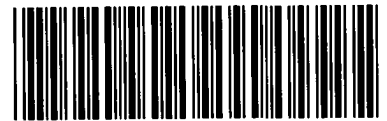


Financial Statements

Victorian Plumbing Limited

For the period ended 31 March 2017

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COMPANIES HOUSE

Registered number: 04079213

Company Information

Directors	M A Radcliffe N G Radcliffe
Registered number	04079213
Registered office	Unit 41, Diamond House Stephenson Way Formby Business Park Liverpool Merseyside L37 8EG
Independent auditor	Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS
Bankers	HSBC Plc 99 - 101 Lord Street Liverpool Merseyside L2 6PG
Solicitors	Gordons LLP Forward House 8 Duke Street Bradford West Yorkshire BD1 3QX

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Strategic Report

For the period ended 31 March 2017

Business review

In contrast to the current industry performance Victorian Plumbing Limited has continued on its unparalleled growth trajectory and is now the UK's largest online bathroom retailer. This growth has been recognised nationally, recently achieving 16th place in the Times FastTrack 100 feature and being acknowledged by the London Stock Exchange as a company that inspires Britain.

These financial statements present the results for an eighteen month period to 31st March 2017, with the comparatives being for a twelve month period to 30th September 2015. During the course of this period the business has continued to invest aggressively in brand building, covering both digital and offline mediums. Despite the considerable investment made in this area we have continued to increase our net profit. Even in challenging market conditions and the recent vote on Brexit has been managed successfully to grow and develop the business.

Other challenges have presented themselves, recruitment continues to be one of the biggest challenges we face which can be attributed to the speed/rate of growth we have achieved over a prolonged period of time. In addition to this court action from a rival online trader, which resulted in an order being made to prevent us bidding on specific key words. Although the judge decided in our favour on the issue of our counterclaim, we do not wish to prolong any court action. This decision has been aided by our positive post judgement performance, given the constraints of the judgement have had no significant impact and the business has continued to make strides forward, both in terms of turnover and profits.

The judge has given us permission to appeal to the Court of Appeal and an appeal has now been filed. We are hopeful that the correct decision is eventually reached. A provision has been included in the current financial statements, which reflect the potential costs in the event that the decision is not overturned by the Court of Appeal.

Principal risks and uncertainties

The management of the company is subject to a number of risks and uncertainties.

The company operates in a highly competitive and busy retail sector, particularly around, product range, price, service and availability. Failure to pay attention to any of these elements would result in failing to meet customer expectations, potentially reduced sales and excessive stock holdings. To mitigate this there is a considerable focus on service, business management software, monitoring of competitor activities and the constant analysis of company performance and procedures. The company monitors its performance through both the management team and business management software. The management team regularly review forecasts and management accounts to ensure targets are met.

The company's cash flows are regularly monitored, and its budget and forecasts presented and approved by the management. To meet its obligations the company regularly monitors its liquidity, giving regard to its working capital requirements and the available banking facilities and other financing.

In addition to this we will continue to monitor the effects of Brexit closely to ensure we mitigate any associated risks

Strategic Report

For the period ended 31 March 2017

Future developments

The company continues to look to exploit opportunities both at home and abroad, with a new website developed and set to launch in other territories. Internally a full audit of systems and practices will see the business increase efficiencies and provide the platform to manage the expected increase in sales for the foreseeable future. This will include, but is not limited to completing the implementation of the new business software and warehouse management systems. In addition to this we are looking to develop and expand our current supply chain to ensure the best possible pricing and service levels to further enhance our gross margin.

The company remains committed to exploring further advertising opportunities, having committed to a 12 month sponsorship deal with Channel 4 and we have another exciting opportunity in the pipeline which is unique to the industry and currently being developed, which will be rolled out in 2018.

Financial key performance indicators

	18 months to 31 Mar 2017	12 months to 30 Sep 2015
	£'m	£'m
Turnover	124.4	41.6

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



M A Radcliffe
Director

Date: 18/12/2017

Directors' Report

For the period ended 31 March 2017

The directors present their report and the financial statements for the period ended 31 March 2017.

