REGISTERED NUMBER: 10467347 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

FOR

METRO GOLD LIMITED

CONTENTS OF THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS:	T P Eastwood Mrs CA Eastwood P T Murray M J Murray Mrs K J Murray Mrs G L Robertson
SECRETARY:	Ms S C Coatham
REGISTERED OFFICE:	Wide Lane Southampton Hampshire SO18 2FA
REGISTERED NUMBER:	10467347 (England and Wales)
AUDITORS:	Rothmans Audit LLP Chartered Accountants & Statutory Auditors Avebury House St Peter Street Winchester Hampshire SO23 8BN

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report of the company and the group for the year ended 31 December 2018.

REVIEW OF BUSINESS

The principal activity of the group continued to be that of a supplier of brands of health, beauty and nursery products to the retail trade in the United Kingdom and Ireland.

In the year ended 31 December 2018 the group achieved sales of £17,011,771 compared to £6,248,147 for the period from 8 November 2016 to 31 December 2017.

The directors continue to adopt a going concern basis in preparing the financial statements.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors will continue to seek to expand the company's product range and customer base to ensure the company remains in a strong position to capitalise on its investment in the business operational framework, to take advantage of market improvements and to withstand any external economic pressures. The consequence of Great Britain leaving the European Union on the group's performance is still uncertain but the directors have already made suitable plans to deal with the possible implications and do not expect there to be a deleterious impact on the group.These plans will be updated as the situation becomes more certain.

KEY PERFORMANCE INDICATORS

The key financial highlights of the group's activities are:

	2018	2017
	£	£
Turnover reported in the financial statements	17,011,771	6,248,147
Turnover including agency sales	26,544,809	8,896,374
Gross profit margin	38.8%	34.8%
Profit before tax	1,045,456	214,875

OTHER PERFORMANCE INDICATORS

The group's ongoing strategies are to improve turnover and to protect and increase its share of the market whilst protecting margins. The directors consider that they have achieved this in 2018 and expect that the group will continue to grow in 2019 and future years.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's principal financial instruments comprise bank balances, bank overdrafts, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for, and finance, the company's operations.

Due to the nature of the financial instruments used by the group there is no exposure to price risk. The group's approach to managing other risks, applicable to the financial statements concerned, is shown below:

In respect of bank balances the liquidity risk is managed by maintaining a balance between long term loans and the use of overdrafts at floating rates of interest.

Trade debtors are managed, in respect of credit and cash flow risk, by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

POLICY ON THE PAYMENT OF CREDITORS

Payment is generally made by the group to its creditors in accordance with agreed terms of business. It is the policy of the group that all invoices issued by suppliers are paid within 30 days following the end of the month in which the invoices are received. In the case of certain overseas suppliers, the terms of business with the company are such that payments may be made at an earlier time.

ON BEHALF OF THE BOARD:

....
P T Murray - Director

Date: 5 June 2019

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2018.

DIVIDENDS
During the year dividends of £333,475 (2017: £111,158) were declared by the company.

EVENTS SINCE THE END OF THE YEAR
Information relating to events since the end of the year is given in the notes to the financial statements.

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

T P Eastwood
Ms C A Eastwood
P T Murray
M J Murray
Mrs K J Murray
Mrs G L Robertson

DISCLOSURE IN THE STRATEGIC REPORT
In accordance with the Companies Act 2006, s414C(11), information in respect of business activities and risk are shown within the Strategic Report.

DIRECTORS' RESPONSIBILITIES STATEMENT
The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS
The auditors, Rothmans Audit LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

....
P T Murray - Director

Date: 5 June 2019

Opinion
We have audited the financial statements of Metro Gold Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and Notes to the Consolidated Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:
- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information
The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinion on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:
- the information given in the Group Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Directors 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:
- adequate accounting records have not been kept 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 four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

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

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

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

S A Sullivan FCA

Susan Sullivan FCA (Senior Statutory Auditor)
for and on behalf of Rothmans Audit LLP
Chartered Accountants & Statutory Auditors
Avebury House
St Peter Street
Winchester
Hampshire
SO23 8BN

