

Company Registration No. 06224973 (England and Wales)

**ALSICO LAUCUBA LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2017**

WEDNESDAY



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COMPANIES HOUSE

# ALSICO LAUCUBA LIMITED

## COMPANY INFORMATION

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**Directors** K J Mayes  
D R Toon  
D A Watson  
E L Farmer  
D R Turner

**Secretary** Kina Business Services Ltd

**Company number** 06224973

**Registered office** Alsico Laucuba Limited  
Pittman Way  
Fulwood  
Preston  
PR2-9ZD

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**Auditor** RSM UK Audit LLP  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire  
PR2 5PE

**Business address** Alsico Laucuba Limited  
Pittman Way  
Fulwood  
Preston  
PR2 9ZD

**Bankers** KBC Bank NV  
Fifth Floor  
111 Old Broad Street  
London  
EC2N 1BR

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# ALSICO LAUCUBA LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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The directors present the strategic report for the year ended 31 December 2017.

#### **Fair review of the business**

The group and company continues to develop work-wear for specific occupations and to counter identified risks that the staff of customer businesses face at work.

The group and company sales have increased by 8% in the year with a broadly consistent gross margin base as expected, despite the impact of the dollar rate changes in the year. Administration expenses were increased to support the future growth of the company and group.

During the year dividends of £322,850 (2016: £Nil) were received from a group company in which an investment is held.

Net current assets remain comparable, albeit the composition has changed reflecting inter alia the dividend payment made.

After dividends of £2,455,755, the net assets of the group have decreased by £0.3 million, and the company have increased by £0.2 million.

#### **Principal risks and uncertainties**

The group and the company are exposed to a moderate level of cost price risk, foreign exchange risk, credit risk, liquidity risk and cash flow risk.

The group manages these risks by ensuring it has a range of customers and access to several supplier factories by forward buying of currency, by financing its operations through retained profits, supplemented by long-term bank borrowings where necessary to fund expansion or capital expenditure programmes.

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the group's exposure to fluctuating interest rates, and match the repayment schedule of any external borrowings or overdrafts with the future cash flows expected to arise from the group and company's trading activities.

The directors have assessed the main risk facing the group and company as being competition and the economic climate including the strength of sterling.

#### **Development and performance**

At the year end, group shareholders' funds amounted to £12,620,033 including profit and loss reserves of £12,293,253. The Directors believe the group's position to be financially robust particularly given that current assets exceed current liabilities to the extent of £11,691,941.

The company's shareholder's funds amounted to £12,981,894, including profit and loss reserves of £12,655,114.

The group and company have a relatively consistent customer base and as previously commented upon, the buying pattern of those customers can be cyclical.

#### **Key performance indicators**

	2017	2016
Turnover	£33,043,227	£30,725,721
Gross Profit	28.7%	29.9%
Operating Profit	£2,361,808	£2,344,354

The directors monitor the performance of the business by reference to management information. The directors are satisfied with the performance of the business during the year.

#### **Matters of strategic importance**

The group continues to focus on providing high quality products and a first-class service to its customer base.

# ALSICO LAUCUBA LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### Future plans

The directors believe the group and company are well positioned to continue to trade profitably and maintain their market position.

On behalf of the board



K.J. Mayes

Director

Date: 13/6/18

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# ALSICO LAUCUBA LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2017

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

#### Principal activities

The principal activity of the company and group continued to be that of the supply of workwear.

#### Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

K J Mayes

D R Toon

D A Watson

E L Farmer

D R Turner

(Appointed 1 April 2018)

(Appointed 1 April 2018)

#### Results and dividends

The results for the year are set out on page 8.

On 21 August 2017 there was a bonus issue of 12,175 Ordinary B shares and 4,870 Ordinary E shares.

On 21 September 2017 the 25,811 Ordinary C shares were redesignated as Ordinary A shares.

Ordinary dividends were paid amounting to £2,455,755. The directors do not recommend payment of a further dividend.

#### Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

#### Research and development

The group continued to widen and strengthen its product base through investment in in-house development and technical enhancement of its products. Research and development costs were incurred in the year in relation to the development of products to meet health and safety standards and quality purposes for specific customer requirements or projects.

#### Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

#### Strategic report

The group has chosen in accordance with Companies Act 2006, s.414C(11) to set out in the group's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

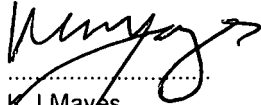
# ALSICO LAUCUBA LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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On behalf of the board



K J Mayes  
Director

Date: 13/6/18

# **ALSICO LAUCUBA LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors are responsible for preparing the Strategic Report and 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 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 group and company, 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 group and company will continue in business.

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

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALSICO LAUCUBA LIMITED**

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## **Opinion**

We have audited the financial statements of Alsico Laucuba Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Profit and Loss Account, the Consolidated and Company Balance Sheet, the Consolidated Statement of Changes in Equity, the Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows and 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 FRS 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 the parent company's affairs as at 31 December 2017 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

## **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

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



## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALSICO LAUCUBA LIMITED (CONTINUED)

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### 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 their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 directors' responsibilities statement set out on page 5, 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 is 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.

### Auditor's 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 an auditor's report 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

### 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 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.



Anthony Steiner FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Bluebell House  
Brian Johnson Way  
Preston  
Lancashire, PR2 5PE  
18.6.18

# ALSICO LAUCUBA LIMITED

## CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	33,043,227	30,725,721
Cost of sales		(23,549,099)	(21,529,609)
<b>Gross profit</b>		9,494,128	9,196,112
Distribution costs		(320,720)	(312,407)
Administrative expenses		(6,811,600)	(6,539,351)
<b>Operating profit</b>	<b>6</b>	2,361,808	2,344,354
Interest receivable and similar income	<b>8</b>	322,850	157
Interest payable and similar expenses	<b>9</b>	(773)	(1,500)
<b>Profit before taxation</b>		2,683,885	2,343,011
Taxation	<b>10</b>	(486,942)	(510,105)
<b>Profit for the financial year</b>	<b>23</b>	2,196,943	1,832,906


Profit for the financial year is all attributable to the owners of the parent company, as according to section 5.6. of FRS 102.

Total comprehensive income for the year is all attributable to the owners of the parent company, as according to section 5.6. of FRS 102.

**ALSICO LAUCUBA LIMITED****CONSOLIDATED BALANCE SHEET****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Goodwill	12		251,655		507,655
Other intangible assets	12		55,300		-
Tangible assets	13	584,223		550,155	
Investments	14	65,537		65,537	
			649,760		615,692
			956,715		1,123,347
<b>Current assets</b>					
Stocks	16	5,898,572		5,316,559	
Debtors	17	8,893,275		8,038,719	
Cash at bank and in hand		755,736		2,113,593	
		15,547,583		15,468,871	
<b>Creditors: amounts falling due within one year</b>	18	(3,855,642)		(3,695,583)	
<b>Net current assets</b>			11,691,941		11,773,288
<b>Total assets less current liabilities</b>			12,648,656		12,896,635
<b>Provisions for liabilities</b>	20		(28,623)		(17,790)
<b>Net assets</b>			12,620,033		12,878,845
<b>Capital and reserves</b>					
Called up share capital	21		326,780		309,735
Profit and loss reserves	23		12,293,253		12,569,110
<b>Total equity</b>			12,620,033		12,878,845

The financial statements were approved by the board of directors and authorised for issue on 13/6/18 and are signed on its behalf by:

  
 .....  
 D R Toon  
 Director

**ALSICO LAUCUBA LIMITED****COMPANY BALANCE SHEET****AS AT 31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Intangible assets	12	55,300		-	
Tangible assets	13	122,199		37,491	
Investments	14	2,477,542		2,477,542	
		<u>2,655,041</u>		<u>2,515,033</u>	
<b>Current assets</b>					
Stocks	16	5,253,346		4,842,002	
Debtors	17	8,182,569		7,408,448	
Cash at bank and in hand		413,979		1,384,498	
		<u>13,849,894</u>		<u>13,634,948</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(3,505,022)</u>		<u>(3,398,597)</u>	
<b>Net current assets</b>			10,344,872		10,236,351
<b>Total assets less current liabilities</b>			12,999,913		12,751,384
<b>Provisions for liabilities</b>	20		<u>(18,019)</u>		<u>(3,014)</u>
<b>Net assets</b>			<u>12,981,894</u>		<u>12,748,370</u>
<b>Capital and reserves</b>					
Called up share capital	21	326,780		309,735	
Profit and loss reserves	23	12,655,114		12,438,635	
<b>Total equity</b>			<u>12,981,894</u>		<u>12,748,370</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £2,689,279 (2016 - £2,188,604 profit).

