

REGISTERED NUMBER: 07041988 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2017
FOR
SARANT LTD

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FOR THE YEAR ENDED 31 OCTOBER 2017

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SARANT LTD

COMPANY INFORMATION
FOR THE YEAR ENDED 31 OCTOBER 2017

DIRECTOR: P Backshall

SECRETARY: B Isaacs

REGISTERED OFFICE: 3rd Floor
44-48 Paul Street
London
EC2A 4LB

REGISTERED NUMBER: 07041988 (England and Wales)

AUDITORS: Prentis & Co LLP
Chartered Accountants & Statutory Auditors
115c Milton Road
Cambridge
CB4 1XE

STRATEGIC REPORT
FOR THE YEAR ENDED 31 OCTOBER 2017

The director presents his strategic report for the year ended 31 October 2017.

REVIEW OF BUSINESS

The director notes that the profit and loss account, as set out on page 7, shows turnover for the year of £17,767,892 (2016: £17,854,804) and a net profit, before tax, for the financial year of £1,264,697 (2016:£1,536,734).

Turnover has decreased by roughly 2% this year from last but the director believes that turnover growth will return in the next financial year.

The director considers the profit achieved on ordinary activities before taxation and also considers the state of affairs of the company to be satisfactory, in particular the margin on non-honey products.

There have been no events since the balance sheet date which materially affect the position of the company.

PRINCIPAL RISKS AND UNCERTAINTIES

The company has kept to its policy of meeting customers' requirements with quality products in order to manage the risk of losing customers to its competitors. This is achieved by the provision of meeting customers' expected response times with the supply of products, the handling of customer queries and by maintaining strong relationships with key accounts.

Financial risk management

The company's operations expose it to a variety of financial risks that include the effects of changes in prices, currency risks, and liquidity risk. The company has in place risk management procedures to seek to limit the adverse effects on the financial performance from these risks.

Price risk

The company has managed this risk by seeking and maintaining markets for the purchase of raw stocks and has succeeded in its task.

Currency risk

The company purchases the majority of its raw stocks and goods for resale in US Dollars and Euros. As such the potential currency risk is met by maintaining bank accounts in these currencies and allowing customers to pay in these currencies.

Liquidity risk

The company monitors cash flow as part of its day to day control procedures. The Board considers the overall cash position on a monthly basis and ensures that the appropriate funds in the correct currency are available and drawn upon as necessary.

FUTURE DEVELOPMENTS

The company will continue to seek to expand its product portfolio in the year and take full advantage of the growth in the markets it operates in.

APPROVED BY THE SOLE DIRECTOR:

P Backshall - Director

17 July 2018

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 OCTOBER 2017**

The director presents his report with the financial statements of the company for the year ended 31 October 2017.

DIVIDENDS

An interim dividend of £237.50 per share was paid on 1 April 2017. The director recommends a final dividend of £2,262.50 per share, making a total of £2,500.00 per share for the year ended 31 October 2017.

The total distribution of dividends for the year ended 31 October 2017 will be £ 200,000 .

DIRECTOR

P Backshall held office during the whole of the period from 1 November 2016 to the date of this report.

CHARITABLE AND POLITICAL DONATIONS

During the year donations totalling £8,800 (2016: £nil) were made to various charitable organisations.

No political donations were made.

DISCLOSURE IN THE STRATEGIC REPORT

The company has chosen in accordance with s.414C(1) Companies Act 2006 to set out in the company's strategic report information required by Schedule 7 of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 to be contained in the directors' report. It has done so in respect of future developments.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

SARANT LTD (REGISTERED NUMBER: 07041988)

REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 OCTOBER 2017

AUDITORS

The auditors, Prentis & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

APPROVED BY THE SOLE DIRECTOR:

