706)</u>
<b>Net assets</b>		<u>3,224,912</u>	<u>3,725,394</u>
<b>Capital and reserves</b>			
Called up share capital	26	2	2
Profit and loss account		3,224,910	3,725,392
		<u>3,224,912</u>	<u>3,725,394</u>

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

**11 DEC 2019**

**R Stone**  
Director

The notes on pages 12 to 29 form part of these financial statements.

**R J B STONE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2019**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2017</b>	<b>2</b>	<b>3,146,636</b>	<b>3,146,638</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	728,756	728,756
<b>Total comprehensive income for the year</b>	-	728,756	728,756
Dividends: Equity capital	-	(150,000)	(150,000)
<b>Total transactions with owners</b>	-	(150,000)	(150,000)
<b>At 1 April 2018</b>	<b>2</b>	<b>3,725,392</b>	<b>3,725,394</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(200,482)	(200,482)
<b>Total comprehensive income for the year</b>	-	(200,482)	(200,482)
Dividends: Equity capital	-	(300,000)	(300,000)
<b>Total transactions with owners</b>	-	(300,000)	(300,000)
<b>At 31 March 2019</b>	<b>2</b>	<b>3,224,910</b>	<b>3,224,912</b>

# R J B STONE LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
(Loss)/profit for the financial year	(200,482)	728,756
<b>Adjustments for:</b>		
Amortisation of Intangible assets	22,313	44,520
Depreciation of tangible assets	230,123	222,733
Loss on disposal of tangible assets	34,841	-
Interest payable and similar charges	105,611	61,588
Interest receivable and similar income	(12,299)	(14,575)
Taxation charge	(21,340)	212,153
Increase in stocks	(597,233)	(502,947)
Decrease/(Increase) in debtors	470,334	(571,082)
Increase in creditors	595,616	174,328
Increase in provisions	10,000	10,000
Corporation tax paid	(388)	(130,597)
<b>Net cash generated from operating activities</b>	<b>637,096</b>	<b>234,877</b>
<b>Cash flows from investing activities</b>		
Purchase of Intangible fixed assets	(6,619)	(5,600)
Purchase of tangible fixed assets	(126,382)	(117,786)
Interest received	12,299	14,575
<b>Net cash used in investing activities</b>	<b>(120,702)</b>	<b>(108,811)</b>
<b>Cash flows from financing activities</b>		
New secured loans	205,432	-
Repayment of loans	(190,480)	(234,479)
Repayment of finance leases	(78,329)	(73,971)
Movements on Invoice discounting	784,002	-
Dividends paid	(300,000)	(150,000)
Interest paid	(105,611)	(61,588)
<b>Net cash generated from / (used in) financing activities</b>	<b>315,014</b>	<b>(520,038)</b>
<b>Increase / (decrease) in cash and cash equivalents</b>	<b>831,408</b>	<b>(393,972)</b>
Cash and cash equivalents at beginning of year	(368,110)	25,862
<b>Cash and cash equivalents at the end of the year</b>	<b>463,298</b>	<b>(368,110)</b>
<b>Cash and cash equivalents at the end of the year comprise:</b>		
Cash at bank and in hand	463,298	198,380
Bank overdrafts	-	(566,490)
	<b>463,298</b>	<b>(368,110)</b>

## **R J B STONE LIMITED**

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

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#### **1. General information**

The principal activity of the company continued to be that of the design, manufacture and sale of gift and novelty items.

The company is a private company limited by shares and is registered in England and Wales. The address of the registered office is Elsley Court, 20 - 22 Great Titchfield Street, London, W1W 8BE. The address of the principal place of business is Unit 134 - 135 Battersea Business Centre, 99 - 109 Lavender Hill, London, SW11 5QL.

#### **2. Accounting policies**

##### **2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Turnover**

Turnover, which is stated excluding Value Added Tax and other sales related taxes, is the amount receivable for goods supplied less returns, trade discounts and allowances.

Retail sales, returns and allowances are reflected at the date of transaction with customers. Wholesale sales are recognised when the significant risks and rewards of ownership have transferred to the customer.

The whole of turnover is attributable to the sale of gift and novelty items.

##### **2.3 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Website development	-	3	years straight line
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## **R J B STONE LIMITED**

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

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#### **2. Accounting policies (continued)**

##### **2.4 Tangible fixed assets**

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

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

Depreciation is provided on the following basis:

Land and buildings leasehold	- term of lease
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 3 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amounts and are recognised in the statement of comprehensive income.