The financial statements were approved by the board of directors and authorised for issue on 13/6/18 and are signed on its behalf by:

  
 D R Toon  
 Director

# ALSICO LAUCUBA LIMITED

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		309,735	12,387,091	12,696,826
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	1,832,906	1,832,906
Dividends	11	-	(1,650,887)	(1,650,887)
<b>Balance at 31 December 2016</b>		309,735	12,569,110	12,878,845
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	2,196,943	2,196,943
Bonus issue of shares	21	17,045	(17,045)	-
Dividends	11	-	(2,455,755)	(2,455,755)
<b>Balance at 31 December 2017</b>		326,780	12,293,253	12,620,033

# ALSICO LAUCUBA LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2016</b>		309,735	11,900,918	12,210,653
<b>Year ended 31 December 2016:</b>				
Profit and total comprehensive income for the year		-	2,188,604	2,188,604
Dividends	11	-	(1,650,887)	(1,650,887)
<b>Balance at 31 December 2016</b>		309,735	12,438,635	12,748,370
<b>Year ended 31 December 2017:</b>				
Profit and total comprehensive income for the year		-	2,689,279	2,689,279
Bonus issue of shares	21	17,045	(17,045)	-
Dividends	11	-	(2,455,755)	(2,455,755)
<b>Balance at 31 December 2017</b>		326,780	12,655,114	12,981,894

# ALSICO LAUCUBA LIMITED

## CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	24	1,168,154		2,231,703	
Interest paid		(773)		(1,500)	
Income taxes paid		(184,326)		(712,355)	
<b>Net cash inflow from operating activities</b>		<b>983,055</b>		<b>1,517,848</b>	
<b>Investing activities</b>					
Purchase of intangible assets		(81,200)		-	
Purchase of tangible fixed assets		(126,837)		(113,739)	
Proceeds on disposal of tangible fixed assets		30		11,410	
Interest received		-		157	
Dividends received		322,850		-	
<b>Net cash generated from/(used in) investing activities</b>		<b>114,843</b>		<b>(102,172)</b>	
<b>Financing activities</b>					
Payment of finance leases obligations		-		(9,712)	
Dividends paid to equity shareholders		(2,455,755)		(1,650,887)	
<b>Net cash used in financing activities</b>		<b>(2,455,755)</b>		<b>(1,660,599)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(1,357,857)</b>		<b>(244,923)</b>	
Cash and cash equivalents at beginning of year		2,113,593		2,358,516	
<b>Cash and cash equivalents at end of year</b>		<b>755,736</b>		<b>2,113,593</b>	

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Alsico Laucuba Limited ("the company") is a private company limited by shares, and is registered, domiciled and incorporated in England and Wales. The registered office is Alsico Laucuba Limited, Pittman Way, Fulwood, Preston, PR2 9ZD.

The group consists of Alsico Laucuba Limited and its subsidiary, Meltemi Limited.

The company's and the group's principal activities and nature of the company's operations and the group's operations are disclosed in the Directors' Report.

#### Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized companies and Group (Accounts and Reports) Regulations 2008, and under the historical cost convention.

The consolidated financial statements are presented in sterling which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest whole £, except where otherwise stated.

In accordance with FRS102, the company has taken advantage of exemptions from the following disclosure requirements in respect of the individual financial statements. These disclosures are given on a consolidated basis;

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

#### Basis of consolidation

The consolidated financial statements incorporate those of Alsico Laucuba Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes. All financial statements are made up to 31 December 2017.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.



# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

#### Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

#### Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Software	33.3% straight line
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#### Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold property	2.5% straight line
Leasehold property	20% straight line
Plant and machinery	15% - 33.3% straight line
Fixtures and fittings	20% - 25% straight line
Motor vehicles	25% straight line

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### **Fixed asset investments**

In the separate accounts of the company, interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### **Financial instruments**

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally 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.

#### **Basic financial assets**

Basic financial assets, which include trade and other debtors, amounts owed by group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### ***Other financial assets***

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified at 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate that exactly discounts estimated future cash receipts through the expected life of debt instrument to the net carrying amount on initial recognition.

#### ***Impairment of financial assets***

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

#### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and amounts due to fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

#### ***Other financial liabilities***

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### ***Derecognition of financial liabilities***

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

#### ***Equity instruments***

Equity instruments issued by the group are recorded at the fair value of the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### ***Derivatives***

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies (Continued)

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, associates, branches and interests in jointly controlled entities, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

#### **Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

#### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 1 Accounting policies (Continued)

#### Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

#### Research and development

Expenditure on research and development is written off in the year in which it is incurred.

### 2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The directors do not consider there are any critical accounting estimates or judgements.

### 3 Turnover and other revenue

An analysis of the group's turnover is as follows:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Sales	33,043,227	30,725,721
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Other revenue</b>		
Interest income	-	157
Dividends received	322,850	-
	<u>          </u>	<u>          </u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
United Kingdom	32,726,877	30,259,471
Overseas	316,350	466,250
	<u>          </u>	<u>          </u>
	33,043,227	30,725,721
	<u>          </u>	<u>          </u>

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 4 Employees

The average monthly number of persons (including directors) employed during the year was:

	<b>Group 2017 Number</b>	<b>2016 Number</b>	<b>Company 2017 Number</b>	<b>2016 Number</b>
Sales	28	48	15	14
Administration	52	24	27	21
Production	12	11	4	4
Warehouse	34	44	22	26
	<u>126</u>	<u>127</u>	<u>68</u>	<u>65</u>

Their aggregate remuneration comprised:

	<b>Group 2017 £</b>	<b>2016 £</b>	<b>Company 2017 £</b>	<b>2016 £</b>
Wages and salaries	3,607,797	3,615,786	2,476,582	2,298,731
Social security costs	357,664	371,374	252,241	260,337
Pension costs	220,551	203,592	159,733	148,520
	<u>4,186,012</u>	<u>4,190,752</u>	<u>2,888,556</u>	<u>2,707,588</u>

### 5 Directors' remuneration

	<b>2017 £</b>	<b>2016 £</b>
Remuneration for qualifying services	925,245	840,780
Company pension contributions to defined contribution schemes	-	56,970
	<u>925,245</u>	<u>897,750</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2016 - 2).

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	<b>2017 £</b>	<b>2016 £</b>
Remuneration for qualifying services	<u>609,052</u>	<u>577,401</u>

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	55,609	(6,552)
Research and development costs	66,563	51,207
Depreciation of owned tangible fixed assets	86,700	72,212
Depreciation of tangible fixed assets held under finance leases	910	1,529
Loss/(profit) on disposal of tangible fixed assets	2,109	(3,470)
Amortisation of intangible assets	281,900	256,000
Cost of stocks recognised as an expense	22,121,314	20,274,638
Operating lease charges	315,959	323,328

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a loss of £609 (2016 - a gain of £6,552).

### 7 Auditor's remuneration

	2017 £	2016 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	14,200	14,000
Audit of the financial statements of the company's subsidiaries	6,000	6,000
	20,200	20,000

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	-	157
<b>Other income from investments</b>		
Dividends received	322,850	-
Total income	322,850	157

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	157
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# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Interest payable and similar expenses

	2017	2016
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	6	1,500
<b>Other finance costs:</b>		
Other interest	767	-
Total finance costs	773	1,500

### 10 Taxation

	2017	2016
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	477,798	500,221
Adjustments in respect of prior periods	(1,689)	333
Total current tax	476,109	500,554
<b>Deferred tax</b>		
Origination and reversal of timing differences	10,833	9,551
Total tax charge for the year	486,942	510,105

