

REGISTERED NUMBER: 04125517 (England and Wales)

**Group Strategic Report, Report of the Directors and
Consolidated Financial Statements for the Year Ended 31 March 2019
for
G.J.T. Limited**

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for the Year Ended 31 March 2019**

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G.J.T. Limited

**Company Information
for the Year Ended 31 March 2019**

DIRECTORS:

Mr D P Nott
Mr A Dunn
Mr R Surtees

SECRETARY:

Mr A Dunn

REGISTERED OFFICE:

261 Europa Boulevard
Westbrook
Warrington
Cheshire
WA5 7TN

REGISTERED NUMBER:

04125517 (England and Wales)

AUDITORS:

Sochall Smith Limited
Chartered Accountants & Statutory Auditors
3 Park Square
Leeds
LS1 2NE

**Group Strategic Report
for the Year Ended 31 March 2019**

The directors present their strategic report of the company and the group for the year ended 31 March 2019.

GJT is a supplier of home furnishing products to the UK retail market. We design and import curtains and accessories as well as offering a made to measure curtain and blind service from our manufacturing facility in West Yorkshire.

The soft furnishings market has seen many changes over recent years, not least the prominence of internet retailers, who have affected the fortunes of traditional independent retail.

The market in which we operate is highly competitive and we have witnessed significant changes in distribution channels. The prominence of internet retailers has affected the traditional retail market and we have responded quickly to these changes. We currently trade with a number of successful online companies that specialise in window furnishings.

Our key objectives are:

- Focus on delivering products which generate high margins
- Extend our range of products in order to protect against market trends
- Increase our customer base
- Convert profit into cash
- Ensure the continual strengthening of our Balance Sheet

The board continues to set priorities consistent with the above objectives and reviews the group's progress against them on a monthly basis. As a result of this we are continually reviewing our range with a view to maintain our margins as well as reviewing the financial stability of our customers with the help of our credit insurance agency.

During the year the directors made the decision to reduce low margin turnover and seek out more profitable customers. The result of this decision was that turnover reduced by £1,598,000 but absolute gross profit slightly rose to £2,988,000. Gross profit as a percentage of turnover therefore rose to 34% from 29% in the previous financial year. Profit before tax remained consistent with the previous year at 2.3% of turnover.

The balance sheet remains in a healthy position with an increase in shareholder funds over the year of 5%, and as a result of the company's investment policy we are in a strong position to capitalise on the 'made in the UK' market. The current ratio improved slightly over the year even with the extra £127k increase in fixed assets being financed through working capital. An achievement the company is happy with considering liquidity remained stable over the year.

The group's balance sheet has a strong capital base in excess of £1m (an absolute must to maintain to attract finance to the group) and the directors are pleased in these difficult times to provide results which show net assets being sustained.

The directors look forward to achieving a similar result in 2020 despite the uncertainty provided in political circles in respect of what is termed the Brexit negotiations. The board take external foreign exchange advice from its bankers in order to mitigate the risk of foreign exchange fluctuations but these are in itself difficult to anticipate in the current climate.

The whole team at GJT are focussed on servicing existing customers to ensure retention whilst constantly driving towards expanding its customer base. There is also a constant drive to trying to develop a stronger market place for higher margin products as this obviously eases the burden on overall sales drive.

The directors are aware that the group's own customer base is experiencing uncertainty at the present time and certainly buying patterns have been difficult to forecast both in terms of customer and product. A wide and varied customer and product base allows the group to manage these fluctuations deftly. The directors recognise that a loyal and dedicated workforce needs to share in the success of the group to maintain morale and also to be part of the group philosophy. The increase in payroll costs will be managed by constantly reviewing overheads and economies of scale from the capital investment. In terms of the overall group strategy the directors consider that these matters, under their control, are manageable.

Overall, the group is consistent, mindful of its responsibilities to employees, financiers, trade creditors and state and is consistent in producing results to provide return on investment to the benefit of the group and its shareholders whilst maintaining the interest of its creditors.

G.J.T. Limited (Registered number: 04125517)

**Group Strategic Report
for the Year Ended 31 March 2019**

ON BEHALF OF THE BOARD:

Mr A Dunn - Secretary

19 September 2019

**Report of the Directors
for the Year Ended 31 March 2019**

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

DIVIDENDS

The total distribution of dividends for the year ended 31 March 2019 will be £ 94,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

Mr D P Nott
Mr A Dunn
Mr R Surtees

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors, loans to the company, and invoice discounting arrangements.