Date: 12th June 2019.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year Ended 31.12.18 £	£	Period 8.11.16 to 31.12.17 £	£
TURNOVER	3		17,011,771		6,248,147
Cost of sales			10,411,080		4,072,689
GROSS PROFIT			6,600,691		2,175,458
Distribution costs		3,252,440		1,058,562	
Administrative expenses		2,284,893		895,359	
			5,537,333		1,953,921
			1,063,358		221,537
Other operating income			67,072		19,277
OPERATING PROFIT	6		1,130,430		240,814
Interest receivable and similar income	8		13,731		5,147
			1,144,161		245,961
Interest payable and similar expenses	9		98,705		31,086
PROFIT BEFORE TAXATION			1,045,456		214,875
Tax on profit	10		230,397		92,672
PROFIT FOR THE FINANCIAL YEAR			815,059		122,203
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			815,059		122,203
Profit attributable to:					
Owners of the parent			711,911		99,578
Non-controlling interests			103,148		22,625
			815,059		122,203
Total comprehensive income attributable to:					
Owners of the parent			711,910		99,579
Non-controlling interests			103,149		22,624
			815,059		122,203

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	13		2,903,157		3,056,526
Tangible assets	14		676,227		737,632
Investments	15		-		-
			3,579,384		3,794,158
CURRENT ASSETS					
Stocks	16	4,150,332		3,059,547	
Debtors	17	3,176,338		3,417,799	
Cash at bank and in hand		616,240		122,933	
		7,942,910		6,600,279	
CREDITORS					
Amounts falling due within one year	18	4,448,933		3,306,683	
NET CURRENT ASSETS			3,493,977		3,293,596
TOTAL ASSETS LESS CURRENT LIABILITIES			7,073,361		7,087,754
CREDITORS					
Amounts falling due after more than one year	19		(2,743,040)		(3,243,040)
PROVISIONS FOR LIABILITIES	24		(21,436)		(17,414)
NET ASSETS			4,308,885		3,827,300
CAPITAL AND RESERVES					
Called up share capital	25		420,000		420,000
Share premium	26		2,937,002		2,937,002
Retained earnings	26		366,856		(11,580)
			3,723,858		3,345,422
NON-CONTROLLING INTERESTS	27		585,027		481,878
TOTAL EQUITY			4,308,885		3,827,300

The financial statements were approved by the Board of Directors on 5 June 2019 and were signed on its behalf by:

....

P T Murray - Director

The notes form part of these financial statements

COMPANY STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2018

	Notes	2018 £	2018 £	2017 £	2017 £
FIXED ASSETS					
Intangible assets	13		-		-
Tangible assets	14		-		-
Investments	15		7,200,000		7,200,000
			7,200,000		7,200,000
CURRENT ASSETS					
Cash at bank and in hand		4,621		89	
CREDITORS					
Amounts falling due within one year	18	537,986		626,045	
NET CURRENT LIABILITIES			(533,365)		(625,956)
TOTAL ASSETS LESS CURRENT LIABILITIES			6,666,635		6,574,044
CREDITORS					
Amounts falling due after more than one year	19		2,743,040		3,243,040
NET ASSETS			3,923,595		3,331,004
CAPITAL AND RESERVES					
Called up share capital	25		420,000		420,000
Share premium	26		2,937,002		2,937,002
Retained earnings	26		566,593		(25,998)
			3,923,595		3,331,004
Company's profit for the financial year			926,066		85,160

The financial statements were approved by the Board of Directors on 5 June 2019 and were signed on its behalf by:

....