On 30 June 2017 the company extended its accounting reference date from 30 September 2016 to 31 March 2017. These financial statements therefore represent an 18 month period.

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 judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Results and dividends

The profit for the period, after taxation, amounted to £3,369,624 (2015 - £1,158,919).

The directors have recommended dividend payments in the current period and previous year. Details can be found in note 10 to the financial statements.

Directors

The directors who served during the period were:

M A Radcliffe

N G Radcliffe

C E Radcliffe (resigned 1 October 2017)

Directors' Report (continued)

For the period ended 31 March 2017

Disclosure of information to auditor

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 auditor is 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 auditor is aware of that information.

Post balance sheet events

Post period end greater clarity has been achieved in relation to the on going legal case, referred to in the strategic report. As a result, based upon advice from legal advisors, a provision has been made within these financial statements for the best estimate of the cost to the company.

Auditor

The auditor, Grant Thornton UK LLP, was appointed during the financial period and 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.



M A Radcliffe
Director

Date: 18/12/2017

Independent Auditor's Report to the Members of Victorian Plumbing Limited

We have audited the financial statements of Victorian Plumbing Limited for the period from 1 October 2015 to 31 March 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the 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.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of Directors and Auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Independent Auditor's Report to the Members of Victorian Plumbing Limited (continued)

Basis for qualified opinion on the statement of income and retained earnings and the statement of cash flows

We were appointed auditors to the company on 30 September 2016 and therefore did not attend the stocktake or observe the physical counting of stock as at 30 September 2015. Due to the quantities of stock movement and the passing of time between 30 September 2015 and our appointment we have been unable to perform alternative procedures to obtain sufficient, appropriate audit evidence with respect to the opening balance of stock at 1 October 2015 totalling £4,182,948. Since stock enters into the determination of the financial performance and statement of cash flows, we are unable to determine whether adjustments might have been necessary in respect of the profit for the period reported in the statement of income and retained earnings and the net cash flow generated from operating activities reported in the statement of cash flows.

Qualified opinion on the statement of income and retained earnings and the statement of cash flows

In our opinion, except for the possible effects on the matter described in the Basis for qualified opinion on the statement of income and retained earnings and statement of cash flows paragraph, the statement of income and retained earnings and statement of cash flows:

- give a true and fair view of the state of the Company's affairs as at 31 March 2017 and of its profit for the period 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.

Opinion on the statement of financial position

In our opinion, the statement of financial position:

- gives a true and fair view of the state of the Company's affairs as at 31 March 2017;
- has been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- has been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and the Directors' report for the financial period for which the financial statements are prepared is consistent with those financial statements.



Independent Auditor's Report to the Members of Victorian Plumbing Limited (continued)

Matters on which we are required to report by exception

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

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

A handwritten signature in cursive script, appearing to read "Emma Stoddart UK LLP".

Emma Stoddart (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Liverpool

Date: 19/12/17

Statement of Comprehensive Income

For the period ended 31 March 2017

		Period from 1 October 2015 to 31 March 2017	Restated year to 30 September 2015
	Note	£	£
Turnover	4	124,442,016	41,638,342
Cost of sales		(108,597,945)	(36,141,167)
Gross profit		15,844,071	5,497,175
Administrative expenses		(9,828,389)	(4,009,140)
Exceptional administrative expenses	11	(1,991,896)	-
Operating profit	5	4,023,786	1,488,035
Interest receivable and similar income		5,560	-
Interest payable and expenses	8	(15,171)	(7,248)
Profit before tax on ordinary activities		4,014,175	1,480,787
Tax on profit on ordinary activities	9	(644,551)	(321,868)
Profit for the period		3,369,624	1,158,919
Other comprehensive income for the period			
Total comprehensive income for the period		3,369,624	1,158,919

There were no recognised gains and losses for 2017 or 2015 other than those included in the statement of comprehensive income.