Due to the nature of financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances, including invoice discounting arrangements, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. The company makes use of money market facilities where funds are available.

In respect of loans these comprise loans from financial institutions. The interest rate on the loans from financial institutions is variable but monthly repayments are fixed. The company manages the liquidity risk by ensuring there are sufficient funds to meet the payments.

Trade debtors are managed in respect of credit and cash-flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

IMPACT OF THE EURO

The company has undertaken a review of the impact of the Euro on the business. As the company already deals substantially with turnover designated in other currencies the directors believe the Euro will have a minimum impact.

The company's accounting system is adequate to deal with any change from sterling to the Euro in the future.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

**Report of the Directors
for the Year Ended 31 March 2019**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The safeguarding includes the maintenance and integrity of the components and financial information on the group's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Sochall Smith Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A Dunn - Secretary

19 September 2019

Report of the Independent Auditors to the Members of G.J.T. Limited

Opinion

We have audited the financial statements of G.J.T. Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, 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 group's and of the parent company affairs as at 31 March 2019 and of the group's 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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 group'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 in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of G.J.T. Limited

Matters on which we are required to report by exception

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

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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on pages four and five, 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 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 group's and the parent 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 group or the parent 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Andrew Charles (Senior Statutory Auditor)
for and on behalf of Sochall Smith Limited
Chartered Accountants & Statutory Auditors
3 Park Square
Leeds
LS1 2NE

19 September 2019

**Consolidated Income Statement
for the Year Ended 31 March 2019**

	Notes	2019 £	£	2018 £	£
TURNOVER	3		8,786,141		10,384,317
Cost of sales			<u>5,797,670</u>		<u>7,417,265</u>
GROSS PROFIT			2,988,471		2,967,052
Distribution costs		199,795		168,011	
Administrative expenses		<u>2,521,610</u>		<u>2,516,941</u>	
			2,721,405		2,684,952
OPERATING PROFIT	5		267,066		282,100
Interest payable and similar expenses	6		<u>65,178</u>		<u>59,424</u>
PROFIT BEFORE TAXATION			201,888		222,676
Tax on profit	7		<u>45,269</u>		<u>47,578</u>
PROFIT FOR THE FINANCIAL YEAR			156,619		175,098
Profit attributable to:					
Owners of the parent			<u>156,619</u>		<u>175,098</u>

The notes form part of these financial statements

**Consolidated Other Comprehensive Income
for the Year Ended 31 March 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		156,619	175,098
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>156,619</u>	<u>175,098</u>
Total comprehensive income attributable to: Owners of the parent		<u>156,619</u>	<u>175,098</u>

Consolidated Balance Sheet
31 March 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	10		105,073		115,580
Tangible assets	11		1,905,878		1,872,964
Investments	12		-		-
			<u>2,010,951</u>		<u>1,988,544</u>
CURRENT ASSETS					
Stocks	13	1,648,978		1,852,080	
Debtors	14	1,776,796		2,123,782	
Cash at bank and in hand		<u>7,934</u>		<u>3,360</u>	
		3,433,708		3,979,222	
CREDITORS					
Amounts falling due within one year	15	<u>3,191,941</u>		<u>3,737,149</u>	
NET CURRENT ASSETS			<u>241,767</u>		<u>242,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,252,718		2,230,617
CREDITORS					
Amounts falling due after more than one year	16		(989,529)		(1,026,354)
PROVISIONS FOR LIABILITIES	20		<u>(56,511)</u>		<u>(60,204)</u>
NET ASSETS			<u>1,206,678</u>		<u>1,144,059</u>
CAPITAL AND RESERVES					
Called up share capital	21		90,300		90,300
Capital redemption reserve	22		185,000		185,000
Retained earnings	22		<u>931,378</u>		<u>868,759</u>
SHAREHOLDERS' FUNDS			<u>1,206,678</u>		<u>1,144,059</u>

The financial statements were approved by the Board of Directors on 19 September 2019 and were signed on its behalf by:

