

Financial Statements

Cornelius Specialties Ltd

For the Year Ended 31 January 2017

WEDNESDAY



A6BIQ48Q

A17

26/07/2017

#240

COMPANIES HOUSE

Registered number: 05758693

Company Information

Directors	Mr J M Bilney Dr N D Prior Mr D Spiby (appointed 15 February 2017)
Company secretary	Mr R W Pattie (resigned 31st January 2017) Mr R J Fagan (appointed 15 February 2017)
Registered number	05758693
Registered office	15C Rookwood Way Haverhill Suffolk CB9 8PB
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor Priory Place New London Road Chelmsford Essex CM2 0PP

Contents

	Page
Directors' report	1 - 2
Independent auditor's report	3 - 4
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in equity	7
Statement of cash flows	8
Notes to the financial statements	9 - 21

Directors' Report

For the Year Ended 31 January 2017

The directors present their report and the financial statements for the year ended 31 January 2017.

Directors

The directors who served during the year were:

J M Bilney
Dr N D Prior

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Directors' Report (continued)

For the Year Ended 31 January 2017

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on

14 July 2017 and signed on its behalf.



Dr N D Prior
Director

Independent Auditor's Report to the Members of Cornelius Specialties Ltd

We have audited the financial statements of Cornelius Specialties Ltd for the year ended 31 January 2017, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of cash flows, the Statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 1, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Audit Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.



Independent Auditor's Report to the Members of Cornelius Specialties Ltd (continued)

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

Matters on which we are required to report under the Companies Act 2006

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 Directors' report.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic report or in preparing the Directors' report.

A handwritten signature in black ink, appearing to read "P. Dearsley".

Paul Dearsley (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants

Statutory Auditor

Chelmsford

Date: 25 July 2017

Statement of Comprehensive Income

For the Year Ended 31 January 2017

	Note	2017 £	2016 £
Turnover	4	3,544,483	2,917,488
Cost of sales		(1,483,240)	(1,293,585)
Gross profit		2,061,243	1,623,903
Distribution costs		(58,029)	(60,882)
Administrative expenses		(1,714,938)	(1,442,962)
Other operating income	5	19,967	8,075
Operating profit	6	308,243	128,134
Interest payable and expenses		(10,599)	(11,885)
Profit before tax		297,644	116,249
Tax on profit	10	(1,279)	(14,977)
Profit for the financial year		296,365	101,272

There were no recognised gains and losses for 2017 or 2016 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 9 to 21 form part of these financial statements.

Statement of Financial Position

As at 31 January 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	11	545,002	395,883
		<u>545,002</u>	<u>395,883</u>
Current assets			
Stocks	12	885,268	806,230
Debtors: amounts falling due within one year	13	592,368	773,669
Cash at bank and in hand	14	50	133
		<u>1,477,686</u>	<u>1,580,032</u>
Creditors: amounts falling due within one year	15	(799,032)	(1,056,360)
Net current assets		<u>678,654</u>	<u>523,672</u>
Total assets less current liabilities		<u>1,223,656</u>	<u>919,555</u>
Provisions for liabilities			
Deferred tax	16	(53,515)	(45,779)
		<u>(53,515)</u>	<u>(45,779)</u>
Net assets		<u><u>1,170,141</u></u>	<u><u>873,776</u></u>
Capital and reserves			
Called up share capital	17	117,648	117,648
Share premium account	18	80,947	80,947
Profit and loss account	18	971,546	675,181
		<u><u>1,170,141</u></u>	<u><u>873,776</u></u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 14 July 2017


Dr N D Prior
Director

The notes on pages 9 to 21 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 January 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 February 2016	117,648	80,947	675,181	873,776
Profit for the year	-	-	296,365	296,365
At 31 January 2017	<u>117,648</u>	<u>80,947</u>	<u>971,546</u>	<u>1,170,141</u>

Statement of Changes in Equity

For the Year Ended 31 January 2016

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 February 2015	117,648	80,947	573,909	772,504
Profit for the year	-	-	101,272	101,272
At 31 January 2016	<u>117,648</u>	<u>80,947</u>	<u>675,181</u>	<u>873,776</u>

