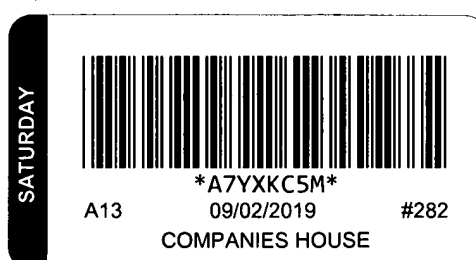


Registered number: 03728924

Forever Enterprises Limited

Annual report and financial statements

For the year ended 30 June 2018



Forever Enterprises Limited

Company Information

Director	Joseph Jacob
Registered number	03728924
Registered office	Third Floor 24 Chiswell Street London EC1Y 4YX
Independent auditors	Kreston Reeves LLP Chartered Accountants & Statutory Auditors Third Floor 24 Chiswell Street London EC1Y 4YX

Forever Enterprises Limited

Contents

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 8
Statement of comprehensive income	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 27
The following pages do not form part of the statutory financial statements:	
Detailed profit and loss account and summaries	28 - 31

Forever Enterprises Limited

Strategic report For the year ended 30 June 2018

Introduction

The director presents his strategic report for the year ended 30th June 2018.

Business review

The year ended 30 June 2018 showed a slight decrease in turnover and profit.

- Mitigating this loss, the company continued to secure profitable and volumous export sales with further new brands. A trend strongly continuing into the next financial year.

2018 in spite of challenging trading conditions now in place, post year-end management accounts show the company continuing to make steady progress.

The company exchanged on the purchase of a refurbished warehouse, with completion occurring during the next financial year. Many expenses are expected and associated with such a move it is thought that the interest paid on the mortgage undertaken with the purchase of the property more than offsets the cost of rent paid in our previous premises. The management felt it was important to secure the purchase of the warehouse thereby securing a certain stability lacking in a rental arrangement.

The company feels that at the time of writing this report, some opportunities have arisen which make the outlook more positive and coupled with resolving the lack of proficient administrative and sales staff, the move to the new warehouse and so on, it is in a strong position to maximise the benefit of these opportunities

Principal risks and uncertainties

The company's operations expose it to a variety of financial risks that include the effects of foreign exchange risk, credit risk and liquidity risk. The company has in place a risk management program that seeks to limit the adverse effects on the financial performance of the company by monitoring the levels of financial risks.

Supply chain

The company's performance is heavily influenced by the decision making and policies of it key suppliers regarding the supply of spare parts. In practice this has been a strength rather than a weakness because of the strong benefits accruing to all parties to the existing relationships.

Foreign Exchange Risk

The company is exposed to foreign exchange risk in the normal course of business, principally in respect of purchases in euros. The company uses forward exchange contracts to assist in the hedge of foreign currency exposure.

Credit Risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The company has a relatively short list of key customers and operates effective credit controls.

Liquidity Risk

The company carries some levels of debt, but there are sufficient available funds to meet repayments and carry on operations for the foreseeable future.

Forever Enterprises Limited

Strategic report (continued) For the year ended 30 June 2018

Financial key performance indicators

The key financial performance indicators used to determine the progress and performance of the company are set out below;

<u>Performance indicator</u>	<u>2018</u> £	<u>2017</u> £
Turnover	11,577,508	13,210,112
Gross Profit	2,250,972	2,422,926
Net profit after tax	784,488	943,932

The board acknowledges that all headline KPIs have seen decreases in the financial year. This is due to a downturn in market conditions, however the company has secured profitable and high volume sales on new branded products, which resulted in a improvement in gross profit margin to 19% (2017: 18%). It is expected that a similar pattern will emerge for 2019 although, the director remains pleased with the underlying performance of the company.

Other key performance indicators

The key non-financial performance indicators used to determine the progress and performance of the company are set out below;

Staff turnover
Brand awareness
Client service

The performance indicators are reviewed by the management team on a regular basis in order to access the progress of the company. The management team are pleased with the overall performance based on the company results and client retention.

This report was approved by the board on

22/1/19

and signed on its behalf.