Mr D P Nott - Director

Company Balance Sheet
31 March 2019

	Notes	2019 £	£	2018 £	£
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		1,899,880		1,869,085
Investments	12		<u>310,000</u>		<u>310,000</u>
			2,209,880		2,179,085
CURRENT ASSETS					
Stocks	13	1,618,978		1,822,080	
Debtors	14	1,762,084		2,104,407	
Cash at bank and in hand		<u>7,934</u>		<u>3,360</u>	
		3,388,996		3,929,847	
CREDITORS					
Amounts falling due within one year	15	<u>3,240,314</u>		<u>3,772,471</u>	
NET CURRENT ASSETS			148,682		157,376
TOTAL ASSETS LESS CURRENT LIABILITIES			2,358,562		2,336,461
CREDITORS					
Amounts falling due after more than one year	16		(989,529)		(1,026,354)
PROVISIONS FOR LIABILITIES	20		<u>(56,511)</u>		<u>(60,204)</u>
NET ASSETS			<u>1,312,522</u>		<u>1,249,903</u>
CAPITAL AND RESERVES					
Called up share capital	21		90,300		90,300
Capital redemption reserve	22		185,000		185,000
Retained earnings	22		<u>1,037,222</u>		<u>974,603</u>
SHAREHOLDERS' FUNDS			<u>1,312,522</u>		<u>1,249,903</u>
Company's profit for the financial year			<u>156,619</u>		<u>178,038</u>

The financial statements were approved by the Board of Directors on 19 September 2019 and were signed on its behalf by:

Mr D P Nott - Director

**Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	90,300	837,661	185,000	1,112,961
Changes in equity				
Dividends	-	(144,000)	-	(144,000)
Total comprehensive income	-	175,098	-	175,098
Balance at 31 March 2018	90,300	868,759	185,000	1,144,059
Changes in equity				
Dividends	-	(94,000)	-	(94,000)
Total comprehensive income	-	156,619	-	156,619
Balance at 31 March 2019	90,300	931,378	185,000	1,206,678

**Company Statement of Changes in Equity
for the Year Ended 31 March 2019**

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	90,300	940,565	185,000	1,215,865
Changes in equity				
Dividends	-	(144,000)	-	(144,000)
Total comprehensive income	-	178,038	-	178,038
Balance at 31 March 2018	<u>90,300</u>	<u>974,603</u>	<u>185,000</u>	<u>1,249,903</u>
Changes in equity				
Dividends	-	(94,000)	-	(94,000)
Total comprehensive income	-	156,619	-	156,619
Balance at 31 March 2019	<u>90,300</u>	<u>1,037,222</u>	<u>185,000</u>	<u>1,312,522</u>

**Consolidated Cash Flow Statement
for the Year Ended 31 March 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	375,215	336,402
Interest paid		(58,668)	(55,195)
Interest element of hire purchase payments paid		(6,510)	(4,229)
Tax paid		(17,836)	(28,958)
Net cash from operating activities		<u>292,201</u>	<u>248,020</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		<u>(127,710)</u>	<u>(280,335)</u>
Net cash from investing activities		<u>(127,710)</u>	<u>(280,335)</u>
Cash flows from financing activities			
New loans in year		-	75,000
Loan repayments in year		(86,036)	(104,092)
Capital repayments in year		(41,881)	194,905
Amount introduced by directors		62,000	-
Equity dividends paid		<u>(94,000)</u>	<u>(144,000)</u>
Net cash from financing activities		<u>(159,917)</u>	<u>21,813</u>
Increase/(decrease) in cash and cash equivalents		<u>4,574</u>	<u>(10,502)</u>
Cash and cash equivalents at beginning of year	2	3,360	13,862
Cash and cash equivalents at end of year	2	<u>7,934</u>	<u>3,360</u>

The notes form part of these financial statements

**Notes to the Consolidated Cash Flow Statement
for the Year Ended 31 March 2019**

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2019	2018
	£	£
Profit before taxation	201,888	222,676
Depreciation charges	105,303	91,906
Finance costs	65,178	59,424
	<u>372,369</u>	<u>374,006</u>
Decrease in stocks	203,102	103,310
Decrease in trade and other debtors	346,986	76,950
Decrease in trade and other creditors	(547,242)	(217,864)
Cash generated from operations	<u>375,215</u>	<u>336,402</u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>7,934</u>	<u>3,360</u>

Year ended 31 March 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	<u>3,360</u>	<u>13,862</u>

**Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2019**

1. STATUTORY INFORMATION

G.J.T. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Basis of consolidation

The financial statements contain information about GJT Limited and its subsidiaries as a whole.

