Registered number: 03779009

Benlowe Group Limited

Directors' Report and Financial Statements

For the Year Ended 30 September 2017

DAINS

ACCOUNTANTS

Benlowe Group Limited

Company Information

Directors	M J Harris N R James
Company secretary	N R James
Registered number	03779009
Registered office	Park Road Ratby Leicester Leicestershire LE6 0JL
Independent auditors	Dains LLP 15 Colmore Row Birmingham B3 2BH
Solicitors	DLA Piper UK LLP Victoria Square House Victoria Square Birmingham B2 4DL

Benlowe Group Limited

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Benlowe Group Limited

Strategic Report
For the Year Ended 30 September 2017

Business review

An Operating Profit before goodwill amortisation and restructuring expenses of £391,031 was achieved in the year. This is up from £221,047 for the previous year and the additional restructuring costs for 2016 of £127,946 were also eliminated. Closing the Stairs activity in 2016 enabled the business to focus successfully on its core Doors and Windows activity without distractions. The 2016 turnover included loss-making Stairs sales of £564,000.

The business currently considers that its order book level is quite adequate and confirms it is fully loaded with contracts through to late Summer of 2018. Current trading for the half year to March shows profits up on budget and on prior year and there is every present indication that this trend will continue for the remainder of the year.

The 4% government living wage legislation is also pushing wage inflation up to cover differentials for the majority of employees not just those on lower wages.

A number of projects to put in more profitable products in house and reduce costs are already underway this year. Capital spend to further expand sales and production is under active review after successfully investing in the previous year to facilitate an increase in core capacity.

The workforce are thanked for their continued flexibility.

Principal risks and uncertainties

The Company's principal financial instruments comprise cash, hire purchase, and intercompany borrowings. The main purpose of these financial instruments is to finance the company's operations. The company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. The company does not enter into derivative transactions.

It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, and credit risk. The board reviews and agrees policies for managing each of these risks and they are summarised below.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. The directors prepare forecasts which are regularly reviewed to ensure sufficient liquidity is maintained. The intercompany balances will not be repaid if the company can not afford to do so.

Credit risk

The company seeks to trade with recognised creditworthy third parties. It is company policy that all significant customers who wish to trade on credit terms are subject to credit vetting procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant, and seeks to maintain adequate provision for disputes and doubtful debts in today's difficult market conditions. The company where possible will obtain credit insurance for its debts.

Financial key performance indicators

Key performance indicators monitored by the company include turnover by employee £81,000 (2016: £73,000) and debtor days 47 days (2016: 49 days).

Future developments

Market conditions short term appear steady but serving housebuilding is always prone to fluctuation further out.

This report was approved by the board on 24 April 2018 and signed on its behalf.

NR James

N R James
Secretary

The directors present their report and the financial statements for the year ended 30 September 2017.

Principal activity

The principal activities of the company are the manufacture and marketing of window boards, wooden window frames, doors, door sets, and associated products.

Results and dividends

The profit for the year, after taxation, amounted to £162,550 (2016 - loss £73,873).

The directors do not recommend the payment of a dividend on the ordinary shares (2016 - £nil)

Directors

The directors who served during the year were:

M J Harris
N R James

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director 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

During the year Dains LLP were reappointed as auditors. Dains LLP have expressed their willingness to continue in office and will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 24 April 2018 and signed on its behalf.

N R James

N R James
Secretary

Independent Auditors' Report to the Members of Benlowe Group Limited

Opinion

We have audited the financial statements of Benlowe Group Limited (the 'Company') for the year ended 30 September 2017, which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, 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 September 2017 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 directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an 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.

Dains LLP

Mark Hargate FCA (Senior Statutory Auditor)

for and on behalf of
Dains LLP

Statutory Auditor
Chartered Accountants

Birmingham

24 April 2018

Profit and Loss Account
For the Year Ended 30 September 2017

	Note	2017 £	2016 £
Turnover	4	**7,583,480**	7,676,958
Cost of sales		**(5,800,054)**	(5,981,107)
Gross profit		**1,783,426**	1,695,851
Distribution costs		**(232,305)**	(295,720)
Administrative expenses		**(1,160,090)**	(1,179,084)
Operating profit before goodwill amortisation and restructuring expenses	5	**391,031**	221,047
Goodwill amortisation		**(147,860)**	(147,860)
Restructuring expenses		**-**	(127,946)
Operating profit/(loss)		**243,171**	(54,759)
Interest payable and similar expenses	9	**(17,813)**	(20,675)
Profit/(loss) before tax		**225,358**	(75,434)
Tax on profit/(loss)	10	**(62,808)**	1,561
Profit/(loss) for the financial year		**162,550**	(73,873)

The notes on pages 13 to 28 form part of these financial statements.