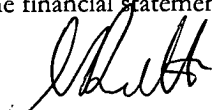
The notes on pages 14 to 31 form part of these financial statements.

Statement of Financial Position

As at 31 March 2017

	Note	31 March 2017 £	Restated 30 September 2015 £
Fixed assets			
Intangible assets	12	847,474	-
Tangible assets	13	872,299	781,405
		<u>1,719,773</u>	<u>781,405</u>
Current assets			
Stocks	14	6,993,031	4,182,948
Debtors: amounts falling due within one year	15	4,302,691	1,935,404
Cash at bank and in hand	16	214,699	1,615,371
		<u>11,510,421</u>	<u>7,733,723</u>
Creditors: amounts falling due within one year	17	(11,236,273)	(7,822,264)
Net current assets/(liabilities)		<u>274,148</u>	<u>(88,541)</u>
Total assets less current liabilities		<u>1,993,921</u>	<u>692,864</u>
Creditors: amounts falling due after more than one year	18	(46,198)	(193,099)
Provisions for liabilities			
Deferred tax	23	(46,133)	(78,144)
Other provisions	24	(1,491,896)	-
		<u>(1,538,029)</u>	<u>(78,144)</u>
Net assets		<u><u>409,694</u></u>	<u><u>421,621</u></u>
Capital and reserves			
Called up share capital	25	800	800
Profit and loss account		408,894	420,821
Shareholders' funds		<u><u>409,694</u></u>	<u><u>421,621</u></u>

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


M A Radcliffe
Director

Date: 18/12/2017

The notes on pages 14 to 31 form part of these financial statements.

Statement of Changes in Equity

For the period ended 31 March 2017

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2015	800	420,821	421,621
Comprehensive income for the period			
Profit for the period	-	3,369,624	3,369,624
Dividends: Equity capital	-	(3,381,551)	(3,381,551)
Total transactions with owners	-	(3,381,551)	(3,381,551)
At 31 March 2017	800	408,894	409,694

Statement of Changes in Equity

For the period ended 30 September 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 October 2014 (as previously stated)	800	1,116,029	1,116,829
Prior year adjustment	-	(411,936)	(411,936)
At 1 October 2014 (as restated)	800	704,093	704,893
Comprehensive income for the year			
Profit for the year	-	1,158,919	1,158,919
Dividends: Equity capital	-	(1,442,191)	(1,442,191)
Total transactions with owners	-	(1,442,191)	(1,442,191)
At 30 September 2015	800	420,821	421,621

The notes on pages 14 to 31 form part of these financial statements.

Statement of Cash Flows

For the period ended 31 March 2017

	18 months to 31 March 2017 £	12 months to 30 September 2015 £
Cash flows from operating activities		
Profit for the financial period	3,369,624	1,158,919
Adjustments for:		
Amortisation of intangible assets	164,291	-
Depreciation of tangible assets	445,266	139,839
Loss on disposal of tangible assets	16,757	(4,632)
Interest paid	15,171	7,248
Interest received	(5,560)	-
Taxation charge	644,551	321,868
Increase in stocks	(2,810,084)	(1,997,220)
Increase in debtors	(2,382,717)	(730,794)
Increase in creditors	3,388,672	4,299,962
Increase in provisions	1,491,896	-
Corporation tax (paid) / received	(613,554)	(290,437)
Net cash generated from operating activities	3,724,313	2,904,753
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,011,765)	-
Purchase of tangible fixed assets	(615,808)	(238,639)
Sale of tangible fixed assets	62,891	24,001
Interest received	5,560	-
HP interest paid	(8,898)	-
Net cash from investing activities	(1,568,020)	(214,638)
Cash flows from financing activities		
Repayment of loans	(137,210)	(11,503)
Repayment of/new finance leases	(31,931)	100,292
Dividends paid	(3,381,551)	(1,442,191)
Interest paid	(6,273)	(7,248)
Net cash used in financing activities	(3,556,965)	(1,360,650)
Net (decrease)/increase in cash and cash equivalents	(1,400,672)	1,329,465
Cash and cash equivalents at beginning of period	1,615,371	285,906
Cash and cash equivalents at the end of period	214,699	1,615,371
Cash and cash equivalents at the end of period comprise:		
Cash at bank and in hand	214,699	1,615,371

