REGISTERED NUMBER: 04125517 (England and Wales)

Group Strategic Report, Report of the Directors and

Consolidated Financial Statements for the Year Ended 31 March 2018

for

G.J.T. Limited

Contents of the Consolidated Financial Statements for the Year Ended 31 March 2018

G.J.T. Limited

Company Information
for the Year Ended 31 March 2018

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 2018

The directors present their strategic report of the company and the group for the year ended 31 March 2018.

GJT Limited is a supplier of soft furnishings to the UK retail market. We import and distribute curtains and accessories as well as manufacturing bespoke curtains in our production facility in Yorkshire.

Our range of products include:

- Curtain and lining fabrics
- Readymade curtains
- Made to measure curtains and accessories
- Cushions.

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.

The directors are pleased with the consistent performance of the group in the financial year. Turnover for the year is consistent at slightly in excess of £10m and the margin after distribution costs is comparable to the previous financial year at approximately £1.7m.
Gross profit percentage is slightly lower (0.5%) but after distributions is consistent at 16.3%. This slight variation is explained by the acquisition of a new customer who bore their own distribution costs whilst providing the group with substantial turnover.

The net profit after administrative and interest costs exceeded £225,000 with £200,000 being the key target for minimum achievement. In a continually difficult market with tight margins and economic uncertainty, the flexibility of the group's workforce and management to achieve this result is to be applauded.

The group continues to invest in capital expenditure to maintain its quality and to drive out economies of scale. Nearly £300,000 was invested in such equipment and, rather than finance this sum which would simply increase the group's gearing ratio, the decision was taken to finance out of cashflow. This was successfully managed and whilst net current assets have decreased slightly, the group's movement in cash balances as evidenced in the cashflow statement has shown equal stability. 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 2019 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.

Group Strategic Report
for the Year Ended 31 March 2018

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.

ON BEHALF OF THE BOARD:

Mr A Dunn - Secretary

29 November 2018

Report of the Directors
for the Year Ended 31 March 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 March 2018.

DIVIDENDS
The total distribution of dividends for the year ended 31 March 2018 will be £ 144,000 .

DIRECTORS
The directors shown below have held office during the whole of the period from 1 April 2017 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 compromise 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.

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

29 November 2018

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 2018 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 2018 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 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, 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

29 November 2018

Consolidated Income Statement
for the Year Ended 31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
TURNOVER	3		**10,384,317**		10,528,385
Cost of sales			**7,417,265**		7,631,660
GROSS PROFIT			**2,967,052**		2,896,725
Distribution costs		**168,011**		242,981	
Administrative expenses		**2,516,941**		2,383,128	
			2,684,952		2,626,109
OPERATING PROFIT	5		**282,100**		270,616
Interest payable and similar expenses	6		**59,424**		62,565
PROFIT BEFORE TAXATION			**222,676**		208,051
Tax on profit	7		**47,578**		37,896
PROFIT FOR THE FINANCIAL YEAR			**175,098**		170,155
Profit attributable to:					
Owners of the parent			**175,098**		170,155

The notes form part of these financial statements

Consolidated Other Comprehensive Income for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		**175,098**	170,155
OTHER COMPREHENSIVE INCOME		**-**	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**175,098**	170,155
Total comprehensive income attributable to:			
Owners of the parent		**175,098**	170,155

The notes form part of these financial statements

Consolidated Balance Sheet
31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	10		**115,580**		126,087
Tangible assets	11		**1,872,964**		1,674,029
Investments	12		**-**		-
			1,988,544		1,800,116
CURRENT ASSETS					
Stocks	13	**1,852,080**		1,955,390	
Debtors	14	**2,123,782**		2,200,732	
Cash at bank and in hand		**3,360**		13,862	
		3,979,222		4,169,984	
CREDITORS					
Amounts falling due within one year	15	**3,737,149**		3,916,188	
NET CURRENT ASSETS			**242,073**		253,796
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,230,617**		2,053,912
CREDITORS					
Amounts falling due after more than one year	16		**(1,026,354)**		(910,489)
PROVISIONS FOR LIABILITIES	20		**(60,204)**		(30,462)
NET ASSETS			**1,144,059**		1,112,961
CAPITAL AND RESERVES					
Called up share capital	21		**90,300**		90,300
Capital redemption reserve	22		**185,000**		185,000
Retained earnings	22		**868,759**		837,661
SHAREHOLDERS' FUNDS			**1,144,059**		1,112,961