##### **2.5 Stocks**

Stock is valued at the lower of cost and net realisable value, being the estimated selling price less costs to sell. Cost is based on the cost of purchase plus any associated costs on a first in, first out basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its estimated selling price less costs to sell. The impairment loss is recognised immediately in the statement of comprehensive income.

##### **2.6 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

In the statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.



## **R J B STONE LIMITED**

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

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#### **2. Accounting policies (continued)**

##### **2.8 Financial instruments**

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

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the balance sheet date.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

##### **2.9 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**R J B STONE LIMITED**

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

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**2. Accounting policies (continued)**

**2.10 Foreign currency translation**

***Functional and presentation currency***

The company's functional and presentational currency is pound sterling.

***Transactions and balances***

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

**2.11 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**2.12 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

**2.13 Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 1 April 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

## **R J B STONE LIMITED**

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

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#### **2. Accounting policies (continued)**

##### **2.14 Leased assets**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### **2.15 Pensions**

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

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in creditors as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

##### **2.16 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the balance sheet date.

##### **2.17 Interest income**

Interest income is recognised in the statement of comprehensive incomes using the effective interest method.

##### **2.18 Borrowing costs**

All borrowing costs are recognised in the statement of comprehensive income in the year in which they are incurred.

##### **2.19 Dilapidation provision**

Provision for dilapidations is recognised where the company has an obligation in respect of dilapidations under the terms of the lease.

The provision is recognised as the estimated future expenditure to return the leased property to its condition at the start of the lease.

For leasehold improvements, a corresponding tangible fixed asset is capitalised and amortised over the lease term.

Other costs to restore dilapidations is the estimate of repair costs expected to be incurred and is provided over the lease term on a straight line basis.

**R J B STONE LIMITED**

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

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**2. Accounting policies (continued)**

**2.20 Current and deferred taxation**

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## **R J B STONE LIMITED**

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

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

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The directors' judgement, estimates and assumptions are based on the best and most reliable evidence at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent sensitivity involved making judgements, estimates and assumptions, the actual results and outcomes may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognised prospectively.

##### **a) Critical judgements in applying the company's accounting policies**

###### ***Assessing indicators of impairment***

In assessing whether there have been any indicators of impairment to assets, the directors consider both external and internal sources of information such as market conditions and experience of recoverability and establish a provision for receivables that are estimated not to be recoverable.

##### **b) Key accounting estimates and assumptions**

###### ***Provisions against slow moving inventory***

The company establishes a provision for slow moving inventory. When determining the provision, the directors consider factors such as the amount of the inventory holding and subsequent sales.

###### ***Provisions***

Provision is made for dilapidations. These provisions require management's estimate of the costs that will be incurred based on contractual requirements.

###### ***Recoverability of receivables***

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors consider factors such as the aging of the receivables, past experience of recoverability and the credit profile of the debtor.

###### ***Determining residual values and useful economic lives of property, plant and equipment and intangible fixed assets***

The company depreciates tangible assets and amortises intangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance, as well as expectations about future use, and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible and intangible fixed assets. When determining the residual value, management aim to assess the amount that the company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life.

**R J B STONE LIMITED**

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

**4. Turnover**

The whole of turnover is attributable to the sale of gift and novelty items.

A geographical analysis of turnover is as follows:

	2019 £	2018 £
United Kingdom	8,727,272	8,992,769
Rest of Europe	4,103,253	3,430,959
Rest of the world	1,128,990	759,744
	<u>13,959,515</u>	<u>13,183,472</u>

**5. Other operating income**

	2019 £	2018 £
Sundry income	<u>82,913</u>	<u>20,483</u>

**6. Operating (loss)/profit**

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

	2019 £	2018 £
Exchange differences	8,924	42,303
Other operating lease rentals	746,468	761,141
Depreciation	230,123	222,733
Amortisation	<u>22,313</u>	<u>44,520</u>

**7. Auditors' remuneration**

	2019 £	2018 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<u>35,000</u>	<u>32,500</u>
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
All other services	<u>900</u>	<u>5,900</u>

**R J B STONE LIMITED**

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

**8. Employees**

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

	2019 £	2018 £
Wages and salaries	3,662,934	2,797,499
Social security costs	292,351	231,932
Cost of defined contribution scheme	45,354	18,256
	<u>4,000,639</u>	<u>3,047,687</u>

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

	2019 No.	2018 No.
Directors	2	2
Office	50	41
Warehouse	51	44
Shop	18	21
	<u>121</u>	<u>108</u>

**9. Directors' remuneration**

	2019 £	2018 £
Directors' emoluments	63,412	38,910
Company contributions to defined contribution pension schemes	1,010	264
Compensation for loss of office	-	47,676
	<u>64,422</u>	<u>86,850</u>

During the year, retirement benefits were accruing to 2 directors (2018 - 2) in respect of defined contribution pension schemes.