Statement of Comprehensive Income
For the Year Ended 30 September 2017

	Note	2017 £	2016 £
Profit/(loss) for the financial year		**162,550**	(73,873)
Other comprehensive income			
Total comprehensive income for the year		**162,550**	(73,873)

Benlowe Group Limited
Registered number:03779009

Balance Sheet
As at 30 September 2017

	Note		2017 £		2016 £
Fixed assets					
Intangible assets	11		**299,493**		447,353
Tangible assets	12		**809,535**		761,102
Investments	13		**442,838**		442,838
			1,551,866		1,651,293
Current assets					
Stocks	14	**394,210**		425,200	
Debtors: amounts falling due within one year	15	**2,263,972**		2,302,781	
Cash at bank and in hand	16	**1,212,490**		984,095	
		3,870,672		3,712,076	
Creditors: amounts falling due within one year	17	**(1,946,317)**		(2,061,689)	
Net current assets			**1,924,355**		1,650,387
Total assets less current liabilities			**3,476,221**		3,301,680
Creditors: amounts falling due after more than one year	18		**(38,011)**		(37,618)
Provisions for liabilities					
Deferred tax	21		**(94,000)**		(82,402)
Net assets			**3,344,210**		3,181,660
Capital and reserves					
Called up share capital	22		**347,826**		347,826
Share premium account	23		**410,839**		410,839
Profit and loss account	23		**2,585,545**		2,422,995
			3,344,210		3,181,660

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 April 2018.

NR James

N R James
Director
The notes on pages 13 to 28 form part of these financial statements.

Statement of Changes in Equity
For the Year Ended 30 September 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2016	347,826	410,839	2,422,995	3,181,660
Comprehensive income for the year				
Profit for the year	-	-	162,550	162,550
Total comprehensive income for the year	-	-	162,550	162,550
At 30 September 2017	347,826	410,839	2,585,545	3,344,210

Statement of Changes in Equity
For the Year Ended 30 September 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 October 2015	**347,826**	**410,839**	**2,496,868**	**3,255,533**
Comprehensive income for the year				
Loss for the year	-	-	**(73,873)**	**(73,873)**
Total comprehensive income for the year	-	-	**(73,873)**	**(73,873)**
At 30 September 2016	**347,826**	**410,839**	**2,422,995**	**3,181,660**

The notes on pages 13 to 28 form part of these financial statements.

1. General information

Benlowe Group Limited is a company incorporated in the England and Wales under the Companies Act. The Company is a private Company limited by shares. The address of the Company's registered office is shown on Company information page. The principal activities of the Company and the nature of its operations are set out in the Directors' report.

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 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d).

This information is included in the consolidated financial statements of Benlowe Group Holdings Limited as at 30 September 2017 and these financial statements may be obtained from Park Road, Ratby, Leicester, Leicestershire, LE6 0JL.

2.3 Going concern

As described in the strategic report, the directors currently consider that the company's order book level is quite adequate and confirms it is fully loaded with contracts through to late Summer of 2018. Current trading for the half year to March shows profits up on budget and on prior year and there is every present indication that this trend will continue for the remainder of the year. The company continues to preserves cash and controls the cost base.

The parent company has since the year end further renegotiated with its bankers revisions to the financial covenants and capital repayment terms associated with the bank loans, through to 31 March 2019. As a consequence of this, the loan repayment terms and banking covenants now agreed are believed by the Board to be achievable.

The directors have prepared cash flow forecasts through to 30 September 2019, incorporating the revised agreed bank loan repayment profile and making certain assumptions concerning the renewal of the bank facilities in March 2019, which demonstrates that the group continues to be able to meet its liabilities as they fall due for a period of at least twelve months from the date of approval of these financial statements. With the above taken in to account, the Directors consider that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

2. Accounting policies (continued)

2.4 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.

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and Loss Account over its useful economic life.

2.6 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5% - 20% straight line
Motor vehicles	- 25% 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 amount and are recognised in the Profit and Loss Account.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2. Accounting policies (continued)

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 averagebasis. 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.

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.

2.11 Financial instruments

The Company only 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.

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.

2.12 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.

2.13 Finance costs

Finance costs are charged to the Profit and Loss Account 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. Accounting policies (continued)

2.14 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

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

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 October 2015 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.15 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 Profit and Loss Account 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.