Statement of Cash Flows (continued)

For the period ended 31 March 2017

31 March 2017 £	30 September 2015 £
<u>214,699</u>	<u>1,615,371</u>

Notes to the Financial Statements

For the period ended 31 March 2017

1. General information

Victorian Plumbing Limited, is a company incorporated in the United Kingdom, and its registered office is Unit 41 Diamond House, Stephenson Way, Formby Business Park, Liverpool, Merseyside, L37 8EG.

The principal activity of the company is an online retailer of bathroom furniture and accessories.

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.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The financial statements have been presented in Sterling (£).

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 Going concern

The financial statements have been prepared on a going concern basis. The following paragraphs set out the basis on which the directors have reached their conclusion.

The Company currently meets its working capital requirements through its cash reserves.

The directors have assessed the current and forecasted performance of the business which show that the company will be able to operate for the foreseeable future within the level of its current cash resources. Accordingly, they continue to adopt the going concern basis in preparation of these financial statements..

2.3 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:

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 at the point of despatch from the warehouse to the customer.

Notes to the Financial Statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.4 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.

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:

Development expenditure	-	3	years
Software	-	5	years

2.5 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, on the following bases.

Depreciation is provided on the following basis:

Freehold property	- No depreciation charge provided
Long-term leasehold property	- Amortised over the lease period
Plant and machinery	- 15% on reducing balance
Motor vehicles	- 20% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Office equipment	- 33% on cost

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.

2.6 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.

At each reporting 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 and loss.

Notes to the Financial Statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.7 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.

2.8 Financial instruments

The Company only enters into basic financial instruments 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 and loans to related parties.

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

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.

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 reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

2.9 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.

Notes to the Financial Statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling (£).

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of income and retained earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of income and retained earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of income and retained earnings within 'other operating income'.

2.11 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. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.12 Operating leases: the Company as lessee

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

2.13 Hire purchase agreements

Assets obtained under hire purchase contract 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.

Notes to the Financial Statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.14 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 income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.15 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 Statement of financial position 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 Statement of financial position.

2.16 Current and deferred taxation

The tax expense for the period 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 reporting 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 Statement of financial position 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 reporting date.

Notes to the Financial Statements

For the period ended 31 March 2017

2. Accounting policies (continued)

2.17 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.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

- Depreciation of fixed assets in respect of the useful economic lives, which are assessed by management on an annual basis based on historic information and condition of the assets.
- Amortisation of intangible assets in respect of the useful economic lives, which are assessed by management on an annual basis based on historic information and condition of the assets.
- Provision made in respect of an ongoing legal claim at 31 March 2017, this has been assessed by management based on third party consultation and disclosure has been made in note 24 to the financial statements.

4. Turnover

The whole of the turnover is attributable to the principal activity of the company. All turnover arose within the United Kingdom.

5. Operating profit

The operating profit is stated after charging:

	Period from 1 October 2015 to 31 March 2017	Year to 30 September 2015
	£	£
Depreciation of owned tangible fixed assets	425,064	114,711
Depreciation of tangible fixed assets held under finance leases	20,202	25,128
Profit/(loss) on disposal of tangible fixed assets	16,757	(4,632)
- The audit of the Company's subsidiaries pursuant to legislation	55,000	15,000
- Taxation compliance services	6,000	-
Foreign exchange losses	195,920	595
Operating lease rentals - Land and Buildings	775,925	420,231
Operating lease rentals - Other	9,902	-
Defined contribution pension cost	17,392	-

Notes to the Financial Statements

For the period ended 31 March 2017

6. Employees

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

	Period from 1 October 2015 to 31 March 2017 £	Year to 30 September 2015 £
Wages and salaries	5,132,650	1,997,294
Social security costs	335,273	122,318
Pension costs	17,392	-
	5,485,315	2,119,612

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

	Period from 1 October 2015 to 31 March 2017 No.	Year to 30 September 2015 No.
Warehouse	107	51
Office	77	49
Management	12	11
	196	111

7. Directors' remuneration

	Period from 1 October 2015 to 31 March 2017 £	Year to 30 September 2015 £
Directors' emoluments	96,000	56,000
	96,000	56,000

During the year retirement benefits were accruing to no directors (2015: Nil) in respect of defined contribution pension scheme.