Joseph Jacob
Director

Forever Enterprises Limited

Director's report For the year ended 30 June 2018

The director presents his report and the audited financial statements for the year ended 30 June 2018.

Director's responsibilities statement

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

Company law requires the director to prepare audited financial statements for each financial year. Under that law the director has elected to prepare the audited 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 audited 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 audited financial statements, the director is required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the audited 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 audited 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.

Results and dividends

The profit for the year, after taxation, amounted to £784,488 (2017 - £943,932).

During the year, interim dividends of £1.643 (2017: £1.178) per share were paid amounting to £821,500 (2017: £589,000).

Director

The director who served during the year was:

Joseph Jacob

Future developments

The director continues to ensure the company's organic growth and progression by ensuring that strong focus on client service.

Financial instruments

Liquidity Risk

The company carries some levels of debt, but there are sufficient available funds to meet repayments and carry on operations for the foreseeable future.

Interest Rate Risk

The company borrows from its bankers using term loans whose tenure depends on the nature of the asset and management's view of the future direction of the interest rate.

Forever Enterprises Limited

Director's report (continued) For the year ended 30 June 2018

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.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditors, Kreston Reeves LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



Joseph Jacob
Director

Date: 22/1/19

Forever Enterprises Limited

Independent auditors' report to the shareholders of Forever Enterprises Limited

Opinion

We have audited the financial statements of Forever Enterprises Limited (the 'Company') for the year ended 30 June 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity 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 30 June 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.

Independent auditors' report to the shareholders of Forever Enterprises Limited (continued)

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 directors

As explained more fully in the Director's responsibilities statement on page 3, 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 have no realistic alternative but to do so.

Independent auditors' report to the shareholders of Forever Enterprises Limited (continued)

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the director.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent auditors' report to the shareholders of Forever Enterprises Limited (continued)

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.



Stephen Tanner BSc(Econ) FCA (Senior statutory auditor)
for and on behalf of

Kreston Reeves LLP
Chartered Accountants
Statutory Auditor
London

Date: 22nd January 2019.

Forever Enterprises Limited

Statement of comprehensive income For the year ended 30 June 2018

	Note	2018 £	2017 £
Turnover	4	11,577,508	13,210,112
Cost of sales		(9,326,536)	(10,787,186)
Gross profit		2,250,972	2,422,926
Distribution costs		(224,975)	(246,086)
Administrative expenses		(1,021,936)	(1,000,413)
Operating profit	5	1,004,061	1,176,427
Interest payable and similar charges	9	(33,782)	(589)
Profit before tax		970,279	1,175,838
Tax on profit	10	(185,791)	(231,906)
Profit for the financial year		784,488	943,932
Other comprehensive income for the year			
Cash flow hedges - fair value movement		875	57,925
Income tax relating to other comprehensive income		(149)	(11,585)
Other comprehensive income for the year		726	46,340
Total comprehensive income for the year		785,214	990,272

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income.


The notes on pages 13 to 27 form part of these financial statements.

Forever Enterprises Limited
Registered number: 03728924

Balance sheet
As at 30 June 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	12	<u>2,569,487</u>	<u>2,418,151</u>
		2,569,487	2,418,151
Current assets			
Stocks	13	819,257	912,862
Debtors: amounts falling due within one year	14	2,378,654	2,032,984
Cash at bank and in hand	15	<u>1,310,193</u>	<u>2,396,446</u>
		4,508,104	5,342,292
Creditors: amounts falling due within one year	16	<u>(1,106,156)</u>	<u>(3,250,314)</u>
Net current assets		3,401,948	2,091,978
Total assets less current liabilities		5,971,435	4,510,129
Creditors: amounts falling due after more than one year	17	(1,466,468)	-
Provisions for liabilities			
Deferred tax	20	<u>(31,124)</u>	<u>-</u>
		(31,124)	-
Net assets		4,473,843	4,510,129
Capital and reserves			
Called up share capital	21	500,000	500,000
Other reserves	22	726	-
Profit and loss account	22	<u>3,973,117</u>	<u>4,010,129</u>
		4,473,843	4,510,129

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



22/1/19

Joseph Jacob
Director

The notes on pages 13 to 27 form part of these financial statements.