2.16 Holiday pay accrual

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

2.17 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 Profit and Loss Account 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. Accounting policies (continued)

2.18 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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; 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.

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

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates.

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

Critical judgements in applying the companies accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that the most significant effect on the amounts recognised in the financial statements.

Depreciation and residual values

The directors have reviewed the asset lives and associated residual values of all fixed asset classes, and in particular, the useful economic life and residual values of plant and machinery, and have concluded that asset lives and residual values are appropriate.

Trade debtors

The total carrying value of trade debtors are net of impairment losses on trade debtors. A different assessment of the recoverability of the balance, with reference to either the ability or willingness of the customer to pay, may result in different values being determined

4. Turnover

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

	2017 £	2016 £
Sale of doors, windows and stairs	**7,583,480**	7,676,958
	7,583,480	7,676,958

All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Amortisation of goodwill	**147,860**	147,860
Depreciation of tangible assets - owned by the company	**112,443**	107,928
Depreciation of tangible assets - held under finance lease	**12,681**	67,998
Operating Lease Rentals - Land and Buildings	**195,000**	214,000
Operating Lease Rentals - plant and machinery	**41,666**	84,333
Defined contribution pension cost	**90,247**	74,178

6. Auditors' remuneration

	2017 £	2016 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	**14,150**	13,800

7. Employees

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

	2017 £	2016 £
Wages and salaries	**2,281,025**	2,342,645
Social security costs	**222,603**	195,535
Cost of defined contribution scheme	**90,247**	74,178
	2,593,875	2,612,358

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

	2017 No.	2016 No.
Production staff	**80**	86
Sales and administration	**16**	21
	96	107

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	**189,060**	150,117
Company contributions to defined contribution pension schemes	**41,715**	31,546
	230,775	181,663

During the year retirement benefits were accruing to 2 directors (2016 - 2) in respect of defined contribution pension schemes.

9. Interest payable and similar charges

	2017 £	2016 £
Finance leases and hire purchase contracts	**17,813**	20,675
	17,813	20,675

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profit/(loss) for the year	**51,210**	15,597
Total current tax	**51,210**	15,597
Deferred tax		
Origination and reversal of timing differences	**16,176**	(7,202)
Effect of tax rate change on opening balance	**(4,578)**	(9,956)
Total deferred tax	**11,598**	(17,158)
Taxation on profit/(loss) on ordinary activities	**62,808**	(1,561)

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.50% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit/(loss) on ordinary activities before tax	**225,358**	(75,434)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.50% (2016 - 20%)	**43,942**	(14,991)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	**28,831**	31,594
Adjust closing deferred tax to average rate of 19.50%	**(13,756)**	(9,156)
Adjust opening deferred tax to average rate of 19.50%	**6,861**	-
Deferred tax not recognised	**406**	-
Group relief	**(3,476)**	(9,008)
Total tax charge for the year	**62,808**	(1,561)

11. Intangible assets

	Goodwill £
Cost	
At 1 October 2016	**2,957,200**
At 30 September 2017	**2,957,200**
Amortisation	
At 1 October 2016	**2,509,847**
Charge for the year	**147,860**
At 30 September 2017	**2,657,707**
Net book value	
At 30 September 2017	**299,493**
At 30 September 2016	447,353

12. Tangible fixed assets

	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 October 2016	**4,712,270**	**103,926**	**4,816,196**
Additions	**187,281**	**-**	**187,281**
Disposals	**(482,119)**	**(35,411)**	**(517,530)**
At 30 September 2017	**4,417,432**	**68,515**	**4,485,947**
Depreciation			
At 1 October 2016	**3,954,473**	**100,621**	**4,055,094**
Charge for the year on owned assets	**109,138**	**3,305**	**112,443**
Charge for the year on financed assets	**12,681**	**-**	**12,681**
Disposals	**(468,395)**	**(35,411)**	**(503,806)**
At 30 September 2017	**3,607,897**	**68,515**	**3,676,412**
Net book value			
At 30 September 2017	**809,535**	**-**	**809,535**
At 30 September 2016	757,797	3,305	761,102

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

	2017 £	2016 £
Plant and machinery	**138,471**	339,721
	138,471	339,721

13. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 October 2016	**4,610,004**
At 30 September 2017	**4,610,004**
Impairment	
At 1 October 2016	**4,167,166**
At 30 September 2017	**4,167,166**
Net book value	
At 30 September 2017	**442,838**
At 30 September 2016	442,838

The company owns control of 100% of the ordinary share capital of T L Bennett Holdings Ltd, Bennett Windows Limited and Thomas Lowe Joinery Limited, companies registered in England and Wales.