Notes to the Financial Statements

For the period ended 31 March 2017

8. Interest payable and similar charges

	Period from 1 October 2015 to 31 March 2017 £	Year to 30 September 2015 £
Interest payable on bank borrowing	6,273	4,940
Finance leases and hire purchase contracts	8,898	2,308
	<u>15,171</u>	<u>7,248</u>

9. Taxation

	Period from 1 October 2015 to 31 March 2017 £	Year to 30 September 2015 £
Corporation tax		
Current tax on profits for the year	830,559	329,118
Adjustments in respect of previous periods	(153,997)	(4,876)
	<u>676,562</u>	<u>324,242</u>
Total current tax	<u>676,562</u>	<u>324,242</u>
Deferred tax		
Origination and reversal of timing differences	(32,011)	(2,374)
Total deferred tax	<u>(32,011)</u>	<u>(2,374)</u>
Taxation on profit on ordinary activities	<u>644,551</u>	<u>321,868</u>

Notes to the Financial Statements

For the period ended 31 March 2017

9. Taxation (continued)

Factors affecting tax charge for the period/year

The tax assessed for the period/year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	Period from 1 October 2015 to 31 March 2017 £	Year to 30 September 2015 £
Profit on ordinary activities before tax	4,014,175	1,480,787
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	802,835	296,157
Effects of:		
Expenses not deductible for tax purposes	3,565	3,418
Fixed asset differences	289	(6,539)
Deferred tax adjustments	-	33,708
Adjustments to tax charge in respect of prior periods	(153,997)	(4,876)
Adjust closing deferred tax to average rate	(8,141)	-
Total tax charge for the period/year	644,551	321,868

Factors that may affect future tax charges

During the period, the UK corporation tax rate was decreased. There will be a further reduction in the main corporation tax from 1 April 2017 to 19% and following Budget announcements the rate will fall to 17% in 2020.

10. Dividends

	31 March 2017 £	30 September 2015 £
Dividends paid	3,381,551	1,442,191
	3,381,551	1,442,191

During the period, certain shareholders have waived their right to receive dividend issues and therefore the dividend paid above is not based on the total number of ordinary shares in issue.

Notes to the Financial Statements

For the period ended 31 March 2017

11. Exceptional items

	2017 £	2015 £
Legal claim provision (note 24)	1,991,896	-
	<u>1,991,896</u>	<u>-</u>

12. Intangible assets

	Software £	Development £	Total £
Cost			
Additions	546,350	465,415	1,011,765
At 31 March 2017	<u>546,350</u>	<u>465,415</u>	<u>1,011,765</u>
Amortisation			
Charge for the year	136,099	28,192	164,291
At 31 March 2017	<u>136,099</u>	<u>28,192</u>	<u>164,291</u>
Net book value			
At 31 March 2017	<u>410,251</u>	<u>437,223</u>	<u>847,474</u>
At 30 September 2015	<u>-</u>	<u>-</u>	<u>-</u>

Victorian Plumbing Limited

Notes to the Financial Statements

For the period ended 31 March 2017

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation							
At 1 October 2015	272,564	-	105,048	95,793	422,382	151,501	1,047,288
Additions	-	42,449	93,719	16,300	295,418	167,922	615,808
Disposals	-	-	(9,557)	(87,613)	-	-	(97,170)
At 31 March 2017	272,564	42,449	189,210	24,480	717,800	319,423	1,565,926
Depreciation							
At 1 October 2015	-	-	24,610	22,022	114,819	104,432	265,883
Charge for the period on owned assets	-	4,245	66,132	6,806	296,891	71,192	445,266
Disposals	-	-	-	(17,523)	-	-	(17,523)
At 31 March 2017	-	4,245	90,742	11,305	411,710	175,624	693,626
Net book value							
At 31 March 2017	272,564	38,204	98,468	13,175	306,090	143,799	872,300
At 30 September 2015	272,564	-	80,438	73,771	307,563	47,069	781,405