P Backshall - Director

17 July 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SARANT LTD

Opinion

We have audited the financial statements of Sarant Ltd (the 'company') for the year ended 31 October 2017 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Ian Shipley FCCA (Senior Statutory Auditor)
for and on behalf of Prentis & Co LLP
Chartered Accountants & Statutory Auditors
115c Milton Road
Cambridge
CB4 1XE

19 July 2018

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
TURNOVER	3		17,767,892		17,854,804
Cost of sales			<u>13,605,689</u>		<u>13,283,198</u>
GROSS PROFIT			4,162,203		4,571,606
Distribution and factory costs		796,820		848,314	
Administrative expenses		<u>2,122,761</u>		<u>2,298,889</u>	
			<u>2,919,581</u>		<u>3,147,203</u>
			1,242,622		1,424,403
Other operating income			<u>87,871</u>		<u>208,759</u>
OPERATING PROFIT	5		1,330,493		1,633,162
Interest receivable and similar income			<u>479</u>		<u>36</u>
			1,330,972		1,633,198
Interest payable and similar expenses	6		<u>66,275</u>		<u>96,464</u>
PROFIT BEFORE TAXATION			1,264,697		1,536,734
Tax on profit	7		<u>231,921</u>		<u>356,721</u>
PROFIT FOR THE FINANCIAL YEAR			<u>1,032,776</u>		<u>1,180,013</u>

SARANT LTD (REGISTERED NUMBER: 07041988)

OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	2016 £
PROFIT FOR THE YEAR		1,032,776	1,180,013
OTHER COMPREHENSIVE INCOME			
Change in value of hedging instrument		(63,030)	64,394
Income tax relating to other comprehensive income		<u>12,620</u>	<u>(12,879)</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>(50,410)</u>	<u>51,515</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>982,366</u></u>	<u><u>1,231,528</u></u>

The notes on pages 13 to 20 form part of these financial statements

BALANCE SHEET
31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
FIXED ASSETS					
Tangible assets	9		2,116,852		1,989,620
CURRENT ASSETS					
Stocks	10	3,138,256		3,546,393	
Debtors	11	3,204,504		2,961,891	
Cash at bank		<u>1,823,961</u>		<u>817,719</u>	
		8,166,721		7,326,003	
CREDITORS					
Amounts falling due within one year	12	<u>5,295,785</u>		<u>4,901,941</u>	
NET CURRENT ASSETS			<u>2,870,936</u>		<u>2,424,062</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			4,987,788		4,413,682
CREDITORS					
Amounts falling due after more than one year	13		(556,616)		(733,305)
PROVISIONS FOR LIABILITIES	18		<u>(75,570)</u>		<u>(107,141)</u>
NET ASSETS			<u>4,355,602</u>		<u>3,573,236</u>
CAPITAL AND RESERVES					
Called up share capital	19		80		80
Hedging reserve			1,105		51,515
Retained earnings			<u>4,354,417</u>		<u>3,521,641</u>
SHAREHOLDERS' FUNDS			<u>4,355,602</u>		<u>3,573,236</u>

The financial statements were approved by the director on 17 July 2018 and were signed by:

P Backshall - Director

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 OCTOBER 2017

	Called up share capital £	Retained earnings £	Hedging reserve £	Total equity £
Balance at 1 November 2015	80	2,541,628	-	2,541,708
Changes in equity				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	1,180,013	51,515	1,231,528
Balance at 31 October 2016	80	3,521,641	51,515	3,573,236
Changes in equity				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	1,032,776	(50,410)	982,366
Balance at 31 October 2017	80	4,354,417	1,105	4,355,602

