

**REGISTERED NUMBER: 04442532 (England and Wales)**

**Strategic Report, Report of the Directors and  
Financial Statements for the Year Ended 31 May 2019  
for  
Overseas Trading Limited**

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for the Year Ended 31 May 2019**

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**Overseas Trading Limited**  
**Company Information**  
**for the Year Ended 31 May 2019**

**DIRECTORS:**

J Buitekant  
P R Jennings  
R B Segal  
D R Wain  
A Pocock

**SECRETARY:**

J Buitekant

**REGISTERED OFFICE:**

OTL House  
Methley Road  
Castleford  
WF10 1PA

**REGISTERED NUMBER:**

04442532 (England and Wales)

**AUDITORS:**

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

**Strategic Report  
for the Year Ended 31 May 2019**

The directors present their strategic report for the year ended 31 May 2019.

**REVIEW OF BUSINESS**

Through the year, the business continued to focus on margins and in particular gross profit margins in a highly competitive marketplace. Gross margin advanced further from 17.3% to 18% resulting in improved gross profit of £2.89m against a small reduction in revenues. The directors have invested in the management team of the business with a clear focus on building a sales growth plan and investing further in upgrading of it's website and social media marketing, despite this investment operating profit improved to £339.6k from £310.5k in the year.

The business has also invested in protecting it's IP with a number of the Brands it owns being Trademarked during this year.

By careful forward currency contract management the business has successfully insulated itself from the extreme currency fluctuation seen through a year of political and economic uncertainty.

Net profit after tax has significantly improved to £260.5k up from £230k in the prior year.

The company has looked to take the opportunity to seek positive advantage through the UK government's Research and Development Tax Credit Scheme. Results are looking positive and a submission has been made to maximise the benefit in the reported year. The business continues to invest in research and development activity and expects to benefit from such tax credits in future years.

**BUSINESS OUTLOOK**

The UK retail environment continues to be a challenging marketplace with both a high level of business failures and excessive levels of empty retail space. The business has carefully positioned itself to best weather these conditions, revenues are evenly balanced between multiple grocers, discounters, export and the convenience market. The business continues to enjoy both growth and growth of opportunities across these market sectors. Revenue growth in the first half of this financial year has been good and a strong sales pipeline exists to bring the same in the second half.

Through the investment made in a new Managing Director role the business has conducted a review of processes and business operations. Following the review the business has embarked on a change agenda focused on the customer, sales growth, strict cost control and process improvement. A successful restructure of the sales team has already started to produce positive revenue growth. This work continues with further investment in the convenience sales team to unlock the growth opportunities in this area.

The business benefits from a very experienced sourcing team based in China, this team is focused on delivering great value high quality products to the trading team in the UK. A key business strength is the ability to provide high levels of quality assurance which in turn unlocks sales opportunities in the largest UK and EU retailers. In addition the sourcing team have delivered cost benefits to the business helping to fund the investment programme and improve gross margins further.

Restructures of the trading teams in the UK and Polish businesses have streamlined processes and reduced operating costs. This has enabled an investment in a highly experienced Commercial Director, Duncan Morrow. The commercial team has been refocused to support the customer centric and revenue growth strategy, work is underway to bring market leading brands and products to the business portfolio. The team have already launched a number of new products into key customers that have been extremely successful and are helping forge closer sales growing relationships with key customers.

The directors are mindful of changing economic conditions and uncertainty in the current environment. Political changes are likely to add to this uncertainty and volatility especially in the second half of the year, with this in mind the business has carefully managed its currency contracts to ensure price stability in the supply chain and for customers. The business is well prepared for the possible changes of Brexit and has recently achieved Approved Economic Operator (AEO) status, this gives the business access to simplified import and customs procedures.

**Overseas Trading Limited (Registered number: 04442532)**

**Strategic Report  
for the Year Ended 31 May 2019**

**ON BEHALF OF THE BOARD:**

J Buitekant - Director

26 February 2020

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

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

**DIVIDENDS**

Interim dividends per share were paid as follows:

Ordinary 0.01 shares	20.5248	- 30 May 2019
Ordinary A 0.01 shares	27.6375	- 30 May 2019
Ordinary B 0.01 shares	8.216	- 30 May 2019

The directors recommend that no final dividends be paid.