P T Murray - Director

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Retained earnings £	Share premium £
Changes in equity			
Issue of share capital	420,000	-	2,937,002
Dividends	-	(111,158)	-
Total comprehensive income	-	99,578	-
	420,000	(11,580)	2,937,002
Non-controlling interest arising on business combination	-	-	-
Balance at 31 December 2017	420,000	(11,580)	2,937,002
Changes in equity			
Dividends	-	(333,475)	-
Total comprehensive income	-	711,911	-
Balance at 31 December 2018	420,000	366,856	2,937,002

	Total £	Non-controlling interests £	Total equity £
Changes in equity			
Issue of share capital	3,357,002	-	3,357,002
Dividends	(111,158)	-	(111,158)
Total comprehensive income	99,578	22,624	122,202
	3,345,422	22,624	3,368,046
Non-controlling interest arising on business combination	-	459,254	459,254
Balance at 31 December 2017	3,345,422	481,878	3,827,300
Changes in equity			
Dividends	(333,475)	-	(333,475)
Total comprehensive income	711,911	103,149	815,060
Balance at 31 December 2018	3,723,858	585,027	4,308,885

The notes form part of these financial statements

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Changes in equity				
Issue of share capital	420,000	-	2,937,002	3,357,002
Dividends	-	(111,158)	-	(111,158)
Total comprehensive income	-	85,160	-	85,160
Balance at 31 December 2017	420,000	(25,998)	2,937,002	3,331,004
Changes in equity				
Dividends	-	(333,475)	-	(333,475)
Total comprehensive income	-	926,066	-	926,066
Balance at 31 December 2018	420,000	566,593	2,937,002	3,923,595

The notes form part of these financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Year Ended 31.12.18 £	Period 8.11.16 to 31.12.17 £
Cash flows from operating activities			
Cash generated from operations	1	1,067,034	16,595
Interest paid		(98,705)	(31,086)
Tax paid		(322,968)	(1)
Net cash from operating activities		645,361	(14,492)
Cash flows from investing activities			
Purchase of tangible fixed assets		(92,953)	(514,525)
Sale of tangible fixed assets		22,441	27,000
Purchase of subsidiary		-	(100,000)
Net cash acquired with subsidiary		-	460,095
Interest received		13,731	5,147
Net cash from investing activities		(56,781)	(122,283)
Cash flows from financing activities			
Loan to related company		280,000	(280,475)
Amount introduced by directors		-	71
Amount withdrawn by directors		-	(71)
Share issue		-	42
Equity dividends paid		(333,475)	(111,158)
Net cash from financing activities		(53,475)	(391,591)
Increase/(decrease) in cash and cash equivalents		535,105	(528,366)
Cash and cash equivalents at beginning of year	2	(528,366)	-
Cash and cash equivalents at end of year	2	6,739	(528,366)

The notes form part of these financial statements

NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2018

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

	Year Ended 31.12.18 £	Period 8.11.16 to 31.12.17 £
Profit before taxation	1,045,456	214,875
Depreciation charges	264,474	94,669
Loss on disposal of fixed assets	3,073	57,310
Impairment of Goodwill	17,742	23,718
Stock acquired from Subsidiary	-	3,331,261
Debtors acquired from Subsidiary	-	2,794,339
Creditors acquired from Subsidiary	-	(2,301,335)
Finance costs	98,705	31,086
Finance income	(13,731)	(5,147)
	1,415,719	4,240,776
Increase in stocks	(1,090,785)	(3,059,547)
Increase in trade and other debtors	(38,539)	(3,137,324)
Increase in trade and other creditors	780,639	1,972,690
Cash generated from operations	1,067,034	16,595

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	616,240	122,933
Bank overdrafts	(609,501)	(651,299)
	6,739	(528,366)

Period ended 31 December 2017

	31.12.17 £	8.11.16 £
Cash and cash equivalents	122,933	-
Bank overdrafts	(651,299)	-
	(528,366)	-

1. STATUTORY INFORMATION

Metro Gold Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements
The financial statements have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable to the UK and Republic of Ireland" ("FRS102") and the requirements of the Companies Act 2006 and under the historical cost convention and in accordance with applicable accounting standards.

Going concern
At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

Basis of consolidation
The group financial statements consolidate the financial statements of Metro Gold Limited and all its subsidiary undertakings drawn up to 31 December each year. No profit and loss account is presented for Metro Gold Group Limited as permitted by section 408 of the Companies Act 2006.

