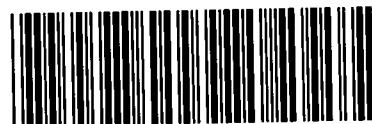


Company Registration No. 07053896 (England and Wales)

WELCOME HOLDINGS LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 MARCH 2018

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WELCOME HOLDINGS LIMITED

COMPANY INFORMATION

Directors	Mr J Peterson Mr M Balaam
Secretary	Mr S Montague
Company number	07053896
Registered office	Welcome Furniture 1 Cibyn Industrial Estate Caernarfon Gwynedd United Kingdom LL55 2BD
Auditor	RSM UK Audit LLP Chartered Accountants 5th Floor One City Place Queens Road Chester CH1 3BQ

WELCOME HOLDINGS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present the strategic report for the year ended 31 March 2018.

Review of the business

The company is an intermediate holding company, whose income is represented by management charges, dividends and rent from other group companies. The total income was £910k compared to £1,572k in prior year, mainly due to the reduction in dividends received and management charges.

The reduction in balance sheet net assets to £120k at 31 March 2018 compared to £1.8m in the prior years, is due to the distribution of £1.9m in the year to the new holding company.

Principal risks and uncertainties

The key risk to the company is considered to relate to the performance of the UK retail economy. This would be in the form of a downturn in consumer spending and a significant increase in interest rates.

Objectives and policies

The business' principal financial instruments comprise bank borrowings and group balances.

Financial instruments are managed in such a way as to ensure that there are sufficient funds available to meet liabilities as they fall due.

Cash flow risk

Cash flow risk is managed by careful cash flow forecasting, planning and monitoring to ensure repayment of bank loans.

On behalf of the board



Mr J Peterson

Director

Date: 28/11/18

WELCOME HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2018

The directors present their annual report and financial statements for the year ended 31 March 2018.

Principal activities

The principal activity of the company continued to be that of a holding company.

Directors

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

Mr J Peterson

Mr M Balaam

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,931,000. The directors do not recommend payment of a further dividend.

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.

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.

On behalf of the board



Mr J Peterson

Director

Date: 28/11/18

WELCOME HOLDINGS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WELCOME HOLDINGS LIMITED

Opinion

We have audited the financial statements of Welcome Holdings Limited (the 'company') for the year ended 31 March 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

The 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 the 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 WELCOME HOLDINGS LIMITED (CONTINUED)

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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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.

RSM UK Audit LLP

Michael Fairhurst FCA (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
5th Floor
One City Place
Queens Road
Chester
CH1 3BQ

3 December 2018

WELCOME HOLDINGS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

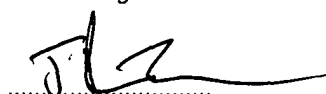
	Notes	2018 £	2017 £
Turnover	2	540,000	940,000
Administrative expenses		(599,579)	(752,608)
Other operating income		238,857	258,810
Operating profit	3	179,278	446,202
Interest receivable and similar income	6	131,000	374,472
Interest payable and similar expenses	7	(28,406)	(27,937)
Profit before taxation		281,872	792,737
Tax on profit	8	(35,730)	(91,476)
Profit for the financial year		246,142	701,261

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

WELCOME HOLDINGS LIMITED**BALANCE SHEET****AS AT 31 MARCH 2018**

	Notes	2018		2017	
		£	£	£	£
Fixed assets					
Tangible assets	10	2,061,733		2,292,075	
Investments	11	100		100	
		<u>2,061,833</u>		<u>2,292,175</u>	
Current assets					
Debtors	13	727,337		846,133	
Cash at bank and in hand		983		122	
		<u>728,320</u>		<u>846,255</u>	
Creditors: amounts falling due within one year	14	(2,121,996)		(619,397)	
Net current (liabilities)/assets		<u>(1,393,676)</u>		<u>226,858</u>	
Total assets less current liabilities		<u>668,157</u>		<u>2,519,033</u>	
Creditors: amounts falling due after more than one year	15	(444,943)		(592,749)	
Provisions for liabilities	18	(102,236)		(120,448)	
Net assets		<u>120,978</u>		<u>1,805,836</u>	
Capital and reserves					
Called up share capital	21	100		100	
Revaluation reserve	22	104,257		113,357	
Profit and loss reserves	22	16,621		1,692,379	
Total equity		<u>120,978</u>		<u>1,805,836</u>	

The financial statements were approved by the board of directors and authorised for issue on 28/11/18 and are signed on its behalf by:



Mr J Peterson
Director

WELCOME HOLDINGS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 April 2016		100	123,662	1,367,813	1,491,575
Year ended 31 March 2017:					
Profit and total comprehensive income for the year		-	-	701,261	701,261
Dividends	9	-	-	(387,000)	(387,000)
Transfers		-	-	10,305	10,305
Other movements		-	(10,305)	-	(10,305)
Balance at 31 March 2017		100	113,357	1,692,379	1,805,836
Year ended 31 March 2018:					
Profit and total comprehensive income for the year		-	-	246,142	246,142
Dividends	9	-	-	(1,931,000)	(1,931,000)
Transfers		-	-	9,100	9,100
Other movements		-	(9,100)	-	(9,100)
Balance at 31 March 2018		100	104,257	16,621	120,978

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies

Company information

Welcome Holdings Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office and principal place of business is Welcome Furniture, 1 Cibyn Industrial Estate, Caernarfon, Gwynedd, United Kingdom, LL55 2BD.

The company's principal activities and nature of its 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Welcome Furniture Group Limited. These consolidated financial statements are available from its registered office as noted above in company information.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the 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 represents amounts chargeable, net of valued added tax and trade discounts, in respect of management charges.

Tangible fixed assets

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

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

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

Land and buildings Freehold	12 years on a straight line basis, Land is not depreciated
Land and buildings Leasehold	12 years on a straight line basis
Plant and machinery	15% - 50% on a straight line basis
Fixtures, fittings and equipment	50% on a straight line basis
Motor vehicles	25% on a straight line basis

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

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 company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Financial instruments

The company 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 company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 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.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

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 company 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 company after deducting all of its liabilities.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans and loans from fellow group companies, are initially recognised at transaction price.

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

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 company's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of 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 company.

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.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

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 company 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.

For non-depreciable assets measured using the revaluation model and investment properties measured at fair value (except investment property with a limited useful life held by the company to consume substantially all of its economic benefit), deferred tax is measured using the tax rates and allowances that apply to the sale of the asset or property.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. the annual contributions payable are charged to the profit and loss account.

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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

1 Accounting policies (Continued)

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Turnover and other revenue

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

	2018 £	2017 £
Turnover analysed by class of business		
Management charges	540,000	940,000
	<u>540,000</u>	<u>940,000</u>
	2018 £	2017 £
Other revenue		
Dividends received	131,000	374,472
Grants received	45,433	54,594
	<u>176,433</u>	<u>429,066</u>
	2018 £	2017 £
Turnover analysed by geographical market		
United Kingdom	540,000	940,000
	<u>540,000</u>	<u>940,000</u>
3 Operating profit		
Operating profit for the year is stated after charging/(crediting):	2018 £	2017 £
Government grants	(45,433)	(54,594)
Depreciation of owned tangible fixed assets	397,459	448,454
Depreciation of tangible fixed assets held under finance leases	79,648	116,894
Profit on disposal of tangible fixed assets	(2,125)	(3,000)
	<u>429,149</u>	<u>457,754</u>

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

4 Employees

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

	2018 Number	2017 Number
Number of other staff	2	2

Their aggregate remuneration comprised:

	2018 £	2017 £
Wages and salaries	-	41,516
Pension costs	-	36,565
	-	78,081

5 Directors' remuneration

	2018 £	2017 £
Remuneration for qualifying services	-	65,273
Company pension contributions to defined contribution schemes	-	36,565
	-	101,838

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 0 (2017 - 2).

6 Interest receivable and similar income

	2018 £	2017 £
Income from fixed asset investments		
Income from shares in group undertakings	131,000	374,472

7 Interest payable and similar expenses

	2018 £	2017 £
Interest on bank overdrafts and loans	12,790	7,080
Interest on finance leases and hire purchase contracts	15,616	20,857
	28,406	27,937

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

8 Taxation

	2018 £	2017 £
Current tax		
UK corporation tax on profits for the current period	58,016	130,917
Adjustments in respect of prior periods	(4,074)	-
Total current tax	53,942	130,917
Deferred tax		
Origination and reversal of timing differences	(18,212)	(39,441)
Total tax charge	35,730	91,476

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:

	2018 £	2017 £
Profit before taxation	281,872	792,737
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	53,556	158,547
Tax effect of expenses that are not deductible in determining taxable profit	3,324	-
Tax effect of income not taxable in determining taxable profit	(24,890)	(4,999)
Adjustments in respect of prior years	(4,074)	-
Fixed asset differences	15,837	16,477
Change in tax rate	1,491	-
Exempt dividend	(9,514)	(74,894)
Adjust closing deferred tax rate	-	(3,655)
Taxation charge for the year	35,730	91,476

9 Dividends

	2018 £	2017 £
Final paid	1,931,000	387,000

A final dividend of £19,310 (2017: £3,870) per share was paid to shareholders.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Tangible fixed assets