The financial statements were approved by the Board of Directors on 29 November 2018 and were signed on its behalf by:

Mr D P Nott - Director

The notes form part of these financial statements

Company Balance Sheet
31 March 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	10		-		-
Tangible assets	11		**1,869,085**		1,670,244
Investments	12		**310,000**		310,000
			2,179,085		1,980,244
CURRENT ASSETS					
Stocks	13	**1,822,080**		1,925,390	
Debtors	14	**2,104,407**		2,178,025	
Cash at bank and in hand		**3,360**		13,862	
		3,929,847		4,117,277	
CREDITORS					
Amounts falling due within one year	15	**3,772,471**		3,940,705	
NET CURRENT ASSETS			**157,376**		176,572
TOTAL ASSETS LESS CURRENT LIABILITIES			**2,336,461**		2,156,816
CREDITORS					
Amounts falling due after more than one year	16		**(1,026,354)**		(910,489)
PROVISIONS FOR LIABILITIES	20		**(60,204)**		(30,462)
NET ASSETS			**1,249,903**		1,215,865
CAPITAL AND RESERVES					
Called up share capital	21		**90,300**		90,300
Capital redemption reserve	22		**185,000**		185,000
Retained earnings	22		**974,603**		940,565
SHAREHOLDERS' FUNDS			**1,249,903**		1,215,865
Company's profit for the financial year			**178,038**		170,154

The financial statements were approved by the Board of Directors on 28 November 2018 and were signed on its behalf by:

Mr D P Nott - Director

The notes form part of these financial statements

Consolidated Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2016	90,000	811,506	185,000	1,086,506
Changes in equity				
Issue of share capital	300	-	-	300
Dividends	-	(144,000)	-	(144,000)
Total comprehensive income	-	170,155	-	170,155
Balance at 31 March 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

The notes form part of these financial statements

Company Statement of Changes in Equity
for the Year Ended 31 March 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 April 2016	90,000	914,411	185,000	1,189,411
Changes in equity				
Issue of share capital	300	-	-	300
Dividends	-	(144,000)	-	(144,000)
Total comprehensive income	-	170,154	-	170,154
Balance at 31 March 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	90,300	974,603	185,000	1,249,903

Consolidated Cash Flow Statement
for the Year Ended 31 March 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	**336,402**	462,318
Interest paid		**(55,195)**	(58,414)
Interest element of hire purchase payments paid		**(4,229)**	(4,151)
Tax paid		**(28,958)**	(47,564)
Net cash from operating activities		**248,020**	352,189
Cash flows from investing activities			
Purchase of tangible fixed assets		**(280,335)**	(347,872)
Net cash from investing activities		**(280,335)**	(347,872)
Cash flows from financing activities			
New loans in year		**75,000**	191,697
Loan repayments in year		**(104,092)**	(77,827)
Capital repayments in year		**194,905**	(5,663)
Share issue		**-**	300
Equity dividends paid		**(144,000)**	(144,000)
Net cash from financing activities		**21,813**	(35,493)
Decrease in cash and cash equivalents		**(10,502)**	(31,176)
Cash and cash equivalents at beginning of year	2	**13,862**	45,038
Cash and cash equivalents at end of year	2	**3,360**	13,862

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement for the Year Ended 31 March 2018

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

	2018	2017
	£	£
Profit before taxation	222,676	208,051
Depreciation charges	91,906	67,611
Finance costs	59,424	62,565
	374,006	338,227
Decrease/(increase) in stocks	103,310	(167,951)
Decrease/(increase) in trade and other debtors	76,950	(58,251)
(Decrease)/increase in trade and other creditors	(217,864)	350,293
Cash generated from operations	336,402	462,318

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 2018

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

Year ended 31 March 2017

	31/3/17	1/4/16
	£	£
Cash and cash equivalents	13,862	45,038

Notes to the Consolidated Financial Statements
for the Year Ended 31 March 2018

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.

continued...