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	2016 £
Cash flows from operating activities			
Cash generated from operations	1	2,381,480	1,202,640
Interest paid		(66,275)	(96,464)
Tax paid		(352,575)	(199,754)
Net cash from operating activities		<u>1,962,630</u>	<u>906,422</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(442,619)	(449,968)
Sale of tangible fixed assets		500	1,500
Interest received		479	36
Net cash from investing activities		<u>(441,640)</u>	<u>(448,432)</u>
Cash flows from financing activities			
New loans in year		-	416,286
Loan repayments in year		(175,986)	(26,536)
Capital repayments in year		(138,762)	(139,198)
Equity dividends paid		(200,000)	(200,000)
Net cash from financing activities		<u>(514,748)</u>	<u>50,552</u>
Increase in cash and cash equivalents		<u>1,006,242</u>	<u>508,542</u>
Cash and cash equivalents at beginning of year	2	817,719	309,177
Cash and cash equivalents at end of year	2	<u><u>1,823,961</u></u>	<u><u>817,719</u></u>

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 OCTOBER 20171. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017 £	2016 £
Profit before taxation	1,264,697	1,536,734
Depreciation charges	315,387	270,559
Profit on disposal of fixed assets	(500)	(1,008)
Finance costs	66,275	96,464
Finance income	(479)	(36)
	<u>1,645,380</u>	<u>1,902,713</u>
Decrease/(increase) in stocks	408,137	(321,312)
(Increase)/decrease in trade and other debtors	(242,613)	151,245
Increase/(decrease) in trade and other creditors	<u>570,576</u>	<u>(530,006)</u>
Cash generated from operations	<u><u>2,381,480</u></u>	<u><u>1,202,640</u></u>

2. **CASH AND CASH EQUIVALENTS**

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

Year ended 31 October 2017

	31.10.17 £	1.11.16 £
Cash and cash equivalents	<u>1,823,961</u>	<u>817,719</u>

Year ended 31 October 2016

	31.10.16 £	1.11.15 £
Cash and cash equivalents	<u>817,719</u>	<u>309,177</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2017

1. **STATUTORY INFORMATION**

Sarant Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the [Company Information page](#).

2. **ACCOUNTING POLICIES**

Basis of preparation of the financial statements

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

Turnover

Turnover comprises the invoiced sale of goods net of sale rebates, discounts and VAT relating to the blending, mixing and packaging of food related products. Revenue is recognised when the outcome of a transaction can be measured reliably and when it is probable the economic benefit of the transaction will be received by the company following the transfer of ownership. Specifically this usually happens at the time the goods are delivered to the customers and title passes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Leasehold land & buildings	- 2% on cost
Plant and machinery	- 20% on cost
Office equipment	- 33% on cost, 25% on cost and 10% on cost
Motor vehicles	- 25% on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads and is calculated on a first in first out basis.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

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

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

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

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2017

2. ACCOUNTING POLICIES - continued

Finance leases and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pension contributions

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

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor, are charged against profit as incurred.

Factored debts

The company has a factor agreement. Its book debts can be factored out at 90% of their gross worth including VAT. All trade debtors approved by the factors are factored. Amounts owed to the factor company are disclosed separately under creditors. No significant risk has been passed on.

Forward foreign exchange contracts

The company applies hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast stock purchases that are denominated in foreign currencies. These financial instruments are measured at the fair market value, at the balance sheet date, with the gain or loss arising being recognised within the hedge reserve and then these are recycled through the profit and loss account as the forecasted transactions are settled.

3. TURNOVER

Turnover attributable to geographical markets outside the UK amounted to 14.7% (2016: 8.91%) in the year.

4. EMPLOYEES AND DIRECTORS

	2017 £	2016 £
Wages and salaries	1,615,669	1,627,336
Social security costs	140,513	119,557
Pension costs	22,560	47,313
	<u>1,778,742</u>	<u>1,794,206</u>

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

	2017	2016
Management	2	2
Factory and administration	<u>52</u>	<u>50</u>
	<u>54</u>	<u>52</u>

	2017 £	2016 £
Director's remuneration	<u>133,600</u>	<u>124,433</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2017

5. OPERATING PROFIT

This is stated after charging:

	2017	2016
£ £		
Depreciation of tangible fixed assets		
- owned by the company	266,528	221,323
- held under finance leases	48,859	45,133
Auditors remuneration		
- audit	5,000	5,520
Operating lease rentals		
- property	125,836	124,499
Staff costs including director's remuneration		
- salaries	1,615,669	1,627,336
- social security costs	140,513	119,557
- pension costs	<u>22,560</u>	<u>47,313</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
£ £		
Loan interest	30,051	54,967
Factor charges and interest	26,774	32,199
Hire purchase interest	<u>9,450</u>	<u>9,298</u>
	<u>66,275</u>	<u>96,464</u>

7. TAXATION

Analysis of the tax charge

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

	2017	2016
£ £		
Current tax:		
UK corporation tax	250,872	354,879
Deferred tax	<u>(18,951)</u>	<u>1,842</u>
Tax on profit	<u>231,921</u>	<u>356,721</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 20177. **TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

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

	2017 £	2016 £
Profit before tax	<u>1,264,697</u>	<u>1,536,734</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.414% (2016 - 20%)	245,528	307,347
Effects of:		
Expenses not deductible for tax purposes	3,614	48,679
Income not taxable for tax purposes	(98)	(202)
Capital allowances in excess of depreciation	-	(3,302)
Depreciation in excess of capital allowances	1,829	-
Adjustments to tax charge in respect of previous periods	(1)	2,357
Deferred tax charge for the year	<u>(18,951)</u>	<u>1,842</u>
Total tax charge	<u>231,921</u>	<u>356,721</u>

Tax effects relating to effects of other comprehensive income

	2017		
	Gross £	Tax £	Net £
Change in value of hedging instrument	<u>(63,030)</u>	<u>12,620</u>	<u>(50,410)</u>
	2016		
	Gross £	Tax £	Net £
Change in value of hedging instrument	<u>64,394</u>	<u>(12,879)</u>	<u>51,515</u>

Factors affecting future and current tax charges

On 8th July 2015 the government announced its intention to reduce the standard rate of Corporation Tax rate within the UK of 20% to 19% with effect from 1st April 2017, with a further reduction to 18% from 1st April 2020. At 31st October 2017, these changes had been substantially enacted and as such the tax balances above have been re-measured to account for these planned changes.

Subsequent announcements from the government stating its intention to further reduce the standard rate of Corporation Tax in the UK to 17%, effective from 1st April 2020, had not been substantively enacted at 31st October 2017 and as such this planned change has not been taken into account in measuring the tax balances below.

8. **DIVIDENDS**

	2017 £	2016 £
Ordinary shares of £1 each		
Final	181,000	25,000
Interim	<u>19,000</u>	<u>175,000</u>
	<u>200,000</u>	<u>200,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2017

9. TANGIBLE FIXED ASSETS

	Leasehold land & buildings £	Plant and machinery £	Office equipment £	Motor vehicles £	Totals £
COST					
At 1 November 2016	1,174,644	1,461,782	75,304	34,715	2,746,445
Additions	152,850	289,769	-	-	442,619
Disposals	-	-	(1,878)	-	(1,878)
At 31 October 2017	<u>1,327,494</u>	<u>1,751,551</u>	<u>73,426</u>	<u>34,715</u>	<u>3,187,186</u>
DEPRECIATION					
At 1 November 2016	88,755	613,768	19,587	34,715	756,825
Charge for year	26,550	269,918	18,919	-	315,387
Eliminated on disposal	-	-	(1,878)	-	(1,878)
At 31 October 2017	<u>115,305</u>	<u>883,686</u>	<u>36,628</u>	<u>34,715</u>	<u>1,070,334</u>
NET BOOK VALUE					
At 31 October 2017	<u>1,212,189</u>	<u>867,865</u>	<u>36,798</u>	<u>-</u>	<u>2,116,852</u>
At 31 October 2016	<u>1,085,889</u>	<u>848,014</u>	<u>55,717</u>	<u>-</u>	<u>1,989,620</u>