**10. Interest receivable and similar income**

	2019 £	2018 £
Other Interest receivable	12,299	14,575
	<u>12,299</u>	<u>14,575</u>

**R J B STONE LIMITED**

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

**11. Interest payable and similar charges**

	2019 £	2018 £
Bank Interest payable	36,650	46,038
Hire purchase contracts	3,231	7,589
Other Interest payable	65,730	7,961
	<u>105,611</u>	<u>61,588</u>

**12. Taxation**

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	-	220,214
Adjustments in respect of previous periods	(9,664)	-
	<u>(9,664)</u>	<u>220,214</u>
<b>Total current tax</b>	<u>(9,664)</u>	<u>220,214</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(11,676)	(8,061)
<b>Total deferred tax</b>	<u>(11,676)</u>	<u>(8,061)</u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u>(21,340)</u>	<u>212,153</u>



# **R J B STONE LIMITED**

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

### **12. Taxation (continued)**

#### **Factors affecting tax charge for the year**

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

	2019 £	2018 £
(Loss)/profit on ordinary activities before tax	<b>(221,822)</b>	940,909
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	<b>(42,146)</b>	178,773
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>6,635</b>	12,756
Fixed asset differences	<b>18,988</b>	20,723
Losses carried back	<b>824</b>	-
Adjustments to tax charge in respect of prior periods	<b>(9,664)</b>	-
Other permanent differences	<b>2,650</b>	(1,048)
Other differences leading to a change in the tax charge	<b>1,373</b>	949
<b>Total tax charge for the year</b>	<b>(21,340)</b>	212,153

### **13. Dividends**

	2019 £	2018 £
Dividends paid on equity capital	<b>300,000</b>	150,000

**R J B STONE LIMITED**

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

**14. Intangible assets**

	<b>Website development £</b>
<b>Cost</b>	
At 1 April 2018	<b>206,800</b>
Additions	<b>6,619</b>
At 31 March 2019	<b>213,419</b>
<b>Amortisation</b>	
At 1 April 2018	<b>184,827</b>
Charge for the year	<b>22,313</b>
At 31 March 2019	<b>207,140</b>
<b>Net book value</b>	
At 31 March 2019	<b>6,279</b>
At 31 March 2018	<b>21,973</b>

**R J B STONE LIMITED**

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

**15. Tangible fixed assets**

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2018	653,389	17,252	352,841	219,237	1,242,719
Additions	16,035	-	57,464	52,883	126,382
Disposals	-	-	(122,203)	(17,082)	(139,285)
At 31 March 2019	<u>669,424</u>	<u>17,252</u>	<u>288,102</u>	<u>255,038</u>	<u>1,229,816</u>
<b>Depreciation</b>					
At 1 April 2018	361,662	8,657	205,181	176,491	751,991
Charge for the year	141,395	2,149	42,430	44,149	230,123
Disposals	-	-	(87,062)	(17,382)	(104,444)
At 31 March 2019	<u>503,057</u>	<u>10,806</u>	<u>160,549</u>	<u>203,258</u>	<u>877,670</u>
<b>Net book value</b>					
At 31 March 2019	<u>166,367</u>	<u>6,446</u>	<u>127,553</u>	<u>51,780</u>	<u>352,146</u>
At 31 March 2018	<u>291,726</u>	<u>8,595</u>	<u>147,661</u>	<u>42,746</u>	<u>490,728</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Leasehold improvements	58,777	88,166
Fixtures and fittings	19,335	43,504
	<u>78,112</u>	<u>131,670</u>

**16. Stocks**

	2019 £	2018 £
Finished goods and goods for resale	<u>2,587,944</u>	<u>1,990,711</u>

# R J B STONE LIMITED

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

### 17. Debtors

	2019 £	2018 £
<b>Due after more than one year</b>		
Other debtors	106,824	106,824
<b>Due within one year</b>		
Trade debtors	1,277,187	1,592,091
Other debtors	867,629	1,019,227
Prepayments and accrued income	319,194	287,711
Tax recoverable	148,116	148,116
	<u>2,718,950</u>	<u>3,153,969</u>

### 18. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	463,298	198,380
Less: bank overdrafts	-	(566,490)
	<u>463,298</u>	<u>(368,110)</u>

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

	2019 £	2018 £
Bank overdrafts	-	566,490
Bank loans	228,608	190,480
Trade creditors	616,997	388,334
Corporation tax	211,767	222,989
Other taxation and social security	150,965	64,094
Obligations under finance leases and hire purchase contracts	13,496	78,329
Proceeds of factored debts	784,002	-
Other creditors	506,957	158,214
Accruals and deferred income	223,883	256,059
	<u>2,736,675</u>	<u>1,924,989</u>

The invoice finance facility is secured by a mortgage debenture over the company's assets.