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:

	2018	2017
	£	£
United Kingdom	**10,244,283**	10,276,549
EU	**140,034**	251,836
	10,384,317	10,528,385

4. **EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	**1,590,293**	1,488,486
Social security costs	**124,244**	106,312
Other pension costs	**70,264**	66,257
	1,784,801	1,661,055

continued...

4. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Sales, marketing and design	12	13
Warehouse	67	66
Administration	8	9
	87	88

	2018	2017
	£	£
Directors' remuneration	155,534	148,476

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

Money purchase schemes	2	2

5. OPERATING PROFIT

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation - owned assets	69,866	48,449
Depreciation - assets on hire purchase contracts	11,534	8,655
Goodwill amortisation	10,507	10,507
Auditors' remuneration	15,011	13,857
Operating leases - plant and machinery	-	4,700

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	30,369	35,329
Invoice finance charges	24,826	23,085
Hire purchase interest	4,229	4,151
	59,424	62,565

7. TAXATION

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	17,836	28,959
Deferred tax	29,742	8,937
Tax on profit	47,578	37,896

continued...

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:

	2018	2017
	£	£
Profit before tax	**222,676**	208,051
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	**42,308**	41,610
Effects of:		
Expenses not deductible for tax purposes	**513**	183
Capital allowances in excess of depreciation	**(24,985)**	(12,834)
Deferred tax movement	**29,742**	8,937
Total tax charge	**47,578**	37,896

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**

	2018	2017
	£	£
Ordinary shares of £1 each		
Interim	**129,715**	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	**1,428**	1,428
	144,000	144,000

continued...

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 April 2017	
and 31 March 2018	210,143
AMORTISATION	
At 1 April 2017	84,056
Amortisation for year	10,507
At 31 March 2018	94,563
NET BOOK VALUE	
At 31 March 2018	115,580
At 31 March 2017	126,087

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2017	1,550,546	179,423	15,985	68,100	1,814,054
Additions	-	247,468	11,798	21,069	280,335
Disposals	-	-	-	(26,729)	(26,729)
At 31 March 2018	1,550,546	426,891	27,783	62,440	2,067,660
DEPRECIATION					
At 1 April 2017	35,099	61,856	7,659	35,411	140,025
Charge for year	30,112	30,315	5,471	15,502	81,400
Eliminated on disposal	-	-	-	(26,729)	(26,729)
At 31 March 2018	65,211	92,171	13,130	24,184	194,696
NET BOOK VALUE					
At 31 March 2018	1,485,335	334,720	14,653	38,256	1,872,964
At 31 March 2017	1,515,447	117,567	8,326	32,689	1,674,029

continued...

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 2017	86,558
Additions	245,278
At 31 March 2018	331,836
DEPRECIATION	
At 1 April 2017	49,332
Charge for year	11,534
At 31 March 2018	60,866
NET BOOK VALUE	
At 31 March 2018	270,970
At 31 March 2017	37,226

Company

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 April 2017	1,550,546	174,691	15,985	68,100	1,809,322
Additions	-	246,218	11,798	21,069	279,085
Disposals	-	-	-	(26,729)	(26,729)
At 31 March 2018	1,550,546	420,909	27,783	62,440	2,061,678
DEPRECIATION					
At 1 April 2017	35,099	60,909	7,659	35,411	139,078
Charge for year	30,112	29,159	5,471	15,502	80,244
Eliminated on disposal	-	-	-	(26,729)	(26,729)
At 31 March 2018	65,211	90,068	13,130	24,184	192,593
NET BOOK VALUE					
At 31 March 2018	1,485,335	330,841	14,653	38,256	1,869,085
At 31 March 2017	1,515,447	113,782	8,326	32,689	1,670,244

continued...

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 2017	86,558
Additions	245,278
At 31 March 2018	331,836
DEPRECIATION	
At 1 April 2017	49,332
Charge for year	11,534
At 31 March 2018	60,866
NET BOOK VALUE	
At 31 March 2018	270,970
At 31 March 2017	37,226

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 April 2017 and 31 March 2018	310,000
NET BOOK VALUE	
At 31 March 2018	310,000
At 31 March 2017	310,000

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

Class of shares:	% holding
Ordinary	100.00

	2018 £	2017 £
Aggregate capital and reserves	10,000	10,000

continued...