Notes to the Financial Statements

For the period ended 31 March 2017

13. Tangible fixed assets (continued)

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

	31 March 2017 £	30 September 2015 £
Plant and machinery	64,326	43,095
Motor vehicles	-	70,091
	<u>64,326</u>	<u>113,186</u>

14. Stocks

	31 March 2017 £	Restated 30 September 2015 £
Packaging	21,497	-
Goods for resale	6,971,534	4,182,948
	<u>6,993,031</u>	<u>4,182,948</u>

Stock recognised in cost of sales during the year as an expense was £60,003,660 (2015: £22,568,106).

No impairment loss was recognised in cost of sales against stock in either the current period or previous year.

15. Debtors

	31 March 2017 £	Restated 30 September 2015 £
Trade debtors	1,103,825	174,984
Amounts owed by related parties	695,130	728,797
Other debtors	1,128,284	167,079
Prepayments and accrued income	1,375,452	849,114
Corporation tax recoverable	-	15,430
	<u>4,302,691</u>	<u>1,935,404</u>

No impairment loss was recognised against trade debtors during the current period or previous year.

Notes to the Financial Statements

For the period ended 31 March 2017

16. Cash and cash equivalents

	31 March 2017	30 September 2015
	£	£
Cash at bank and in hand	214,699	1,615,371

17. Creditors: Amounts falling due within one year

	31 March 2017	Restated 30 September 2015
	£	£
Bank loans	-	11,775
Trade creditors	8,366,690	5,209,335
Corporation tax	376,696	329,118
Taxation and social security	1,630,952	882,585
Net obligations under finance lease and hire purchase contracts	22,163	32,628
Other creditors	287,688	175,990
Accruals and deferred income	552,084	1,180,833
	<u>11,236,273</u>	<u>7,822,264</u>

The bank loans were secured by way of a of charge over all assets of the company. The loan was repaid in its entirety on 28 December 2016.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

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

	31 March 2017	30 September 2015
	£	£
Bank loans	-	125,435
Net obligations under finance leases and hire purchase contracts	46,198	67,664
	<u>46,198</u>	<u>193,099</u>

Secured loans

The bank loans were secured by way of a of charge over all assets of the company. The loan was repaid in its entirety on 28 December 2016.

Net obligations under finance leases and hire purchase contracts are secured against the assets to which they relate.

Notes to the Financial Statements

For the period ended 31 March 2017

19. Loans

Analysis of the maturity of loans is given below:

	31 March 2017 £	30 September 2015 £
Amounts falling due within one year		
Bank loans	-	11,775
	<u>-</u>	<u>11,775</u>
Amounts falling due 1-2 years		
Bank loans	-	125,435
	<u>-</u>	<u>125,435</u>
	<u>-</u>	<u>137,210</u>

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	31 March 2017 £	30 September 2015 £
Within one year	22,163	32,628
Between 1-2 years	46,198	67,664
	<u>68,361</u>	<u>100,292</u>

Notes to the Financial Statements

For the period ended 31 March 2017

21. Financial instruments

	31 March 2017 £	Restated 30 September 2015 £
Financial assets		
Financial assets measured at amortised cost	<u>3,141,938</u>	<u>2,686,231</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(9,274,823)</u>	<u>(6,803,660)</u>

Financial assets measured at amortised cost comprise trade debtors, other debtors and cash.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, other creditors, accruals and amounts owed to related parties.

22. Prior year adjustment

A prior year adjustment has been processed to correct material errors in 2015 and 2014 whereby revenue and sales returns had not been correctly treated in the financial statements.

