

Registered number: 03469752

**R J B STONE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2018**

TUESDAY



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COMPANIES HOUSE

## **R J B STONE LIMITED**

### **COMPANY INFORMATION**

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<b>Director</b>	R Stone
<b>Registered number</b>	03469752
<b>Registered office</b>	5th Floor 89 New Bond Street London W1S 1DA
<b>Independent auditor</b>	SRLV Audit Limited Chartered Accountants & Statutory Auditor 89 New Bond Street London W1S 1DA

## **R J B STONE LIMITED**

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**R J B STONE LIMITED**  
**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 MARCH 2018**

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**Business review**

The director presents his report and the financial statements for the year ended 31 March 2018.

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 director's expectations.

The director continues 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 director has not delegated the responsibility of monitoring financial risk management and the company's finance department implements the policies set by the company's director. The department has specific guidelines agreed by the director 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 director considers the company to have sufficient available funds for operations and planned growth.

*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 2018**

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#### **Financial key performance indicators**

Financial key performance indicators are used by the director 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 profitably.

Financially, the company saw an increase in turnover of 15% between 2018 and 2017 and the gross profit margin has improved from 22% in 2017 to 24% in 2018. Structural changes implemented in the previous year led to an increase in operating profits.

The company constantly monitors a number of key performance indicators such as revenue growth by customer group, 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

**18 DEC 2018**

and signed on its behalf.



**R Stone**  
Director

## **R J B STONE LIMITED**

### **DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2018**

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The director presents his report and the financial statements for the year ended 31 March 2018.

#### **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 profit for the year, after taxation, amounted to £728,756 (2017 - loss £3,985).

The company has declared and paid a dividend of £150,000 (2017 - £170,000) in the year.

The director does not recommend payment of a final dividend.

#### **Directors**

The directors who served during the year were:

R Stone

P Dabrowska (resigned 31 March 2018)

#### **Future developments**

The director is 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 director at the time when this director's report is approved has confirmed that:

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

18 DEC 2018

and signed on its behalf.



**R Stone**  
Director

## **R J B STONE LIMITED**

### **DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

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The director is responsible for preparing the strategic report, the director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 2018, 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 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 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has 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 director is 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 (CONTINUED)**

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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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of director**

As explained more fully in the director's responsibilities statement on page 4, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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  
(CONTINUED)**

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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.

*SRLV Audit Limited*

Richard Gilbert (Senior Statutory Auditor)

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

Chartered Accountants  
Statutory Auditor

89 New Bond Street  
London  
W1S 1DA

**18 DEC 2018**

**R J B STONE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2018**

	Note	2018 £	2017 £
Turnover	4	<b>13,183,472</b>	11,420,928
Cost of sales		<b>(9,970,148)</b>	(8,860,754)
Exceptional cost of sales	5	-	(47,485)
<b>Gross profit</b>		<b>3,213,324</b>	2,512,689
Administrative expenses		<b>(2,245,885)</b>	(2,374,458)
Exceptional administrative expenses	5	-	(97,803)
Other operating income	6	<b>20,483</b>	20,402
<b>Operating profit</b>	7	<b>987,922</b>	60,830
Interest receivable and similar income	11	<b>14,575</b>	11,091
Interest payable and similar charges	12	<b>(61,588)</b>	(42,449)
<b>Profit before tax</b>		<b>940,909</b>	29,472
Tax on profit	13	<b>(212,153)</b>	(33,457)
<b>Profit/(loss) for the financial year</b>		<b>728,756</b>	(3,985)

There was no other comprehensive income for 2018 (2017 - £NIL).

The notes on pages 12 to 28 form part of these financial statements.

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

**BALANCE SHEET**  
**AS AT 31 MARCH 2018**

	Note	2018 £	2017 £
<b>Fixed assets</b>			
Intangible assets	15	21,973	60,893
Tangible assets	16	490,728	595,675
		<u>512,701</u>	<u>656,568</u>
<b>Current assets</b>			
Stocks	17	1,990,711	1,487,764
Debtors: amounts falling due after more than one year	18	106,824	106,824
Debtors: amounts falling due within one year	18	3,047,145	2,472,118
Cash at bank and in hand	19	198,380	416,660
		<u>5,343,060</u>	<u>4,483,366</u>
Creditors: amounts falling due within one year	20	(1,924,989)	(1,521,855)
<b>Net current assets</b>		<u>3,418,071</u>	<u>2,961,511</u>
<b>Total assets less current liabilities</b>		<u>3,930,772</u>	<u>3,618,079</u>
Creditors: amounts falling due after more than one year	21	(36,672)	(304,674)
<b>Provisions for liabilities</b>			
Deferred tax	25	(34,206)	(42,267)
Other provisions	26	(134,500)	(124,500)
		<u>(168,706)</u>	<u>(166,767)</u>
<b>Net assets</b>		<u><u>3,725,394</u></u>	<u><u>3,146,638</u></u>
<b>Capital and reserves</b>			
Called up share capital	27	2	2
Profit and loss account		3,725,392	3,146,636
		<u><u>3,725,394</u></u>	<u><u>3,146,638</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on **18 DEC 2018**

**R Stone**  
Director

The notes on pages 12 to 28 form part of these financial statements.