Revenue recognition

Turnover, which is stated excluding Value Added Tax, is the amount receivable for goods supplied less returns, trade discounts and allowances. Sales are recognised when goods are despatched to customers as this reflects the transfer of risks and rewards of ownership, with provisions made for returns and allowances. Provisions for returns are calculated based on historical return levels.

Goodwill

Goodwill, being the amount at which consideration exceeded the fair value of net assets on acquisition is being amortised on a straight line basis over 20 years as a reasonable expectation of the benefit derived from the acquisition of the subsidiary during the year.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost, 20% on cost, 15% on cost and 10% on cost
Motor vehicles	- 33% on cost and 25% on cost
Computer equipment	- 33% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

2. ACCOUNTING POLICIES - continued**Taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into Sterling at the rates of exchange at the balance sheet date. Transactions denominated in foreign currencies are translated into Sterling at the rates of exchange prevailing on the date of transaction or, for practical reasons, at average monthly rates where exchange rates do not fluctuate significantly. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

Rentals paid under operating leases are charged to the profit and loss account as incurred.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	2019	2018
	£	£
United Kingdom	8,611,491	10,244,283
EU	171,896	140,034
Rest of the World	2,754	-
	<u>8,786,141</u>	<u>10,384,317</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,562,028	1,590,293
Social security costs	137,837	124,244
Other pension costs	75,608	70,264
	<u>1,775,473</u>	<u>1,784,801</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2019	2018
Sales, marketing and design	10	12
Warehouse	68	67
Administration	8	8
	<u>86</u>	<u>87</u>
	2019	2018
	£	£
Directors' remuneration	<u>161,356</u>	<u>155,534</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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5. OPERATING PROFIT

The operating profit is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	66,909	69,866
Depreciation - assets on hire purchase contracts	27,887	11,534
Goodwill amortisation	10,507	10,507
Auditors' remuneration	<u>14,000</u>	<u>15,011</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Bank loan interest	35,784	30,369
Invoice finance charges	22,884	24,826
Hire purchase interest	<u>6,510</u>	<u>4,229</u>
	<u>65,178</u>	<u>59,424</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	48,962	17,836
Deferred tax	<u>(3,693)</u>	<u>29,742</u>
Tax on profit	<u>45,269</u>	<u>47,578</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

7. TAXATION - continued**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
Profit before tax	<u>201,888</u>	<u>222,676</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	38,359	42,308
Effects of:		
Expenses not deductible for tax purposes	553	513
Capital allowances in excess of depreciation	-	(24,985)
Depreciation in excess of capital allowances	10,050	-
Deferred tax movement	<u>(3,693)</u>	<u>29,742</u>
Total tax charge	<u>45,269</u>	<u>47,578</u>

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2019	2018
	£	£
Ordinary shares of £1 each		
Interim	79,715	129,715
Ordinary 'A' shares of £1 each		
Interim	9,000	9,000
Ordinary 'B' shares of £1 each		
Interim	3,857	3,857
Ordinary 'C' shares of £1 each		
Interim	<u>1,428</u>	<u>1,428</u>
	<u>94,000</u>	<u>144,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