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	2,683,885	2,343,011
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	516,555	468,602
Tax effect of expenses that are not deductible in determining taxable profit	211	2,000
Tax effect of income not taxable in determining taxable profit	(62,138)	-
Adjustments in respect of prior years	-	333
Effect of change in corporation tax rate	(1,431)	(2,223)
Research and development tax credit	(16,654)	(13,314)
Over/(under) provided in prior years	(1,689)	-
Fixed asset differences	52,088	54,707
Taxation charge for the year	486,942	510,105

The Chancellor stated his intention to reduce the main rate of corporation tax from 20% to 19% from 1 April 2017 and to 17% from 1 April 2020. This change was enacted on 6 September 2016.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

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### 11 Dividends

	2017 £	2016 £
Final paid	<u>2,455,755</u>	<u>1,650,887</u>

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 12 Intangible fixed assets

Group	Goodwill £	Software £	Total £
<b>Cost</b>			
At 1 January 2017	1,275,655	-	1,275,655
Additions - separately acquired	-	81,200	81,200
At 31 December 2017	1,275,655	81,200	1,356,855
<b>Amortisation and impairment</b>			
At 1 January 2017	768,000	-	768,000
Amortisation charged for the year	256,000	25,900	281,900
At 31 December 2017	1,024,000	25,900	1,049,900
<b>Carrying amount</b>			
At 31 December 2017	251,655	55,300	306,955
At 31 December 2016	507,655	-	507,655
<b>Company</b>		<b>Software £</b>	
<b>Cost</b>			
Additions - separately acquired		81,200	
At 31 December 2017		81,200	
<b>Amortisation and impairment</b>			
Amortisation charged for the year		25,900	
At 31 December 2017		25,900	
<b>Carrying amount</b>			
At 31 December 2017		55,300	
At 31 December 2016		-	

## ALSICO LAUCUBA LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

#### 13 Tangible fixed assets

Group	Freehold property £	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
<b>Cost</b>						
At 1 January 2017	415,362	14,792	617,955	158,348	58,677	1,265,134
Additions	-	-	126,837	-	-	126,837
Disposals	-	-	(28,243)	-	(3,020)	(31,263)
At 31 December 2017	415,362	14,792	716,549	158,348	55,657	1,360,708
<b>Depreciation and impairment</b>						
At 1 January 2017	49,366	14,792	561,747	85,070	4,004	714,979
Depreciation charged in the year	14,638	-	57,678	561	14,733	87,610
Eliminated in respect of disposals	-	-	(26,104)	-	-	(26,104)
At 31 December 2017	64,004	14,792	593,321	85,631	18,737	776,485
<b>Carrying amount</b>						
At 31 December 2017	351,358	-	123,228	72,717	36,920	584,223
At 31 December 2016	365,996	-	56,208	73,278	54,673	550,155

The freehold property is subject to a long leasehold.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 13 Tangible fixed assets (Continued)

Company	Leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2017	14,792	509,521	78,210	602,523
Additions	-	111,720	-	111,720
At 31 December 2017	14,792	621,241	78,210	714,243
<b>Depreciation and impairment</b>				
At 1 January 2017	14,792	474,834	75,406	565,032
Depreciation charged in the year	-	26,451	561	27,012
At 31 December 2017	14,792	501,285	75,967	592,044
<b>Carrying amount</b>				
At 31 December 2017	-	119,956	2,243	122,199
At 31 December 2016	-	34,687	2,804	37,491

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Motor vehicles	2,741	3,651	-	-
Depreciation charge for the year in respect of leased assets	910	1,529	-	-

#### 14 Fixed asset investments

	Notes	Group 2017 £	2016 £	Company 2017 £	2016 £
Investments in subsidiaries	15	-	-	2,412,005	2,412,005
Unlisted investments		65,537	65,537	65,537	65,537
		65,537	65,537	2,477,542	2,477,542

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Fixed asset investments (Continued)

#### Movements in fixed asset investments Group

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 January 2017 and 31 December 2017	65,537
<b>Carrying amount</b>	
At 31 December 2017	65,537
At 31 December 2016	65,537