The notes on pages 9 to 21 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 January 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	296,365	101,272
Adjustments for:		
Depreciation of tangible assets	112,569	84,121
Interest paid	10,599	11,885
Taxation charge	1,279	14,977
(Increase) in stocks	(79,038)	(180,844)
Decrease/(increase) in debtors	181,300	(170,649)
Decrease in amounts owed by groups	-	104,308
Increase in creditors	39,598	42,744
(Decrease)/increase in amounts owed to groups	(321,659)	124,564
Net cash generated from operating activities	241,013	132,378
Cash flows from investing activities		
Purchase of tangible fixed assets	(261,688)	(60,322)
Net cash from investing activities	(261,688)	(60,322)
Cash flows from financing activities		
Interest paid	(10,599)	(11,885)
Net cash used in financing activities	(10,599)	(11,885)
Net (decrease)/increase in cash and cash equivalents	(31,274)	60,171
Cash and cash equivalents at beginning of year	(366,786)	(426,957)
Cash and cash equivalents at the end of year	(398,060)	(366,786)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	50	133
Bank overdrafts	(398,110)	(366,919)
	(398,060)	(366,786)

Notes to the Financial Statements

For the Year Ended 31 January 2017

1. General information

Cornelius Specialties Ltd is a limited liability company incorporated in England. The registered office address is 15c Rookwood Way, Haverhill, Suffolk, CB9 8PB.

The company's principal activity is the supply and distribution of chemical products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Cornelius Group plc as at 31 January 2017 and these financial statements may be obtained from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

2.3 Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant & machinery	- over three to fifteen years
-------------------	-------------------------------

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.5 Operating leases

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

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the company's cash management.

2.9 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments, like loans and other accounts receivable and payable, are initially measured at present value of the future payments and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially and subsequently, at the present value of the future payment discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Income statement.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.11 Finance costs

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income account in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the Financial Statements

For the Year Ended 31 January 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Statement of financial position date.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities, as at the Statement of financial position date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following item is the key judgement that has had the most significant effect on amounts recognised in the financial statements.

Stock provisions

The Group makes a provision against slow moving stock to reduce the value of stock to its net realisable value. Provisions are based on expiry dates of products and the likelihood of sale of goods before their expiry date and are therefore subject to estimates and judgements made by management.

Notes to the Financial Statements

For the Year Ended 31 January 2017

4. Turnover

The whole of the turnover is attributable to the principal activity of the company.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	2,264,216	1,919,722
Rest of the world	1,280,267	997,766
	<u>3,544,483</u>	<u>2,917,488</u>

5. Other operating income

	2017 £	2016 £
Government grants receivable	19,967	8,075
	<u>19,967</u>	<u>8,075</u>

6. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Research & development	61,845	59,880
Depreciation of tangible fixed assets	112,569	84,120
	<u>174,414</u>	<u>144,000</u>

7. Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	8,000	5,500
	<u>8,000</u>	<u>5,500</u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

8. Employees

	2017 £	2016 £
Wages and salaries	933,578	818,386
Social security costs	87,394	90,675
Pension	33,405	27,722
	<u>1,054,377</u>	<u>936,783</u>

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

	2017 No.	2016 No.
Production	15	19
Administration	2	2
Research and development	5	1
Management	2	2
	<u>24</u>	<u>24</u>

9. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	249,553	116,739
Company contributions to defined contribution pension schemes	15,818	15,432
	<u>265,371</u>	<u>132,171</u>

During the year retirement benefits were accruing to 1 directors (2016 - 1) in respect of defined contribution pension schemes.