10. INTANGIBLE FIXED ASSETS

Group

Goodwill
£**COST**At 1 April 2018
and 31 March 2019210,143**AMORTISATION**

At 1 April 2018

94,563

Amortisation for year

10,507

At 31 March 2019

105,070**NET BOOK VALUE**

At 31 March 2019

105,073

At 31 March 2018

115,580

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2018	1,550,546	426,891	27,783	62,440	2,067,660
Additions	<u>95,732</u>	<u>23,228</u>	<u>-</u>	<u>8,750</u>	<u>127,710</u>
At 31 March 2019	<u>1,646,278</u>	<u>450,119</u>	<u>27,783</u>	<u>71,190</u>	<u>2,195,370</u>
DEPRECIATION					
At 1 April 2018	65,211	92,171	13,130	24,184	194,696
Charge for year	<u>33,458</u>	<u>36,482</u>	<u>6,946</u>	<u>17,910</u>	<u>94,796</u>
At 31 March 2019	<u>98,669</u>	<u>128,653</u>	<u>20,076</u>	<u>42,094</u>	<u>289,492</u>
NET BOOK VALUE					
At 31 March 2019	<u>1,547,609</u>	<u>321,466</u>	<u>7,707</u>	<u>29,096</u>	<u>1,905,878</u>
At 31 March 2018	<u>1,485,335</u>	<u>334,720</u>	<u>14,653</u>	<u>38,256</u>	<u>1,872,964</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

11. TANGIBLE FIXED ASSETS - continued**Group**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 April 2018 and 31 March 2019	<u>331,836</u>
DEPRECIATION	
At 1 April 2018	60,866
Charge for year	<u>27,887</u>
At 31 March 2019	<u>88,753</u>
NET BOOK VALUE	
At 31 March 2019	<u>243,083</u>
At 31 March 2018	<u>270,970</u>

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2018	1,550,546	420,909	27,783	62,440	2,061,678
Additions	<u>95,732</u>	<u>19,828</u>	<u>-</u>	<u>8,750</u>	<u>124,310</u>
At 31 March 2019	<u>1,646,278</u>	<u>440,737</u>	<u>27,783</u>	<u>71,190</u>	<u>2,185,988</u>
DEPRECIATION					
At 1 April 2018	65,211	90,068	13,130	24,184	192,593
Charge for year	<u>33,458</u>	<u>35,201</u>	<u>6,946</u>	<u>17,910</u>	<u>93,515</u>
At 31 March 2019	<u>98,669</u>	<u>125,269</u>	<u>20,076</u>	<u>42,094</u>	<u>286,108</u>
NET BOOK VALUE					
At 31 March 2019	<u>1,547,609</u>	<u>315,468</u>	<u>7,707</u>	<u>29,096</u>	<u>1,899,880</u>
At 31 March 2018	<u>1,485,335</u>	<u>330,841</u>	<u>14,653</u>	<u>38,256</u>	<u>1,869,085</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

11. TANGIBLE FIXED ASSETS - continued

Company

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 April 2018 and 31 March 2019	<u>331,836</u>
DEPRECIATION	
At 1 April 2018	60,866
Charge for year	<u>27,887</u>
At 31 March 2019	<u>88,753</u>
NET BOOK VALUE	
At 31 March 2019	<u>243,083</u>
At 31 March 2018	<u>270,970</u>

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2018 and 31 March 2019	<u>310,000</u>
NET BOOK VALUE	
At 31 March 2019	<u>310,000</u>
At 31 March 2018	<u>310,000</u>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Gordon John Textiles Limited

Registered office:

Nature of business: dormant

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>10,000</u>	<u>10,000</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 201912. **FIXED ASSET INVESTMENTS - continued****Style Furnishings Limited**

Registered office:

Nature of business: Soft furnishings

	% holding	2019 £	2018 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		99,083	88,576
Profit for the year		<u>10,507</u>	<u>7,567</u>

13. **STOCKS**

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Raw materials	81,552	109,943	51,552	79,943
Finished goods	<u>1,567,426</u>	<u>1,742,137</u>	<u>1,567,426</u>	<u>1,742,137</u>
	<u>1,648,978</u>	<u>1,852,080</u>	<u>1,618,978</u>	<u>1,822,080</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	Group		Company	
	2019 £	2018 £	2019 £	2018 £
Trade debtors	1,579,244	1,884,702	1,579,244	1,884,702
VAT	17,072	-	17,072	-
Prepayments	<u>180,480</u>	<u>239,080</u>	<u>165,768</u>	<u>219,705</u>
	<u>1,776,796</u>	<u>2,123,782</u>	<u>1,762,084</u>	<u>2,104,407</u>

Included within trade debtors are debts owed to the company upon which advances have been made by HSBC Invoice Financing Limited and disclosed as part of the creditors in note 15. At 31 March 2019 the amount advanced was £909,088 (2018: £1,168,467) and this sum is secured by way of a fixed and floating charge against all the company's assets.