Included in the above net book values are assets held under finance lease or hire purchase contracts as follows:

£
227,400

10. STOCKS

	2017 £	2016 £
Stocks	<u>3,138,256</u>	<u>3,546,393</u>

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	2,974,648	2,753,980
Other debtors	144,372	57,120
Forward currency contracts	1,364	64,394
Prepayments and accrued income	<u>84,120</u>	<u>86,397</u>
	<u>3,204,504</u>	<u>2,961,891</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 201712. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017	2016
	£	£
Bank loans and overdrafts (see note 14)	37,927	36,485
Hire purchase contracts (see note 15)	138,762	138,762
Trade creditors	1,436,514	1,229,933
Tax	250,819	352,522
Social security and other taxes	36,089	33,427
Other creditors	242,787	291,518
Accruals and deferred income	<u>3,152,887</u>	<u>2,819,294</u>
	<u>5,295,785</u>	<u>4,901,941</u>

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

	2017	2016
	£	£
Bank loans (see note 14)	545,052	582,979
Hire purchase contracts (see note 15)	<u>11,564</u>	<u>150,326</u>
	<u>556,616</u>	<u>733,305</u>

14. **LOANS**

An analysis of the maturity of loans is given below:

	2017	2016
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>37,927</u>	<u>36,485</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>39,317</u>	<u>37,927</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>127,916</u>	<u>122,953</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans due in more than 5 years	<u>377,819</u>	<u>422,099</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 2017

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017	2016
	£	£
Net obligations repayable:		
Within one year	138,762	138,762
Between one and five years	<u>11,564</u>	<u>150,326</u>
	<u>150,326</u>	<u>289,088</u>
	Non-cancellable operating leases	
	2017	2016
	£	£
Within one year	99,158	99,158
Between one and five years	<u>165,263</u>	<u>264,421</u>
	<u>264,421</u>	<u>363,579</u>

16. SECURED DEBTS

The total amount included in creditors for which security has been given is £733,305.

The total amount of goods under reservation included in creditors is £234,337.

An All Assets Debenture, Debenture Deed, Memorandum of Pledge and Hypothecation of Goods, Mortgage and Mortgage Deed are held by the company's bankers and factors over the company's assets.

17. DERIVATIVE FINANCIAL INSTRUMENTS - FORWARD CONTRACTS

The company enters into foreign currency contracts to mitigate the exchange rate risks for certain foreign currencies. At 31st October 2017, the outstanding contracts mature within 7 months (2016: 7 months) of the year end.

The company is committed to the following foreign currency contracts for which fixed sterling amounts are received:

	Sell	Buy
Euro	€70,000	€nil
United States Dollar	\$nil	\$1,690,750
Canadian Dollar	\$nil	\$140,000

The forward currency contracts are measured at fair value using quoted exchange rates.

18. PROVISIONS FOR LIABILITIES

	2017	2016
	£	£
Deferred tax	<u>75,570</u>	<u>107,141</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 OCTOBER 201718. **PROVISIONS FOR LIABILITIES - continued**

	Deferred tax £
Balance at 1 November 2016	107,141
Provided during year	259
Credit to Profit and Loss Account during year	(31,830)
Balance at 31 October 2017	<u>75,570</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal	2017	2016
Number:	Class:	value:	£	£
80	Ordinary	£1	<u>80</u>	<u>80</u>

20. **RELATED PARTY DISCLOSURES**

During the period the company transacted with Mind Pro Limited, to supply computer services worth £43,200 (2016: £43,200).

During the period the company transacted with Property & Risk Management Services Limited, to supply insurance brokering services worth £8,100 (2016: £8,100).

The services were provided at full market value and no amount was outstanding at the year end.

Key management personnel

The company's key management personnel are considered to be the company's director, finance director and operations manager.

Total remuneration in respect of these individuals is £365,345 (2016: £352,595).

21. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is P Backshall.

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