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases. Control is the power to govern the financial and operating policies of the investee so as to obtain benefits from its activities.

Paul Murray PLC and Miner's International Limited have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of these companies for the year. The purchase consideration was allocated to the assets and liabilities on the basis of fair value at the date of acquisition.

In the parent company financial statements investments in subsidiaries 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.

Significant judgements and estimates
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 accounting policies requiring the most judgement within the financial statements are those relating to stock valuation and accounting for sales and purchases under agency agreements.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of revision and future periods where the revision affects both the current and future periods.

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2. **ACCOUNTING POLICIES - continued**

Turnover
All Turnover included in the Group accounts arises from the activity of the subsidiary Paul Murray PLC.

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers for the sale of non-pharmaceutical products, surgical goods, cosmetics, fragrances, and toiletries in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

In 2014 Paul Murray PLC entered into an agreement with a supplier to act as their agent in the supply of their goods. Commission is receivable in respect of sales made and recognised within turnover shown in the profit and loss account. Revenue is recognised at the point of dispatch of the product.

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.

Goodwill
Goodwill arising from the acquisition of Paul Murray PLC is capitalised and written off evenly over 25 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Goodwill arising from the acquisition of the Miners cosmetic brand by Paul Murray PLC is capitalised and written off evenly over 20 years as in the opinion of the directors, this represents the period over which the goodwill is expected to give rise to economic benefits.

Intangible assets
Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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2. **ACCOUNTING POLICIES - continued**

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.

Tangible fixed assets are stated at cost, being purchase price together with any incidental costs of acquisition, less accumulated depreciation, except for freehold land & buildings which are held at valuation. Depreciation is calculated so as to write off the cost or revaluation of an asset, net of anticipated disposal proceeds, over the useful economic life of that asset as follows:

Tenants improvements	straight line over 15 years
Fixtures and fittings	25% reducing balance and straight line over 3 or 15 years
Equipment	25% straight line
Motor vehicles	25% reducing balance

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.

Impairment of fixed assets
At each reporting end date, the company reviews the carrying amounts of its tangible and intangible 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 land 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

continued...

2. **ACCOUNTING POLICIES - continued**

Stocks
Stocks are stated at the lower of cost and net realisable value. Cost is determined using the weighted average cost basis and provision is made for obsolete and slow moving items.

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 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.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Statement of Comprehensive Income, 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 statement of financial position date.

Deferred tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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.

Hire purchase and leasing commitments
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 lease asset are consumed.

Pension costs and other post-retirement benefits
The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year in accordance with the rules of the fund. The assets of the scheme are held separately from these of the company in an independently administered fund.

continued...

2. **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 amount 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 receivables 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.

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 publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as '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 is the rate that exactly discounts estimated future cash receipts through the expected life of the 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 or 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.

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 it 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.

continued...

2. **ACCOUNTING POLICIES - continued**

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank borrowings, loans from fellow group companies and preference shares that are classified as debt, 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.

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.

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.

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 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.

Employee benefits

The costs of 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.

continued...

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	Year Ended 31.12.18 £	Period 8.11.16 to 31.12.17 £
Sale of goods	15,120,101	5,698,467
Commission receipts	1,891,670	549,680
	17,011,771	6,248,147

4. EMPLOYEES AND DIRECTORS

Group

	2018 £	2017 £
Wages and salaries	2,794,916	914,925
Social security costs	332,615	101,212
Other pension costs	88,396	21,088
	3,215,927	1,037,225

The average number of employees during the period was:

	2018	2017
Operations	58	61
Administrative	12	12
Directors	9	7
	79	80

Company
The company had no staff costs for the period ended 31 December 2018 (2017:Nil). The average number of employees during the period was Nil (2017:Nil).

 continued...