The total distribution of dividends for the year ended 31 May 2019 will be £ 184,928 .

**DIRECTORS**

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

J Buitekant  
P R Jennings  
R B Segal  
D R Wain

Other changes in directors holding office are as follows:

A Pocock - appointed 8 April 2019

**FINANCIAL INSTRUMENTS**

The company uses a variety of financial instruments to ensure that liabilities are met on time and these include the judicious use of bank overdrafts and loans, finance lease options and invoice discounting alongside normal working capital cycle items as trade debtors and creditors. The company is comfortable that sufficient liquidity is available to allow the company to trade effectively within its current financing arrangements. The company continues to utilise forward rate contracts to purchase foreign currency in order to protect against adverse exchange rate movements.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 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 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.

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.

**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 company'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 company's auditors are aware of that information.

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

**AUDITORS**

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

**ON BEHALF OF THE BOARD:**

J Buitekant - Director

26 February 2020

## **Report of the Independent Auditors to the Members of Overseas Trading Limited**

### **Opinion**

We have audited the financial statements of Overseas Trading Limited (the 'company') for the year ended 31 May 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the 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 company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the 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 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 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 Overseas Trading Limited**

### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the 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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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](http://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 BSc FCA (Senior Statutory Auditor)  
for and on behalf of Sochall Smith Limited  
Chartered Accountants & Statutory Auditors  
3 Park Square  
Leeds  
LS1 2NE

26 February 2020

**Income Statement  
for the Year Ended 31 May 2019**

	Notes	2019 £	2018 £
<b>TURNOVER</b>		<b>16,018,937</b>	16,362,634
Cost of sales		<u>13,130,156</u>	<u>13,523,921</u>
<b>GROSS PROFIT</b>		<b>2,888,781</b>	2,838,713
Administrative expenses		<u>2,549,231</u>	<u>2,528,233</u>
<b>OPERATING PROFIT</b>	4	<b>339,550</b>	310,480
Interest payable and similar expenses	5	<u>51,611</u>	<u>19,865</u>
<b>PROFIT BEFORE TAXATION</b>		<b>287,939</b>	290,615
Tax on profit	6	<u>27,487</u>	<u>60,598</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>260,452</b></u>	<u><b>230,017</b></u>

The notes form part of these financial statements

**Overseas Trading Limited (Registered number: 04442532)**

**Other Comprehensive Income  
for the Year Ended 31 May 2019**

	Notes	2019 £	2018 £
<b>PROFIT FOR THE YEAR</b>		<b>260,452</b>	230,017
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>260,452</b></u>	<u>230,017</u>

The notes form part of these financial statements

**Overseas Trading Limited (Registered number: 04442532)**

**Balance Sheet  
31 May 2019**

	Notes	2019 £	£	2018 £	£
<b>FIXED ASSETS</b>					
Tangible assets	8		<b>241,554</b>		243,459
<b>CURRENT ASSETS</b>					
Stocks	9	<b>3,031,917</b>		2,690,806	
Debtors	10	<b>3,181,474</b>		2,718,080	
Cash at bank and in hand		<u><b>158,821</b></u>		<u>101,228</u>	
		<b>6,372,212</b>		<b>5,510,114</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	11	<u><b>5,255,559</b></u>		<u>4,442,391</u>	
<b>NET CURRENT ASSETS</b>			<u><b>1,116,653</b></u>		<u>1,067,723</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>1,358,207</b>		1,311,182
<b>CREDITORS</b>					
Amounts falling due after more than one year	12		<b>(436,613)</b>		<b>(467,566)</b>
<b>PROVISIONS FOR LIABILITIES</b>	16		<u><b>(28,950)</b></u>		<u>(26,496)</u>
<b>NET ASSETS</b>			<u><b>892,644</b></u>		<u>817,120</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	17		<b>100</b>		100
Retained earnings	18		<u><b>892,544</b></u>		<u>817,020</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>892,644</b></u>		<u>817,120</u>