	Land and buildings Freehold £	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
Cost						
At 1 April 2017	945,000	357,908	1,983,305	50,983	332,606	3,669,802
Additions	-	17,371	125,707	-	106,862	249,940
Disposals	-	-	-	-	(23,450)	(23,450)
At 31 March 2018	945,000	375,279	2,109,012	50,983	416,018	3,896,292
Depreciation and impairment						
At 1 April 2017	161,098	63,056	1,022,849	-	130,724	1,377,727
Depreciation charged in the year	52,764	30,586	304,937	-	88,820	477,107
Eliminated in respect of disposals	-	-	-	-	(20,275)	(20,275)
At 31 March 2018	213,862	93,642	1,327,786	-	199,269	1,834,559
Carrying amount						
At 31 March 2018	731,138	281,637	781,226	50,983	216,749	2,061,733
At 31 March 2017	783,902	294,852	960,456	50,983	201,882	2,292,075

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

10 Tangible fixed assets (Continued)

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

	2018 £	2017 £
Plant and machinery	166,940	384,728
Motor vehicles	126,841	66,673
Leasehold improvements	-	93,607
	<u>293,781</u>	<u>545,008</u>
Depreciation charge for the year in respect of leased assets	<u>79,648</u>	<u>116,894</u>

Included in freehold land and buildings is land valued at £295,000 which is not depreciated.

11 Fixed asset investments

	Notes	2018 £	2017 £
Investments in subsidiaries	12	<u>100</u>	<u>100</u>

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2017 & 31 March 2018	<u>100</u>
Carrying amount	
At 31 March 2018	<u>100</u>
At 31 March 2017	<u>100</u>

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

12 Subsidiaries

Details of the company's subsidiaries at 31 March 2018 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Welcome Furniture Limited	1	Manufacturing furniture	Ordinary shares	100.00	

Registered Office addresses:

1 1 Cibyn industrial Estate, Caernarfon, Gwynedd, United Kingdom, LL55 2BD

13 Debtors

	2018 £	2017 £
Amounts falling due within one year:		
Amounts owed by group undertakings	663,775	814,025
Other debtors	63,562	32,108
	<u>727,337</u>	<u>846,133</u>

14 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	16	145,717	128,013
Obligations under finance leases	17	113,244	144,386
Amounts due to group undertakings		1,507,528	-
Corporation tax		184,504	130,562
Accruals and deferred income		171,003	216,436
		<u>2,121,996</u>	<u>619,397</u>

15 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans and overdrafts	16	360,733	502,565
Obligations under finance leases	17	84,210	90,184
		<u>444,943</u>	<u>592,749</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	188,205	229,867
	<u>188,205</u>	<u>229,867</u>

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

16 Borrowings

	2018 £	2017 £
Bank loans	506,450	630,578
Payable within one year	145,717	128,013
Payable after one year	360,733	502,565

The long-term loans are repayable over 10 years and bear interest at 1.96% over the Bank of England base rate. The loans are secured by first legal charge dated 08/07/2011 over freehold property and composite multilateral guarantee dated 30/01/2017 between Welcome Furniture Limited, Welcome Holdings Limited and Welcome Furniture Group Limited.

17 Finance lease obligations

	2018 £	2017 £
Future minimum lease payments due under finance leases:		
Less than one year	114,153	156,410
Between one and five years	97,898	95,731
	212,051	252,141
Less: future finance charges	(14,597)	(17,571)
	197,454	234,570

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 - 4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

18 Provisions for liabilities

	Notes	2018 £	2017 £
Deferred tax liabilities	19	102,236	120,448

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

19 Deferred taxation

Deferred tax assets and liabilities are offset where the 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:

	Liabilities 2018 £	Liabilities 2017 £
Balances:		
ACAs	102,236	88,609
Revaluations	-	31,839
	<u>102,236</u>	<u>120,448</u>
Movements in the year:		2018 £
Liability at 1 April 2017		120,448
Credit to profit or loss		(18,212)
Liability at 31 March 2018		<u>102,236</u>

£13k of the deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

20 Retirement benefit schemes

	2018 £	2017 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	-	36,565

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

21 Share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

WELCOME HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

22 Reserves

Revaluation reserve

The cumulative revaluation gains and losses in respect of land and buildings, except revaluation gains and losses recognised in profit or loss.

Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

23 Controlling party

The immediate parent undertaking is Welcome Furniture Group Limited.

Welcome Furniture Group Limited is the smallest and largest company for which consolidated accounts including Welcome Holdings Limited are prepared. The consolidated accounts of Welcome Furniture Group Limited are available from its registered office, 1 Cibyn Industrial Estate, Caernarfon, Gwynedd, Wales, LL55 2BD.

The ultimate controlling party of Welcome Furniture Group Limited is Mr J A Peterson.