Notes to the Financial Statements

For the Year Ended 31 January 2017

10. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profits for the year	17,477	23,934
Adjustments in respect of previous periods	(23,934)	(5,310)
	<u>(6,457)</u>	<u>18,624</u>
Total current tax	<u>(6,457)</u>	<u>18,624</u>
Deferred tax		
Origination and reversal of timing differences	7,736	(3,647)
Total deferred tax	<u>7,736</u>	<u>(3,647)</u>
Taxation on profit on ordinary activities	<u>1,279</u>	<u>14,977</u>

Factors affecting tax charge for the year

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

	2017 £	2016 £
Profit on ordinary activities before tax	<u>297,644</u>	<u>116,249</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%)	59,529	23,250
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1,735	1,984
Fixed asset differences	2,867	-
Adjustments to tax charge in respect of prior periods	(23,934)	(5,310)
Adjust deferred tax to closing tax rate	(4,357)	(4,947)
Group relief	(34,561)	-
Total tax charge for the year	<u>1,279</u>	<u>14,977</u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

11. Tangible fixed assets

	Plant & machinery £
Cost or valuation	
At 1 February 2016	1,358,065
Additions	261,688
Disposals	(2,400)
At 31 January 2017	<u>1,617,353</u>
Depreciation	
At 1 February 2016	962,182
Charge for the period on owned assets	112,569
Disposals	(2,400)
At 31 January 2017	<u>1,072,351</u>
Net book value	
At 31 January 2017	<u><u>545,002</u></u>
At 31 January 2016	<u><u>395,883</u></u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

12. Stocks

	2017 £	2016 £
Work in progress (goods to be sold)	135,860	88,560
Finished goods and goods for resale	749,408	717,670
	<u>885,268</u>	<u>806,230</u>

Stock recognised in cost of sales during the year as an expense was £1,276,266 (2016: £1,101,912).

An impairment loss of £13,596 (2016: £981) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

13. Debtors

	2017 £	2016 £
Trade debtors	517,652	681,297
Other debtors	29,858	3,779
Prepayments and accrued income	44,858	88,593
	<u>592,368</u>	<u>773,669</u>

14. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	50	133
Less: bank overdrafts	(398,110)	(366,919)
	<u>(398,060)</u>	<u>(366,786)</u>

Notes to the Financial Statements

For the Year Ended 31 January 2017

15. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	398,110	366,919
Trade creditors	94,153	110,241
Amounts owed to group undertakings	65,313	386,972
Corporation tax	17,477	23,934
Other taxation and social security	21,912	22,219
Accruals and deferred income	202,067	146,075
	<u>799,032</u>	<u>1,056,360</u>

Bank overdrafts are secured against the assets of the company.

16. Deferred taxation

	2017 £
At beginning of year	45,779
Charged to the profit or loss	7,736
At end of year	<u>53,515</u>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	<u>53,515</u>	<u>45,779</u>

17. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
117,648 Ordinary shares of £1 each	<u>117,648</u>	<u>117,648</u>

Share capital represents the nominal value of shares that have been issued. The shares carry voting rights and an entitlement to dividends.

Notes to the Financial Statements

For the Year Ended 31 January 2017

18. Reserves

Share premium account

The share premium account represents amounts paid for share capital in excess of their nominal value.

Profit & loss account

The profit and loss reserve represents retained profit from the current and prior years.

19. Pension commitments

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amount to £33,405 (2016: £27,722).

20. Commitments under operating leases

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

	2017 £	2016 £
Not later than 1 year	146,866	109,888
Later than 1 year and not later than 5 years	527,462	439,552
Later than 5 years	703,283	586,069
	<u>1,377,611</u>	<u>1,135,509</u>

21. Related party transactions

During the year the company paid a management charge of £50,000 (2016: £25,000) to Cornelius Group PLC.

The company made purchases of £nil (2016: £72,422) from Cornelius Group PLC.

The company made sales of £nil (2016: £107) to Cornelius Group PLC.

At 31 January 2017 the company was owed £34,687 by Cornelius Group PLC (2016: the company owed £386,972 to Cornelius Group PLC).

Key management personnel remuneration totaled £184,887 (2016: £145,671).

Notes to the Financial Statements

For the Year Ended 31 January 2017

22. Ultimate parent undertaking and controlling party

The ultimate parent undertaking of this company is Cornelius Group plc by virtue of its 85% holding in Cornelius Specialties Ltd.

The smallest and largest group of undertakings for which group accounts have been drawn up is that headed by Cornelius Group PLC. Copies of the group accounts can be obtained at Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.