The financial statements were approved by the Board of Directors on 26 February 2020 and were signed on its behalf by:

J Buitekant - Director

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
<b>Balance at 1 June 2017</b>	100	703,231	703,331
<b>Changes in equity</b>			
Dividends	-	(116,228)	(116,228)
Total comprehensive income	-	230,017	230,017
<b>Balance at 31 May 2018</b>	<u>100</u>	<u>817,020</u>	<u>817,120</u>
<b>Changes in equity</b>			
Dividends	-	(184,928)	(184,928)
Total comprehensive income	-	260,452	260,452
<b>Balance at 31 May 2019</b>	<u>100</u>	<u>892,544</u>	<u>892,644</u>

**Cash Flow Statement**  
**for the Year Ended 31 May 2019**

	Notes	2019 £	2018 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(59,451)	224,923
Interest paid		(42,433)	(10,258)
Interest element of hire purchase payments paid		(9,178)	(9,607)
Tax paid		(16,389)	(20,895)
Net cash from operating activities		<u>(127,451)</u>	<u>184,163</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(1,000)	(28,226)
Sale of tangible fixed assets		-	7,800
Net cash from investing activities		<u>(1,000)</u>	<u>(20,426)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		462,812	(201,624)
Capital repayments in year		(58,212)	365
Movements on invoice discounting		-	(244,481)
Equity dividends paid		(184,928)	(116,228)
Net cash from financing activities		<u>219,672</u>	<u>(561,968)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>91,221</u>	<u>(398,231)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(287,899)	110,332
Effect of foreign exchange rate changes		35,335	-
<b>Cash and cash equivalents at end of year</b>	2	<u>(161,343)</u>	<u>(287,899)</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement  
for the Year Ended 31 May 2019

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

	2019 £	2018 £
Profit before taxation	287,939	290,615
Depreciation charges	40,780	44,481
Loss on disposal of fixed assets	-	2,718
Finance costs	51,611	19,865
	<u>380,330</u>	<u>357,679</u>
(Increase)/decrease in stocks	(341,111)	200,319
(Increase)/decrease in trade and other debtors	(463,394)	838,277
Increase/(decrease) in trade and other creditors	364,724	(1,171,352)
<b>Cash generated from operations</b>	<u><b>(59,451)</b></u>	<u><b>224,923</b></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 May 2019**

	31/5/19 £	1/6/18 £
Cash and cash equivalents	158,821	101,228
Bank overdrafts	(320,164)	(389,127)
	<u>(161,343)</u>	<u>(287,899)</u>

**Year ended 31 May 2018**

	31/5/18 £	1/6/17 £
Cash and cash equivalents	101,228	209,840
Bank overdrafts	(389,127)	(99,508)
	<u>(287,899)</u>	<u>110,332</u>

**Notes to the Financial Statements  
for the Year Ended 31 May 2019**

**1. STATUTORY INFORMATION**

Overseas Trading 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 Company 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.

**Significant judgements and estimates**

The critical judgements that the directors have made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the statutory financial statements are discussed below.

In assessing whether there have been any indicators of impairment assets, the directors have considered both external and internal sources of information such as market conditions, counterparty credit ratings and experience of recoverability and where applicable, the ability of the asset to be operated as planned. There have been no indicators of impairments identified during the current financial year.

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**Recoverability of receivables**

The company establishes a provision for receivables that are estimated not to be recoverable. When assessing recoverability the directors have considered factors such as the ageing of the receivables, past experience of recoverability, and the credit profile of individual or groups of customers.

**Determining residual values and useful economic lives of tangible assets**

The company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of tangible assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied.

Judgement is also applied when determining the residual values for fixed assets. When determining the residual value, the directors have assessed the amount that the company would currently obtain on the disposal of the asset, as if it was already in the condition expected at the end of its useful life. Where possible this is done with reference to external market prices.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**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.