**R J B STONE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2018**

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 April 2016</b>	<b>2</b>	<b>3,320,621</b>	<b>3,320,623</b>
<b>Comprehensive income for the year</b>			
Loss for the year	-	(3,985)	(3,985)
<b>Total comprehensive income for the year</b>	-	(3,985)	(3,985)
Dividends: Equity capital	-	(170,000)	(170,000)
<b>Total transactions with owners</b>	-	(170,000)	(170,000)
<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 31 March 2018</b>	<b>2</b>	<b>3,725,392</b>	<b>3,725,394</b>

**R J B STONE LIMITED**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 MARCH 2018**

	2018 £	2017 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	728,756	(3,985)
<b>Adjustments for:</b>		
Amortisation of intangible assets	44,520	67,067
Depreciation of tangible assets	222,733	268,573
Interest payable and similar charges	61,588	42,449
Interest receivable and similar income	(14,575)	(11,091)
Taxation charge	212,153	33,457
(Increase)/decrease in stocks	(502,947)	734,813
Increase in debtors	(571,082)	(340,030)
Increase in creditors	174,328	44,680
Increase in provisions	10,000	10,000
Corporation tax paid	(130,597)	(148,017)
<b>Net cash generated from operating activities</b>	<b>234,877</b>	<b>697,916</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(5,600)	(54,720)
Purchase of tangible fixed assets	(117,786)	(221,884)
Interest received	14,575	11,091
<b>Net cash used in investing activities</b>	<b>(108,811)</b>	<b>(265,513)</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	400,000
Repayment of loans	(234,479)	(204,329)
Repayment of finance leases	(73,971)	(61,488)
Dividends paid	(150,000)	(170,000)
Interest paid	(61,588)	(42,449)
<b>Net cash used in financing activities</b>	<b>(520,038)</b>	<b>(78,266)</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(393,972)</b>	<b>354,137</b>
Cash and cash equivalents at beginning of year	25,862	(328,275)
<b>Cash and cash equivalents at the end of year</b>	<b>(368,110)</b>	<b>25,862</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	198,380	416,660
Bank overdrafts	(566,490)	(390,798)
	<b>(368,110)</b>	<b>25,862</b>

## **R J B STONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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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 5th Floor, 89 New Bond Street, London, W1S 1DA. The address of its 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 the 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 2018**

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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.

##### **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, loans from banks and other third parties and loans to related parties.



## **R J B STONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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

##### **2.8 Financial instruments (continued)**

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.

##### **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 within administrative expenses in the statement of comprehensive income.

## **R J B STONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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

##### **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 under FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard to continue to be charged over the period to the first market rent review rather than the term of the lease.

##### **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.

## **R J B STONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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

##### **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 existing 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.

##### **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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **2.21 Exceptional items**

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence.

## **R J B STONE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018**

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

In applying the company's accounting policies, the director is required to make judgements, estimates and assumptions in determining the carrying value of assets and liabilities. The director's 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 director considers both external and internal sources of information such as market conditions and experience of recoverability and establishes 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 director considers 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 director considers 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 of 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 2018

### 4. Turnover

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

A geographical analysis of turnover is as follows:

	2018 £	2017 £
United Kingdom	8,992,769	8,411,975
Rest of Europe	3,430,959	2,566,689
Rest of the world	759,744	442,264
	<b>13,183,472</b>	<b>11,420,928</b>

### 5. Exceptional items

	2018 £	2017 £
Exceptional items - cost of sales	-	47,485
Exceptional items - administrative expenses	-	97,803
	<b>-</b>	<b>145,288</b>

The exceptional items were in respect of costs arising from structural changes in the business in the year ended 31 March 2017.