#### Movements in fixed asset investments Company

	Shares in subsidiaries £	Other investments other than loans £	Total £
<b>Cost or valuation</b>			
At 1 January 2017 and 31 December 2017	2,412,005	65,537	2,477,542
<b>Carrying amount</b>			
At 31 December 2017	2,412,005	65,537	2,477,542
At 31 December 2016	2,412,005	65,537	2,477,542

### 15 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Meltemi Limited	England and Wales	Supply of work wear	Ordinary	100.00

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 16 Stocks

	Group 2017 £	2016 £	Company 2017 £	2016 £
Raw materials and consumables	620,547	622,420	620,547	622,420
Finished goods and goods for resale	5,278,025	4,694,139	4,632,799	4,219,582
	<u>5,898,572</u>	<u>5,316,559</u>	<u>5,253,346</u>	<u>4,842,002</u>

During the year an impairment of £Nil (2016 - £16,075) was recognised within cost of sales. No earlier stock write downs have been reversed during the current, or proceeding period.

### 17 Debtors

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Amounts falling due within one year:</b>				
Trade debtors	7,512,397	6,895,310	6,594,874	6,053,955
Corporation tax recoverable	-	79,744	-	107,458
Amounts owed by group undertakings	1,380,273	1,063,582	1,587,090	1,246,952
Other debtors	605	83	605	83
	<u>8,893,275</u>	<u>8,038,719</u>	<u>8,182,569</u>	<u>7,408,448</u>

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 18 Creditors: amounts falling due within one year

	Group 2017 £	2016 £	Company 2017 £	2016 £
Trade creditors	947,065	807,540	846,667	780,649
Amounts due to group undertakings	854,251	852,572	854,251	852,607
Corporation tax payable	212,039	-	198,456	-
Other taxation and social security	514,882	663,040	385,438	518,421
Derivative financial instruments	55,000	-	55,000	-
Other creditors	708,262	955,549	689,450	916,616
Accruals and deferred income	564,143	416,882	475,760	330,304
	<u>3,855,642</u>	<u>3,695,583</u>	<u>3,505,022</u>	<u>3,398,597</u>

Net obligations under finance lease and hire purchase contracts are secured by fixed charges on the assets concerned.

HSBC bank plc hold the following security over the assets of Meltemi Limited only: a General Letter of Pledge dated 06 January 2012 and a debenture including a Fixed Charge over all present freehold and leasehold property; First Fixed Charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and Floating Charge over all assets and undertakings both present and future dated 11 April 2008.

KBC Bank N.V. hold a debenture dated 19 March 2008 over all monies, obligations and liabilities owed or payable to it by the company.

The derivative financial instruments liability of £55,000 is included as a loss within cost of sales as the directors do not consider the amount material to disclose separately on the face of the profit and loss account.

### 19 Financial instruments

	Group 2017 £	2016 £	Company 2017 £	2016 £
<b>Carrying amount of financial assets</b>				
Debt instruments measured at amortised cost	8,893,275	7,958,975	8,182,569	7,300,990
Equity instruments measured at cost less impairment	<u>65,537</u>	<u>65,537</u>	<u>2,477,542</u>	<u>2,477,542</u>
<b>Carrying amount of financial liabilities</b>				
Measured at fair value through profit or loss				
- Other financial liabilities	55,000	-	55,000	-
Measured at amortised cost	<u>3,073,721</u>	<u>3,032,543</u>	<u>2,866,128</u>	<u>2,880,176</u>



# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Group</b>		
Accelerated capital allowances	28,623	17,790
	<u>28,623</u>	<u>17,790</u>
	<b>Liabilities 2017 £</b>	<b>Liabilities 2016 £</b>
<b>Company</b>		
Accelerated capital allowances	18,019	3,014
	<u>18,019</u>	<u>3,014</u>
	<b>Group 2017 £</b>	<b>Company 2017 £</b>
<b>Movements in the year:</b>		
Liability at 1 January 2017	17,790	3,014
Charge to profit or loss	10,833	15,005
	<u>10,833</u>	<u>15,005</u>
Liability at 31 December 2017	28,623	18,019
	<u>28,623</u>	<u>18,019</u>

### 21 Share capital

	<b>Group and company 2017 £</b>	<b>2016 £</b>
<b>Ordinary share capital Issued and fully paid</b>		
196,811 Ordinary A of £1 each	196,811	171,000
92,835 Ordinary B of £1 each	92,835	80,660
Ordinary C of £1 each	-	25,811
37,134 Ordinary E of £1 each	37,134	32,264
	<u>326,780</u>	<u>309,735</u>

All classes of shares are ranked pari passu.