Fixtures and fittings	- 10% on cost
Motor vehicles	- 25% on reducing balance
Office equipment	- 25% on reducing balance

**Stocks**

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



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

2. ACCOUNTING POLICIES - continued

**Financial instruments**

The company uses a variety of financial instruments to ensure that liabilities are met on time and these include the judicious use of bank overdrafts and loans, finance lease options and invoice discounting alongside normal working capital cycle items as trade debtors and creditors. The company is comfortable that sufficient liquidity is available to allow the company to trade effectively within its current financing arrangements.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

**Deferred tax**

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.

**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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

3. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,158,623	1,114,884
Social security costs	124,998	115,354
	<u>1,283,621</u>	<u>1,230,238</u>

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

3. **EMPLOYEES AND DIRECTORS - continued**

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

	2019	2018
Directors	4	4
Warehouse	13	13
Office	40	36
	<u>57</u>	<u>53</u>

	2019	2018
	£	£
Directors' remuneration	<u>282,282</u>	<u>267,344</u>

Information regarding the highest paid director is as follows:

	2019	2018
	£	£
Emoluments etc	<u>101,012</u>	<u>98,730</u>

4. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2019	2018
	£	£
Other operating leases	61,864	61,627
Depreciation - owned assets	8,926	9,119
Depreciation - assets on hire purchase contracts	31,853	35,362
Loss on disposal of fixed assets	-	2,718
Auditors' remuneration	6,000	6,000
Auditors' remuneration for non audit work	5,350	3,000
Foreign exchange differences	<u>(27,566)</u>	<u>28,672</u>

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2019	2018
	£	£
Bank loan interest	42,203	10,258
Corporation tax interest	230	-
Hire purchase	9,178	9,607
	<u>51,611</u>	<u>19,865</u>

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

## 6. 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	53,325	62,450
Over provision prior year	(28,292)	-
Total current tax	25,033	62,450
Deferred tax	2,454	(1,852)
Tax on profit	27,487	60,598

UK corporation tax has been charged at 19% (2018 - 19%).

**Reconciliation of total tax charge included in profit and loss**

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

	2019 £	2018 £
Profit before tax	287,939	290,615
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	54,708	55,217
Effects of:		
Expenses not deductible for tax purposes	751	751
Adjustments to tax charge in respect of previous periods	(28,292)	902
Double taxation relief difference	320	-
Change in rate of deferred tax	-	3,728
Total tax charge	27,487	60,598

## 7. DIVIDENDS

	2019 £	2018 £
Ordinary shares of 0.01 each		
Interim	67,732	30,430
Ordinary A shares of 0.01 each		
Interim	88,440	85,798
Ordinary B shares of 0.01 each		
Interim	28,756	-
	184,928	116,228

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

## 8. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Motor vehicles £	Office equipment £	Totals £
<b>COST</b>				
At 1 June 2018	172,771	107,251	194,231	474,253
Additions	-	38,874	-	38,874
At 31 May 2019	<u>172,771</u>	<u>146,125</u>	<u>194,231</u>	<u>513,127</u>
<b>DEPRECIATION</b>				
At 1 June 2018	17,277	42,352	171,165	230,794
Charge for year	<u>15,549</u>	<u>19,411</u>	<u>5,819</u>	<u>40,779</u>
At 31 May 2019	<u>32,826</u>	<u>61,763</u>	<u>176,984</u>	<u>271,573</u>
<b>NET BOOK VALUE</b>				
At 31 May 2019	<u>139,945</u>	<u>84,362</u>	<u>17,247</u>	<u>241,554</u>
At 31 May 2018	<u>155,494</u>	<u>64,899</u>	<u>23,066</u>	<u>243,459</u>

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

	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 June 2018	172,771	95,879	268,650
Additions	-	38,874	38,874
At 31 May 2019	<u>172,771</u>	<u>134,753</u>	<u>307,524</u>
<b>DEPRECIATION</b>			
At 1 June 2018	17,277	40,556	57,833
Charge for year	<u>15,549</u>	<u>16,304</u>	<u>31,853</u>
At 31 May 2019	<u>32,826</u>	<u>56,860</u>	<u>89,686</u>
<b>NET BOOK VALUE</b>			
At 31 May 2019	<u>139,945</u>	<u>77,893</u>	<u>217,838</u>
At 31 May 2018	<u>155,494</u>	<u>55,323</u>	<u>210,817</u>