### 6. Other operating income

	2018 £	2017 £
Sundry income	20,483	20,402

### 7. Operating profit

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

	2018 £	2017 £
Depreciation of tangible fixed assets	222,733	268,573
Amortisation of intangible assets	44,520	67,067
Exchange differences	42,303	(45,460)
Defined contribution pension cost	18,256	16,861
Operating lease costs - land and buildings	761,141	809,072
Operating lease costs - equipment hire	24,960	31,460

# R J B STONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 8. Auditors' remuneration

	2018 £	2017 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	<b>32,500</b>	33,500
<b>Fees payable to the company's auditor and its associates in respect of:</b>		
All other services	<b>5,900</b>	9,000

### 9. Employees

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

	2018 £	2017 £
Wages and salaries	<b>2,797,499</b>	2,416,001
Social security costs	<b>231,932</b>	207,915
Cost of defined contribution scheme	<b>18,256</b>	16,861
	<b>3,047,687</b>	2,640,777

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

	2018 No.	2017 No.
Directors	2	2
Office	41	37
Warehouse	44	39
Shop	21	25
	<b>108</b>	103

### 10. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	<b>38,910</b>	79,442
Company contributions to defined contribution pension schemes	<b>264</b>	750
Compensation for loss of office	<b>47,676</b>	-
	<b>86,850</b>	80,192

The number of directors with contributions paid to defined contribution pension schemes was 2 (2017 - 2).

**R J B STONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**11. Interest receivable and similar income**

	<b>2018</b> £	2017 £
Other interest receivable	<b>14,575</b>	11,091

**12. Interest payable and similar charges**

	<b>2018</b> £	2017 £
Bank interest payable	<b>46,038</b>	31,875
Hire purchase contracts	<b>7,589</b>	9,478
Other interest payable	<b>7,961</b>	1,096
	<b>61,588</b>	42,449

**13. Taxation**

	<b>2018</b> £	2017 £
<b>Corporation tax</b>		
Current tax on profits for the year	<b>220,214</b>	25,894
	<b>220,214</b>	25,894
<b>Total current tax</b>	<b>220,214</b>	25,894
<b>Deferred tax</b>		
Origination and reversal of timing differences	<b>(8,061)</b>	7,563
<b>Total deferred tax</b>	<b>(8,061)</b>	7,563
<b>Taxation on profit on ordinary activities</b>	<b>212,153</b>	33,457

**R J B STONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**13. Taxation (continued)**

**Factors affecting tax charge for the year**

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

	<b>2018</b> £	2017 £
Profit on ordinary activities before tax	<b>940,909</b>	29,472
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	<b>178,773</b>	5,894
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<b>12,756</b>	9,514
Fixed asset differences	<b>20,723</b>	32,030
Income not taxable	-	(11,544)
Other permanent differences	<b>(1,048)</b>	(1,103)
Other differences leading to a change in the tax charge	<b>949</b>	(1,334)
<b>Total tax charge for the year</b>	<b>212,153</b>	33,457

**14. Dividends**

	<b>2018</b> £	2017 £
Dividends paid on equity capital	<b>150,000</b>	170,000



**R J B STONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

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**15. Intangible assets**

	<b>Website development £</b>
<b>Cost</b>	
At 1 April 2017	<b>201,200</b>
Additions	<b>5,600</b>
At 31 March 2018	<b>206,800</b>
<b>Amortisation</b>	
At 1 April 2017	<b>140,307</b>
Charge for the year	<b>44,520</b>
At 31 March 2018	<b>184,827</b>
<b>Net book value</b>	
At 31 March 2018	<b>21,973</b>
At 31 March 2017	<b>60,893</b>

**R J B STONE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2018**

**16. Tangible fixed assets**

	Leasehold improvements £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>					
At 1 April 2017	640,794	12,022	432,911	173,972	1,259,699
Additions	12,595	5,230	51,436	48,525	117,786
Disposals	-	-	(131,506)	(3,260)	(134,766)
At 31 March 2018	<u>653,389</u>	<u>17,252</u>	<u>352,841</u>	<u>219,237</u>	<u>1,242,719</u>
<b>Depreciation</b>					
At 1 April 2017	223,586	5,792	287,392	147,254	664,024
Charge for the year	138,076	2,865	49,295	32,497	222,733
Disposals	-	-	(131,506)	(3,260)	(134,766)
At 31 March 2018	<u>361,662</u>	<u>8,657</u>	<u>205,181</u>	<u>176,491</u>	<u>751,991</u>
<b>Net book value</b>					
At 31 March 2018	<u>291,727</u>	<u>8,595</u>	<u>147,660</u>	<u>42,746</u>	<u>490,728</u>
At 31 March 2017	<u>417,208</u>	<u>6,230</u>	<u>145,519</u>	<u>26,718</u>	<u>595,675</u>

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

	2018 £	2017 £
Leasehold improvements	88,166	117,554
Fixtures and fittings	43,504	58,006
	<u>131,670</u>	<u>175,560</u>

**17. Stocks**

	2018 £	2017 £
Finished goods and goods for resale	<u>1,990,711</u>	<u>1,487,764</u>

# R J B STONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 18. Debtors

	2018 £	2017 £
<b>Due after more than one year</b>		
Other debtors	<b>106,824</b>	106,824
	<b>106,824</b>	106,824
<b>Due within one year</b>		
Trade debtors	<b>1,592,091</b>	1,158,255
Other debtors	<b>1,019,227</b>	884,109
Prepayments and accrued income	<b>287,711</b>	284,413
Tax recoverable	<b>148,116</b>	145,341
	<b>3,047,145</b>	2,472,118

Rent deposit balances of £106,824 (2017 - £106,824) within other debtors due after more than one year are secured by a fixed charge over the deposit.