Forever Enterprises Limited

Statement of changes in equity For the year ended 30 June 2018

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2017	500,000	-	4,010,129	4,510,129
Profit for the year	-	-	784,488	784,488
Movement on fair value of cash flow reserve	-	875	-	875
Movement on tax in relation to other comprehensive income	-	(149)	-	(149)
Dividends: Equity capital	-	-	(821,500)	(821,500)
At 30 June 2018	500,000	726	3,973,117	4,473,843

The notes on pages 13 to 27 form part of these financial statements.

Statement of changes in equity For the year ended 30 June 2017

	Called up share capital	Cash flow hedge reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 July 2016	500,000	(46,340)	3,655,197	4,108,857
Profit for the year	-	-	943,932	943,932
Movement on fair value of cash flow reserve	-	57,925	-	57,925
Movement on tax in relation to other comprehensive income	-	(11,585)	-	(11,585)
Dividends: Equity capital	-	-	(589,000)	(589,000)
At 30 June 2017	500,000	-	4,010,129	4,510,129

The notes on pages 13 to 27 form part of these financial statements.

Forever Enterprises Limited

Statement of cash flows For the year ended 30 June 2018

	2018 £	2017 £
Cash flows from operating activities		
Profit for the financial year	784,488	943,932
Adjustments for:		
Depreciation of tangible assets	75,458	9,240
Loss on disposal of tangible assets	4,782	-
Interest paid	33,782	-
Taxation charge	185,791	231,906
Decrease in stocks	93,605	256,198
(Increase)/decrease in debtors	(345,670)	329,925
(Decrease)/increase in creditors	(2,219,111)	2,314,168
Corporation tax (paid)	(231,906)	(246,014)
Net cash generated from operating activities	(1,618,781)	3,839,355
Cash flows from investing activities		
Purchase of tangible fixed assets	(231,576)	(2,400,745)
Net cash from investing activities	(231,576)	(2,400,745)
Cash flows from financing activities		
Bank loan less repayments	120,383	-
Mortgage less repayments	1,498,617	-
Dividends paid	(821,500)	(589,000)
Interest paid	(33,782)	-
Net cash used in financing activities	763,718	(589,000)
Net (decrease)/increase in cash and cash equivalents	(1,086,639)	849,610
Cash and cash equivalents at beginning of year	2,395,957	1,488,422
Fair value movement	875	57,925
Cash and cash equivalents at the end of year	1,310,193	2,395,957
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,310,193	2,396,446
Bank overdrafts	-	(489)
	1,310,193	2,395,957

The notes on pages 13 to 27 form part of these financial statements.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2018

1. General information

Forever Enterprises Limited is a company limited by shares, incorporated in England and Wales. Its registered office is at Third Floor, 24 Chiswell Street, London, EC1Y 4YX and the company registered number is 03728924. The nature of the company's operations and principal activities are set out in the Strategic Report and Report of the Directors.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
 - the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
 - the amount of revenue can be measured reliably;
 - it is probable that the Company will receive the consideration due under the transaction; and
 - the costs incurred or to be incurred in respect of the transaction can be measured reliably.
- Revenue is recognised upon when goods are despatched.

2.3 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.

2.4 Borrowing costs

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

**Notes to the financial statements
For the year ended 30 June 2018**

2. Accounting policies (continued)

2.5 Pensions

Defined contribution pension plan

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 Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.6 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 in the countries where the Company operates and generates income.

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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Company can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

**Notes to the financial statements
For the year ended 30 June 2018**

2. Accounting policies (continued)

2.7 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold property	-	4% Straight line
Plant and machinery	-	25% Reducing balance
Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	25% Reducing balance
Computer equipment	-	25% Reducing balance

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 amount and are recognised in the Statement of comprehensive income.

The company recognised the purchase of the company's freehold property once an unconditional exchange of contracts has been executed. No depreciation is provided until the asset has been brought in use in the business.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.9 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.

**Notes to the financial statements
For the year ended 30 June 2018**

2. Accounting policies (continued)

2.10 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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.

2.11 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.