## 9. STOCKS

	2019 £	2018 £
Finished goods	<u>3,031,917</u>	<u>2,690,806</u>

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

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

	2019	2018
	£	£
Trade debtors	2,783,808	2,473,632
Other debtors	307,192	132,977
Prepayments and accrued income	90,474	111,471
	<u>3,181,474</u>	<u>2,718,080</u>

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2019	2018
	£	£
Bank loans and overdrafts (see note 13)	2,131,256	1,668,444
Hire purchase contracts (see note 14)	67,911	57,296
Trade creditors	77,743	111,602
Tax	70,427	61,783
Social security and other taxes	184,728	274,740
Invoice discounting loan	2,254,780	2,089,756
Accruals and deferred income	468,714	178,770
	<u>5,255,559</u>	<u>4,442,391</u>

12. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2019	2018
	£	£
Hire purchase contracts (see note 14)	85,407	116,360
Directors' loans	351,206	351,206
	<u>436,613</u>	<u>467,566</u>

13. **LOANS**

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	320,164	389,127
Bank loans	1,811,092	1,279,317
	<u>2,131,256</u>	<u>1,668,444</u>

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

14. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	67,911	57,296
Between one and five years	<u>85,407</u>	<u>116,360</u>
	<u><b>153,318</b></u>	<u><b>173,656</b></u>
	<b>Non-cancellable operating leases</b>	
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	56,711	98,222
Between one and five years	<u>47,257</u>	<u>103,968</u>
	<u><b>103,968</b></u>	<u><b>202,190</b></u>

15. SECURED DEBTS

The following secured debts are included within creditors:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	320,164	389,127
Bank loans	1,811,092	1,279,317
Hire purchase contracts	153,318	173,656
Invoice discounting loan	<u>2,238,667</u>	<u>2,089,756</u>
	<u><b>4,523,241</b></u>	<u><b>3,931,856</b></u>

The bank loan and overdraft are secured by a fixed and floating charge over all the assets of the company and a charge over contract monies.

The invoice discounting creditor is secured by a charge over the company's trade debtors.

The finance leases and hire purchase contracts are secured on the relevant assets.

16. PROVISIONS FOR LIABILITIES

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Deferred tax	<u>28,950</u>	<u>26,496</u>

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

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 June 2018	26,496
Accelerated capital allowances	<u>2,454</u>
Balance at 31 May 2019	<u>28,950</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value:	2019 £	2018 £
3,300	Ordinary	0.01	32	32
3,200	Ordinary A	0.01	35	35
3,500	Ordinary B	0.01	<u>33</u>	<u>33</u>
			<u>100</u>	<u>100</u>

All classes of shares confer the same voting rights and rank parri passu.

18. RESERVES

	Retained earnings £
At 1 June 2018	817,020
Profit for the year	260,452
Dividends	<u>(184,928)</u>
At 31 May 2019	<u>892,544</u>

19. OTHER FINANCIAL COMMITMENTS

At the year end, the company had ongoing foreign exchange forward contracts amounting to £9,414,083 (2018: £6,434,296) to purchase United States Dollars.

20. RELATED PARTY DISCLOSURES

During the year, total dividends of £96,488 (2018 - £30,430) were paid to the directors .

**Notes to the Financial Statements - continued  
for the Year Ended 31 May 2019**

**20. RELATED PARTY DISCLOSURES - continued**

During the year, total dividends of £88,440 (2018: £85,798) were paid to R Buitekant who is the wife of J Buitekant.

The company has directors in common with OTL Europe (registered in Poland), Spot On-Line Limited and Oceansaver Limited.

At the year end, the company was due £108,038 (2018: £107,418) from OTL Europe.

At the year end, the company was due £71,020 (2018: £6,039) from Spot On-Line Limited.

At the year end, the company was due £129,621 (2018: £Nil) from Oceansaver Limited.

**21. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is J Buitekant.



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