**R J B STONE LIMITED**

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

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

	2019 £	2018 £
Bank loans	-	23,176
Obligations under finance leases and hire purchase contracts	-	13,496
	<u>-</u>	<u>36,672</u>

**21. Loans**

Analysis of the maturity of loans is given below:

	2019 £	2018 £
<b>Amounts falling due within one year</b>		
Bank loans	<b>228,608</b>	190,480
<b>Amounts falling due 1-2 years</b>		
Bank loans	-	23,176
	<u><b>228,608</b></u>	<u>213,656</u>

The bank loan is repayable in instalments over 1 year from September 2018. Interest is payable on the loan at 4.23% over the Bank of England Base Rate.

The loans are secured by a mortgage debenture over the company's assets, and by a personal guarantee from R Stone, a director and shareholder in the company.

**22. Hire purchase leases**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	<b>13,593</b>	81,559
Between 1-5 years	-	13,593
	<u><b>13,593</b></u>	<u>95,152</u>

Obligations under hire purchase contracts are secured over the assets to which they relate.

**R J B STONE LIMITED**

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

**23. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>463,298</b>	198,380
Financial assets that are debt instruments measured at amortised cost	<b>2,215,156</b>	2,718,142
	<b><u>2,678,454</u></b>	<b><u>2,916,522</u></b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b>(2,337,460)</b>	1,674,578
	<b><u>(2,337,460)</u></b>	<b><u>1,674,578</u></b>

Financial assets measured at fair value through profit or loss comprise cash and bank in hand.

Financial assets that are debt instruments measured at amortised cost comprise trade debtors, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank overdrafts and loans, trade creditors, obligations under finance leases and hire purchase contracts, other creditors, invoice discounting and accruals.

**24. Deferred taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
At beginning of year	<b>34,206</b>	42,267
Profit and loss account movement	<b>11,676</b>	8,061
<b>At end of year</b>	<b><u>22,530</u></b>	<b><u>34,206</u></b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Fixed asset timing differences	<b><u>22,530</u></b>	<b><u>34,206</u></b>

# R J B STONE LIMITED

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

### 25. Provisions

	Dilapidations £
At 1 April 2018	134,500
Profit and loss account movement	10,000
<b>At 31 March 2019</b>	<b>144,500</b>

A dilapidation provision has been recognised in respect of the estimated cost of returning the company's warehouse to its original state at the end of the lease term. The provision is spread over the remaining period of tenancy, when the company expects to utilise the provision in full.

### 26. Share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
2 (2018 - 2) ordinary shares of £1 each	2	2

There are no restrictions on the distribution of dividends and the repayment of capital.

### 27. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £45,354 (2018 - £18,256). Contributions totalling £27,131 (2018 - £6,630) were payable to the fund at the balance sheet date and are included within creditors.

### 28. Commitments under operating leases

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

	2019 £	2018 £
Not later than 1 year	748,794	738,549
Between 1 and 5 years	2,468,850	2,335,819
More than 5 years	846,532	1,341,741
	<b>4,064,176</b>	<b>4,416,109</b>

**R J B STONE LIMITED**

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

**29. Transactions with directors**

**Loans to directors**

	Opening balance £	Amounts advanced £	Interest charged £	Dividends and repayments £	Closing balance £
R Stone	477,308	173,201	12,299	(326,267)	336,541

The maximum balance outstanding from the director during the year was:

R Stone - £628,515 (2018 - £617,441)

The loan to the director attracts interest at a rate of 2.5% (2018 - 2.5%) per annum and is repayable on demand.

**30. Related party transactions**

R Stone has provided personal guarantees of £600,000 in support of loans provided to the company during the year to 31 March 2019 (2018 - £450,000).

At the year end, M Stone, father of R Stone, owed the company £29,944 (2018 - £29,944) by way of a business loan.

During the year, the company provided an interest free loan of £14,036 (2018 - £NIL) and received rental payment totalling £16,250 (2018 - £NIL) to a company in which one of the directors is also a shareholder and director. The balance due to the company at the year end was £14,036 (2018 - £NIL).

Other than as disclosed within directors' remuneration in note 9, there was no remuneration in relation to key management personnel in the current or prior year.

**31. Controlling party**

The ultimate controlling party is R Stone, by virtue of his 100% shareholding.