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2.13 Financial instruments

The Company enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

**Notes to the financial statements
For the year ended 30 June 2018**

2. Accounting policies (continued)

2.13 Financial instruments (continued)

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.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

2.14 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.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company is a wholesaler of automotive parts, which are subject to changing consumer demands. As a result it is necessary to consider the net realisable value of stock and associated provision for impairments along the provision for obsolete stock. In calculating the stock impairment provision, management considers the nature and condition of the stock as well as the anticipated saleability of goods held and estimation on an aging basis and agreed by management.

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2018

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Automotive parts	11,577,508	13,210,112
	<u>11,577,508</u>	<u>13,210,112</u>

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	6,950,950	9,033,981
Rest of Europe	4,188,843	3,319,159
Rest of the world	437,715	856,972
	<u>11,577,508</u>	<u>13,210,112</u>

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	75,458	9,240
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,500	11,800
Exchange differences	(251,074)	71,734
Other operating lease rentals	107,056	154,974
Defined contribution pension cost	5,374	3,392
	<u></u>	<u></u>

6. Auditors' remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>10,000</u>	<u>9,500</u>
Fees payable to the Company's auditor and its associates in respect of:		
Accounts production	1,500	1,400
Taxation compliance services	1,000	900
	<u>2,500</u>	<u>2,300</u>

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2018

7. Employees

Staff costs, including director's remuneration, were as follows:

	2018 £	2017 £
Wages and salaries	482,777	521,758
Cost of defined contribution scheme	5,374	3,392
	<u>488,151</u>	<u>525,150</u>

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

	2018 No.	2017 No.
Management	1	1
Administration and warehouse	13	13
	<u>14</u>	<u>14</u>

8. Director's remuneration

	2018 £	2017 £
Director's emoluments	138,257	145,983
	<u>138,257</u>	<u>145,983</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	33,782	589
	<u>33,782</u>	<u>589</u>

Notes to the financial statements
For the year ended 30 June 2018

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	154,554	231,906
Adjustments in respect of previous periods	262	-
	<u>154,816</u>	<u>231,906</u>
Total current tax	<u>154,816</u>	<u>231,906</u>
Deferred tax		
Origination and reversal of timing differences	30,975	-
Total deferred tax	<u>30,975</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>185,791</u>	<u>231,906</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.75%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	970,279	1,175,838
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.75%)	184,353	232,228
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	909	(322)
Capital allowances for year in excess of depreciation	(30,708)	-
Adjustments to tax charge in respect of prior periods	262	-
Deferred tax	30,975	-
Total tax charge for the year	<u>185,791</u>	<u>231,906</u>

Factors that may affect future tax charges

There are no further factors affecting the future tax charges.

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2018**

11. Dividends

	2018	2017
	£	£
Dividends paid	821,500	589,000
	821,500	589,000

Forever Enterprises Limited

Notes to the financial statements
For the year ended 30 June 2018

12. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
Cost or valuation						
At 1 July 2017	2,390,455	6,211	40,752	27,623	18,114	2,483,155
Additions	117,823	-	-	101,650	12,103	231,576
Disposals	-	-	-	(18,390)	(12,363)	(30,753)
At 30 June 2018	<u>2,508,278</u>	<u>6,211</u>	<u>40,752</u>	<u>110,883</u>	<u>17,854</u>	<u>2,683,978</u>
Depreciation						
At 1 July 2017	-	4,405	29,057	19,383	12,159	65,004
Charge for the year on owned assets	40,133	451	2,928	27,450	4,496	75,458
Disposals	-	-	-	(16,540)	(9,431)	(25,971)
At 30 June 2018	<u>40,133</u>	<u>4,856</u>	<u>31,985</u>	<u>30,293</u>	<u>7,224</u>	<u>114,491</u>
Net book value						
At 30 June 2018	<u>2,468,145</u>	<u>1,355</u>	<u>8,767</u>	<u>80,590</u>	<u>10,630</u>	<u>2,569,487</u>
At 30 June 2017	<u>2,390,455</u>	<u>1,806</u>	<u>11,695</u>	<u>8,240</u>	<u>5,955</u>	<u>2,418,151</u>

Forever Enterprises Limited

Notes to the financial statements For the year ended 30 June 2018

12. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2018 £	2017 £
Freehold property	2,468,145	2,390,455
	<u>2,468,145</u>	<u>2,390,455</u>

Included in within freehold property is land at a value of £1,434,273, which is not depreciated.