12. FIXED ASSET INVESTMENTS - continued

Style Furnishings Limited
Registered office:
Nature of business: Soft furnishings

Class of shares:	% holding
Ordinary	100.00

	2018	2017
	£	£
Aggregate capital and reserves	**88,576**	81,009
Profit for the year	**7,567**	10,508

13. STOCKS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Raw materials	**109,943**	103,629	**79,943**	73,629
Finished goods	**1,742,137**	1,851,761	**1,742,137**	1,851,761
	1,852,080	1,955,390	**1,822,080**	1,925,390

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	**1,884,702**	1,992,219	**1,884,702**	1,992,219
Prepayments	**239,080**	208,513	**219,705**	185,806
	2,123,782	2,200,732	**2,104,407**	2,178,025

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 2018 the amount advanced was £1,168,467 (2017: £1,145,720) and this sum is secured by way of a fixed and floating charge against all the company's assets.

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans (see note 17)	**135,066**	133,068	**135,066**	133,068
Hire purchase contracts (see note 18)	**47,949**	-	**47,949**	-
Trade creditors	**2,055,186**	2,251,565	**2,054,780**	2,251,457
Amounts owed to group undertakings	**-**	-	**108,429**	95,729
Corporation Tax	**17,836**	28,958	**17,836**	28,958
Social security and other taxes	**235,782**	243,048	**167,551**	178,960
Other creditors	**1,168,467**	1,145,720	**1,168,467**	1,145,720
Accrued and deferred income	**76,863**	113,829	**72,393**	106,813
	3,737,149	3,916,188	**3,772,471**	3,940,705

continued...

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Included within other creditors is the sum of £1,168,467 (2017: £1,145,720) advanced against trade debtors by HSBC Invoice Financing Limited (see note 14).

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

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Other loans (see note 17)	**879,398**	910,489	**879,398**	910,489
Hire purchase contracts (see note 18)	**146,956**	-	**146,956**	-
	1,026,354	910,489	**1,026,354**	910,489

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Amounts falling due within one year or on demand:				
Loan creditor	**135,066**	133,068	**135,066**	133,068
Amounts falling due between one and two years:				
Loan creditor	**105,530**	118,300	**105,530**	118,300
Amounts falling due between two and five years:				
Loan creditor	**306,617**	266,292	**306,617**	266,292
Amounts falling due in more than five years:				
Repayable by instalments				
Property loan	**467,251**	525,897	**467,251**	525,897

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.

continued...

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	**47,949**	-
Between one and five years	**146,956**	-
	194,905	-

Company

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	**47,949**	-
Between one and five years	**146,956**	-
	194,905	-

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Loan creditor	**1,014,464**	1,043,557	**1,014,464**	1,043,557
Hire purchase contracts	**194,905**	-	**194,905**	-
Invoice discounting loan	**1,168,467**	1,145,720	**1,168,467**	1,145,720
	2,377,836	2,189,277	**2,377,836**	2,189,277

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	2018	2017	**2018**	2017
	£	£	**£**	£
Deferred tax				
Accelerated capital allowances	**60,204**	30,462	**60,204**	30,462

Group

	Deferred tax
	£
Balance at 1 April 2017	**30,462**
Charge to Income Statement during year	**29,742**
Balance at 31 March 2018	**60,204**

continued...

20. PROVISIONS FOR LIABILITIES - continued

Company

	Deferred tax £
Balance at 1 April 2017	**30,462**
Charge to Income Statement during year	**29,742**
Balance at 31 March 2018	**60,204**

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
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
			90,300	90,300

22. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2017	**837,661**	**185,000**	**1,022,661**
Profit for the year	**175,098**		**175,098**
Dividends	**(144,000)**		**(144,000)**
At 31 March 2018	**868,759**	**185,000**	**1,053,759**

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 April 2017	**940,565**	**185,000**	**1,125,565**
Profit for the year	**178,038**		**178,038**
Dividends	**(144,000)**		**(144,000)**
At 31 March 2018	**974,603**	**185,000**	**1,159,603**

23. ULTIMATE CONTROLLING PARTY

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