These companies traded up to 22 October 1999 when their trade, assets and liabilities were transferred to Benlowe Group Limited on their acquisition. The subsidiary companies ceased to trade and became dormant with effect from that date.

14. Stocks

	2017 £	2016 £
Raw materials and consumables	**59,477**	181,004
Work in progress (goods to be sold)	**334,733**	244,196
	394,210	425,200

15. Debtors

	2017 £	2016 £
Trade debtors	**1,165,243**	1,424,157
Amounts owed by group undertakings	**960,380**	757,884
Other debtors	**-**	120
Prepayments and accrued income	**138,349**	120,620
	2,263,972	2,302,781

16. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	**1,212,490**	984,095
	1,212,490	984,095

17. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	**976,047**	1,186,370
Amounts owed to group undertakings	**445,838**	445,838
Corporation tax	**51,306**	29,729
Other taxation and social security	**87,385**	177,612
Obligations under finance lease and hire purchase contracts	**45,552**	56,172
Other creditors	**136,262**	66,100
Accruals and deferred income	**203,927**	99,868
	1,946,317	2,061,689

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

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	**38,011**	37,618
	38,011	37,618

Secured loans

Obligations under finance leases and hire purchase contracts are secured on the related assets.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	**45,552**	56,172
Between 1-5 years	**38,011**	25,616
Over 5 years	**-**	12,002
	83,563	93,790

20. Financial instruments

	2017 £	2016 £
Financial assets		
Measured at undiscounted amount receivable		
Trade debtors and other debtors (see note 15)	**1,165,243**	1,424,277
Amounts owed by group undertakings (see note 15)	**960,380**	757,884
Cash and cash equivalents (see note 16)	**1,212,490**	984,095
	3,338,113	3,166,256
Financial liabilities		
Measured at amortised cost		
Obligations under finance leases (see note 19)	**83,563**	93,790
Measured at undiscounted amount payable		
Trade and other creditors (see note 17)	**1,179,974**	1,286,238
Amounts owed to group undertakings (see note 17)	**445,838**	445,838
	(1,709,375)	(1,825,866)

21. Deferred taxation

	2017 £	2016 £
At beginning of year	**(82,402)**	(99,560)
Charged to profit or loss	**(11,598)**	17,158
At end of year	**(94,000)**	(82,402)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	**95,997**	83,932
Tax losses carried forward	**(1,997)**	(1,530)
	94,000	82,402

22. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
200,000 Ordinary shares of £1 each	**200,000**	200,000
147,826 'A' Ordinary shares of £1 each	**147,826**	147,826
	347,826	347,826

The ordinary and 'A' ordinary shares carry equal voting rights in the majority of situations. However, the 'A' ordinary shares have priority as to both nominal value and premium paid in the event of winding up the company.

Any proposed dividend to the ordinary shareholders is subject to agreement of 75% of 'A' ordinary shareholders.

23. Reserves

Share premium account

The share premium reserve represents the premium arising on the issue of share equity, net of issue expenses.

Profit & loss account

The profit and loss reserve represents the cumulative profits or losses, net of paid dividends and other adjustments.

24. Contingent liabilities

The assets of the business are provided as security for the banking of the parent undertaking, Benlowe Group Holdings Limited. At 30 September 2017, this amounted to £1,083,122 (2016: £1,496,186).

25. 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 £90,247 (2016 - £74,178). At the year end the amount of contributions outstanding was £8,207 (2016 - £6,697).

26. Commitments under operating leases

At 30 September 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and Buildings		
Not later than 1 year	**160,000**	160,000
Later than 1 year and not later than 5 years	**360,000**	520,000
	520,000	680,000

	2017 £	2016 £
Other		
Not later than 1 year	**27,084**	41,666
Later than 1 year and not later than 5 years	**7,751**	19,883
	34,835	61,549

27. Related party transactions

The company has taken advantage of the exemption conferred by FRS 102 s33.5 "Related party disclosures" not to disclose transactions with members of the group headed by Benlowe Group Holdings Limited, on the grounds that 100% of the voting rights in the company are controlled within that group and the company is included in consolidated financial statements

28. Controlling party

The largest and smallest group in which the results of the company are consolidated is that headed by Benlowe Group Holdings Limited, incorporated in England and Wales.

The consolidated accounts of this group are available to the public and may be obtained from the group at Benlowe Group Holdings Limited, Park Road, Ratby, Leicester, Leicestershire, LE6 0JL.