13. Stocks

	2018 £	2017 £
Finished goods and goods for resale	819,257	912,862
	<u>819,257</u>	<u>912,862</u>

Stock recognised in cost of sales during the year as an expense was £34,288 (2017: £256,198).

14. Debtors

	2018 £	2017 £
Trade debtors	1,785,159	1,212,010
Other debtors	497,860	755,831
Prepayments and accrued income	95,635	65,143
	<u>2,378,654</u>	<u>2,032,984</u>

15. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,310,193	2,396,446
Less: bank overdrafts	-	(489)
	<u>1,310,193</u>	<u>2,395,957</u>

Notes to the financial statements
For the year ended 30 June 2018

16. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank overdrafts	-	489
Bank loans	29,686	-
Mortgage	122,846	-
Trade creditors	679,772	337,838
Corporation tax	154,554	231,644
Other taxation and social security	43,859	11,061
Other creditors	-	2,567,198
Accruals and deferred income	75,439	102,084
	<u>1,106,156</u>	<u>3,250,314</u>

17. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Bank loans	90,697	-
Mortgage	1,375,771	-
	<u>1,466,468</u>	<u>-</u>

Notes to the financial statements
For the year ended 30 June 2018

18. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	29,686	-
Mortgage	122,846	-
	<u>152,532</u>	<u>-</u>
Amounts falling due 1-2 years		
Bank loans	29,686	-
Mortgage	122,846	-
	<u>152,532</u>	<u>-</u>
Amounts falling due 2-5 years		
Bank loans	61,011	-
Mortgage	491,383	-
	<u>552,394</u>	<u>-</u>
Amounts falling due after more than 5 years		
Mortgage	761,542	-
	<u>761,542</u>	<u>-</u>
	<u><u>1,619,000</u></u>	<u><u>-</u></u>

The long-term loans of £1,375,771 (2017: £nil) are secured by fixed charges over the company's properties. Company loans are wholly repayable within five years include £120,383 (2017 – £nil) secured by a floating charge over the company's assets. The interest rate for both loans were 2.25%.

Forever Enterprises Limited

**Notes to the financial statements
For the year ended 30 June 2018**

19. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through statement of comprehensive income	726	-
Financial assets that are debt instruments measured at amortised cost	2,283,019	1,967,841
	<u>2,283,745</u>	<u>1,967,841</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,418,070)	(3,007,153)
	<u>(2,418,070)</u>	<u>(3,007,153)</u>

Financial assets measured at fair value through statement of comprehensive income comprise forward contracts.

Financial assets that are debt instruments measured at amortised cost comprise debtors.

Financial liabilities measured at amortised cost comprise creditors.

20. Deferred taxation

	2018 £
Charged to profit or loss	(31,124)
At end of year	<u>(31,124)</u>

The deferred taxation balance is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(31,084)	-
Pension surplus	109	-
Revaluation reserves	(149)	-
	<u>(31,124)</u>	<u>-</u>

21. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
500,000 (2017 - 500,000) Ordinary shares of £1.00 each	500,000	500,000
	<u>500,000</u>	<u>500,000</u>

**Notes to the financial statements
For the year ended 30 June 2018**

21. Share capital (continued)

22. Reserves

Other reserves

Other reserves represents the fair value movement on forward contracts.

Profit and loss account

Profit and loss account includes all current and prior period retained profits and losses.

23. Pension commitments

The Company operates a defined contributions 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 £5,374 (2017: £3,392).

24. Commitments under operating leases

The Company had no commitments under the non-cancellable operating leases as at the balance sheet date.

25. Related party transactions

At the year end the company paid £812,500 (2017: £589,000) to shareholders of the company.

Amounts due from the director at the year end was £265,097 (2017: £456 due from director).

26. Controlling party

In the opinion of the director, there is no ultimate controlling party.