On 21 August 2017 there was a bonus issue of 12,175 Ordinary B shares and 4,870 Ordinary E shares.

On 21 September 2017 the 25,811 Ordinary C shares were redesignated as Ordinary A shares.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Share capital (Continued)

#### Reconciliation of movements during the year:

	Ordinary A Number	Ordinary B Number	Ordinary C Number	Ordinary E Number
At 1 January 2017	171,000	80,660	25,811	32,264
Bonus Issue	-	12,175	-	4,870
Redesignation	25,811	-	(25,811)	-
At 31 December 2017	196,811	92,835	-	37,134

### 22 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	220,551	203,592

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. No contributions were payable to the fund at the balance sheet date.

### 23 Reserves

#### Profit and loss reserves

The profit and loss reserves represent cumulative profit and loss net of distributions to owners.

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 24 Cash generated from group operations

	2017 £	2016 £
Profit for the year after tax	2,196,943	1,832,906
Adjustments for:		
Taxation charged	486,942	510,105
Finance costs	773	1,500
Investment income	(322,850)	(157)
Loss/(gain) on disposal of tangible fixed assets	2,109	(3,470)
Amortisation and impairment of intangible assets	281,900	256,000
Depreciation and impairment of tangible fixed assets	87,610	73,741
Other gains and losses	55,000	-
Movements in working capital:		
(Increase)/decrease in stocks	(582,013)	894,600
(Increase) in debtors	(934,300)	(1,330,577)
(Decrease) in creditors	(103,960)	(2,945)
<b>Cash generated from operations</b>	<b>1,168,154</b>	<b>2,231,703</b>

### 25 Financial commitments, guarantees and contingent liabilities

There is a guarantee in place provided by BNP Paribas bank on behalf of the group to HMRC for £80,000 (2016: £80,000).

There is a guarantee in place provided by HSBC bank on behalf of the group to HMRC for £30,000 (2016: £30,000).

### 26 Operating lease commitments

#### Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Within one year	86,001	328,343	86,001	328,343
Between one and five years	6,852	104,929	6,852	104,929
	<u>92,853</u>	<u>433,272</u>	<u>92,853</u>	<u>433,272</u>

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	Group 2017 £	2016 £	Company 2017 £	2016 £
Acquisition of intangible assets	-	77,000	-	77,000

### 28 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel of the group, who are also directors, is as follows.

	2017 £	2016 £
Aggregate compensation	1,181,791	1,015,150

#### Transactions with related parties

During the year the group entered into the following transactions with related parties:

	Sale of goods 2017 £	2016 £	Purchase of goods 2017 £	2016 £
Group				
Other related parties	3,175,682	2,708,562	21,411,876	19,519,011

	Dividends paid to group companies 2017 £	2016 £
Group		
Other related parties	1,955,341	1,083,397

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2017 £	2016 £
Group		
Other related parties	854,251	852,572

# ALSICO LAUCUBA LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 28 Related party transactions (Continued)

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2017 Balance £	2016 Balance £
<b>Group</b>		
Other related parties	1,380,273	1,063,582

During the year dividends of £322,850 (2016: £Nil) were received from one of the company's investments, a group related company.

All of the companies above are related by common control by virtue of being part of the Berphina NV, Belgium group of companies.

### 29 Directors' transactions

Dividends totalling £500,414 (2016: £567,490) were paid in the year in respect of shares held by the company's directors.

The group purchased business services from Kina Business Services Ltd, a company controlled by Kevin Mayes, a director of Alsico Laucuba Limited, totalling £12,400 (2016: £14,100). There was no balance outstanding at the year end.

### 30 Controlling party

The group is controlled by Mr B Siau by way of his shareholding in Berphina NV'. The group within which the accounts are consolidated is headed by the immediate parent company Berphina NV, Belgium. The consolidated accounts are available to the public.