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other loans (see note 17)	105,530	135,066	105,530	135,066
Hire purchase contracts (see note 18)	48,393	47,949	48,393	47,949
Trade creditors	1,923,297	2,055,186	1,922,490	2,054,780
Amounts owed to group undertakings	-	-	134,568	108,429
Corporation Tax	48,962	17,836	48,962	17,836
Social security and other taxes	94,688	85,394	16,573	17,163
VAT	-	150,388	-	150,388
Other creditors	909,088	1,168,467	909,088	1,168,467
Accrued and deferred income	61,983	76,863	54,710	72,393
	<u>3,191,941</u>	<u>3,737,149</u>	<u>3,240,314</u>	<u>3,772,471</u>

Included within other creditors is the sum of £909,088 (2018: £1,168,467) advanced against trade debtors by HSBC Invoice Financing Limited (see note 14).

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Other loans (see note 17)	822,898	879,398	822,898	879,398
Hire purchase contracts (see note 18)	104,631	146,956	104,631	146,956
Directors' loan accounts	62,000	-	62,000	-
	<u>989,529</u>	<u>1,026,354</u>	<u>989,529</u>	<u>1,026,354</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within one year or on demand:				
Loan creditor	<u>105,530</u>	<u>135,066</u>	<u>105,530</u>	<u>135,066</u>
Amounts falling due between one and two years:				
Loan creditor	<u>105,530</u>	<u>105,530</u>	<u>105,530</u>	<u>105,530</u>
Amounts falling due between two and five years:				
Loan creditor	<u>292,802</u>	<u>306,617</u>	<u>292,802</u>	<u>306,617</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Property loan	<u>424,566</u>	<u>467,251</u>	<u>424,566</u>	<u>467,251</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

17. LOANS - continued

The 'other loans' referred to in the above note is a fifteen year mortgage provided by HSBC Bank. Interest on the mortgage is to be charged at the annual rate of 2.75% above the Bank of England base rate.

This mortgage is secured via a fixed charge over the property to which it relates.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	48,393	47,949
Between one and five years	<u>104,631</u>	<u>146,956</u>
	<u>153,024</u>	<u>194,905</u>

Company

	Hire purchase contracts	
	2019	2018
	£	£
Net obligations repayable:		
Within one year	48,393	47,949
Between one and five years	<u>104,631</u>	<u>146,956</u>
	<u>153,024</u>	<u>194,905</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Loan creditor	928,428	1,014,464	928,428	1,014,464
Hire purchase contracts	153,024	194,905	153,024	194,905
Invoice discounting loan	<u>909,088</u>	<u>1,168,467</u>	<u>909,088</u>	<u>1,168,467</u>
	<u>1,990,540</u>	<u>2,377,836</u>	<u>1,990,540</u>	<u>2,377,836</u>

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>56,511</u>	<u>60,204</u>	<u>56,511</u>	<u>60,204</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

20. PROVISIONS FOR LIABILITIES - continued

Group

	Deferred tax £
Balance at 1 April 2018	60,204
Credit to Income Statement during year	(3,693)
Balance at 31 March 2019	<u>56,511</u>

Company

	Deferred tax £
Balance at 1 April 2018	60,204
Credit to Income Statement during year	(3,693)
Balance at 31 March 2019	<u>56,511</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2019 £	2018 £
90,000	Ordinary	£1	90,000	90,000
100	Ordinary 'A'	£1	100	100
100	Ordinary 'B'	£1	100	100
100	Ordinary 'C'	£1	100	100
			<u>90,300</u>	<u>90,300</u>

22. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2018	868,759	185,000	1,053,759
Profit for the year	156,619		156,619
Dividends	(94,000)		(94,000)
At 31 March 2019	<u>931,378</u>	<u>185,000</u>	<u>1,116,378</u>

Notes to the Consolidated Financial Statements - continued
for the Year Ended 31 March 2019

22. **RESERVES - continued**

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2018	974,603	185,000	1,159,603
Profit for the year	156,619		156,619
Dividends	(94,000)		(94,000)
At 31 March 2019	<u>1,037,222</u>	<u>185,000</u>	<u>1,222,222</u>

23. **ULTIMATE CONTROLLING PARTY**

The group and company are under the ultimate control of Mr D Nott.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.