### 19. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<b>198,380</b>	416,660
Less: bank overdrafts	<b>(566,490)</b>	(390,798)
	<b>(368,110)</b>	25,862

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

	2018 £	2017 £
Bank overdrafts	<b>566,490</b>	390,798
Bank loans	<b>190,480</b>	235,286
Trade creditors	<b>388,334</b>	197,391
Corporation tax	<b>222,989</b>	129,427
Other taxation and social security	<b>64,094</b>	115,866
Obligations under hire purchase contracts	<b>78,329</b>	73,971
Other creditors	<b>158,214</b>	128,731
Accruals and deferred income	<b>256,059</b>	250,385
	<b>1,924,989</b>	1,521,855

The overdraft 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 2018**

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

	<b>2018</b>	2017
	<b>£</b>	£
Bank loans	<b>23,176</b>	212,849
Obligations under hire purchase contracts	<b>13,496</b>	91,825
	<b><u>36,672</u></b>	<u>304,674</u>

**22. Loans**

Analysis of the maturity of loans is given below:

	<b>2018</b>	2017
	<b>£</b>	£
<b>Amounts falling due within one year</b>		
Bank loans	<b>190,480</b>	235,286
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>23,176</b>	212,849
	<b><u>213,656</u></b>	<u>448,135</u>

The bank loans are repayable in instalments over 3 years. Interest is payable on the loans at 3.75% and 4% over base rate.

The loans are secured by a mortgage debenture over the company's assets, by personal guarantees from R Stone, a director and shareholder in the company, and by a charge over a life policy on the life of R Stone held by the company.

**23. Hire purchase leases**

Minimum lease payments under hire purchase contracts fall due as follows:

	<b>2018</b>	2017
	<b>£</b>	£
Within one year	<b>81,559</b>	81,559
Between 1-5 years	<b>13,593</b>	95,153
	<b><u>95,152</u></b>	<u>176,712</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 2018

### 24. Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets measured at fair value through profit or loss	<b>198,380</b>	416,660
Financial assets that are debt instruments measured at amortised cost	<b>2,718,142</b>	2,149,188
	<b><u>2,916,522</u></b>	<b><u>2,565,848</u></b>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<b><u>1,674,578</u></b>	<b><u>1,581,236</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 hire purchase contracts, other creditors and accruals.

### 25. Deferred taxation

	2018 £	2017 £
At beginning of year	<b>42,267</b>	34,704
Profit and loss account movement	<b>(8,061)</b>	7,563
<b>At end of year</b>	<b><u>34,206</u></b>	<b><u>42,267</u></b>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Fixed asset timing differences	<b><u>34,206</u></b>	<b><u>42,267</u></b>

# R J B STONE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

### 26. Provisions

	Dilapidations £
At 1 April 2017	124,500
Charged to profit or loss	10,000
<b>At 31 March 2018</b>	<b>134,500</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.

### 27. Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
2 ordinary shares of £1 each	2	2

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

### 28. 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 £18,256 (2017 - £16,861). Contributions totalling £6,630 (2017 - £2,737) were payable to the fund at the balance sheet date, and are included within creditors.

### 29. Commitments under operating leases

At 31 March 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	738,549	763,353
Between 1 and 5 years	2,335,819	2,513,779
More than 5 years	1,341,741	1,886,950
	<b>4,416,109</b>	<b>5,164,082</b>

## R J B STONE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

#### 30. Transactions with directors

##### Loans to directors

	Opening balance £	Amounts advanced £	Interest charged £	Dividends and amounts written off £	Closing balance £
R Stone	468,769	144,834	13,705	(150,000)	477,308
P Dabrowska	34,398	-	870	(35,268)	-
	<u>503,167</u>	<u>144,834</u>	<u>14,575</u>	<u>(185,268)</u>	<u>477,308</u>

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

R Stone - £617,441 (2017 - £468,769)

P Dabrowska - £35,268 (2017 - £46,402)

All loans to directors attract interest at a rate of 2.5% (2017 - 3%) per annum and are repayable on demand.

#### 31. Related party transactions

R Stone has provided personal guarantees of £150,000 and £300,000 in support of loans taken out by the company during the year to 31 March 2017, and has provided a personal guarantee of £300,000 in support of the bank overdraft held by the company.

At the year end, M Stone, father of R Stone, owed the company £29,944 (2017 - £29,944) by way of a business loan.

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

#### 32. Controlling party

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