At 30 September 2015 revenue was recognised which should have been deferred to 2017 as the goods had not been dispatched. Similarly the previous period of 30 September 2014 recognised income which should have been deferred to 2015. The impact to the 2015 statement of comprehensive income to correct these material errors has been a reduction in turnover of £575,092 and a reduction of the profit and loss reserve brought forward of £397,313.

Also at 30 September 2015, there was no provision to account for sales returns after year end relating to 2015. Similarly there was no provision in place at 30 September 2014. The impact to the 2015 statement of comprehensive income to correct this error has been a reduction in turnover of £50,456, a reduction in cost of sales of £26,410 and a reduction in the profit and loss reserve brought forward of £14,623.

23. Deferred taxation

	2017 £
At beginning of year	(78,144)
Charged to profit or loss	32,011
At end of year	<u><u>(46,133)</u></u>

Notes to the Financial Statements

For the period ended 31 March 2017

23. Deferred taxation (continued)

	31 March 2017 £
Accelerated capital allowances	(47,371)
Short term timing differences	1,238
	<u>(46,133)</u>

24. Provisions

	Legal case £
Charged to profit or loss	1,991,896
Payments made on account	(500,000)
At 31 March 2017	<u>1,491,896</u>

A provision has been made in these financial statements for £1,991,896 for an ongoing legal case. A payment made on account of £500,000 has already been paid over to the claimant's solicitors. The estimate is based on the information available currently to the directors and at this stage it is unknown as to when / if this amount will become payable.

25. Share capital

	31 March 2017 £	30 September 2015 £
Shares classified as equity		
Allotted, called up and fully paid		
800 Ordinary shares of £1 each	<u>800</u>	<u>800</u>

26. Reserves

Called up share capital - represents the nominal value of shares that have been issued.

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

Notes to the Financial Statements

For the period ended 31 March 2017

27. Pension commitments

The company operates a defined contribution scheme for its employees. The assets of the scheme are held separately from the company in an independently administered scheme. The pension cost represents contributions payable by the company to the fund totalling £17,392 (2015: £Nil). No contributions were payable to the fund at the year end (2015: £Nil).

28. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

Land and buildings

	31 March 2017 £	30 September 2015 £
Not later than 1 year	445,678	295,000
Later than 1 year and not later than 5 years	1,702,722	1,198,904
Later than 5 years	2,199,945	2,469,945
	<u>4,348,345</u>	<u>3,963,849</u>

Other

	31 March 2017 £	30 September 2015 £
Not later than 1 year	9,911	9,902
Later than 1 year and not later than 5 years	5,082	8,661
	<u>14,993</u>	<u>18,563</u>

Notes to the Financial Statements

For the period ended 31 March 2017

29. Related party transactions

At 31 March 2017, the company was owed by Radcliffe Property Management Ltd £695,130 (2015: £728,797).

Transactions with Radcliffe Property Management Ltd consisted of rent costs totalling £379,000 in the period to 31 March 2017 (2015: £186,872).

At 31 March 2017, the company was owed from Coral Phones Ltd £Nil (2015: £6,914). £6,914 was written off during the period.

These companies are considered to be related parties because of common directorships/shareholders.

Directors of the company received dividends totalling £3,293,954 and various directors waived dividends during the period totalling £1,135,758.

The individuals that are considered by the Company to be key management personnel have received remuneration totalling £159,808 (2015: £98,243) excluding dividends, which have been disclosed above.

At 31 March 2017, M Radcliffe had an overdrawn directors loan account totalling £967,147 (2015: £Nil) which is included in other debtors. Interest has been charged on the account totalling £7,948.

At 31 March 2017, N Radcliffe and C Radcliffe had directors loan accounts totalling £2,621 and £17,950 respectively and are included in other creditors. Interest has been credited to the accounts during the period totalling £2,409.

At 31 March 2017, there was a shareholders loan totalling £3,362 included within creditors in respect of M Stewart. Interest of £393 has been credited to the account during the period.

30. First time adoption of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.