5. DIRECTORS' EMOLUMENTS

Group

	2018	2017
	£	£
Directors' remuneration for qualifying services	440,420	110,503
Directors' pension contributions to money purchase schemes	8,872	864

The number of directors to whom retirement benefits were accruing was as follows:

	2018	2017
Money purchase schemes	3	1

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Directors' remuneration for qualifying services	150,010	50,936

Company

	2018	2017
	£	£
Directors' remuneration for qualifying services	-	-
Directors' pension contributions to money purchase schemes	-	-

6. OPERATING PROFIT

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

	Year Ended 31.12.18	Period 8.11.16 to 31.12.17
	£	£
Other operating leases	523,314	197,851
Depreciation - owned assets	128,844	48,597
Loss on disposal of fixed assets	3,073	57,310
Goodwill amortisation	135,627	46,073
Foreign exchange differences	(67,072)	(19,277)
Cost of stocks recognised as an expense	9,251,577	3,590,888
Vehicle leasing	156,541	49,734

7. AUDITORS' REMUNERATION

	Year Ended 31.12.18	Period 8.11.16 to 31.12.17
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	22,967	21,600
Auditors' remuneration for non audit work	5,700	8,500

continued...

8. INTEREST RECEIVABLE AND SIMILAR INCOME

	Year Ended 31.12.18	Period 8.11.16 to 31.12.17
	£	£
Other interest income	13,731	5,147

All interest receivable relates to financial assets measured at amortised cost.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.18	Period 8.11.16 to 31.12.17
	£	£
Bank interest	8	-
Bank loan interest	7,980	1,454
Loan note interest	90,717	29,632
	98,705	31,086

All interest payable relates to financial liabilities measured at amortised cost.

10. TAXATION

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

	Year Ended 31.12.18	Period 8.11.16 to 31.12.17
	£	£
Current tax:		
UK corporation tax	226,375	62,695
Deferred tax	4,022	29,977
Tax on profit	230,397	92,672

continued...

10. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.18 £	Period 8.11.16 to 31.12.17 £
Profit before tax	1,045,456	214,875
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	198,637	41,363
Effects of:		
Expenses not deductible for tax purposes	31,760	23,680
Income not taxable for tax purposes	-	(2,118)
Deferred tax liability acquired from subsidiary	-	29,977
Adjust deferred tax to closing rate	-	(230)
Total tax charge	230,397	92,672

11. **INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME**

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

12. **DIVIDENDS**

During the period dividends of £333,475 (2017: £111,158) were paid by the company.

continued...

13. INTANGIBLE FIXED ASSETS

Group

	Goodwill £
COST	
At 1 January 2018	3,354,006
Disposals	(269,549)
Impairments	(17,742)
At 31 December 2018	3,066,715
AMORTISATION	
At 1 January 2018	297,480
Amortisation for year	135,627
Eliminated on disposal	(269,549)
At 31 December 2018	163,558
NET BOOK VALUE	
At 31 December 2018	2,903,157
At 31 December 2017	3,056,526

14. TANGIBLE FIXED ASSETS

Group

	Improvements to property £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2018	271,275	498,373	183,811	243,206	1,196,665
Additions	19,113	49,715	-	24,125	92,953
Disposals	-	(28,900)	(98,570)	-	(127,470)
At 31 December 2018	290,388	519,188	85,241	267,331	1,162,148
DEPRECIATION					
At 1 January 2018	-	164,411	128,123	166,499	459,033
Charge for year	18,659	67,951	11,941	30,293	128,844
Eliminated on disposal	-	(24,501)	(77,455)	-	(101,956)
At 31 December 2018	18,659	207,861	62,609	196,792	485,921
NET BOOK VALUE					
At 31 December 2018	271,729	311,327	22,632	70,539	676,227
At 31 December 2017	271,275	333,962	55,688	76,707	737,632

continued...

15. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2018 and 31 December 2018	7,200,000
NET BOOK VALUE	
At 31 December 2018	7,200,000
At 31 December 2017	7,200,000

The group or the company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Subsidiaries

Miner's International Limited
Registered office: Wide Lane, Southampton, Hampshire, SO18 2FA
Nature of business: Not trading.

Class of shares:	% holding
A, B & C Ordinary	100.00

Paul Murray PLC
Registered office: Wide Lane, Southampton, Hampshire, SO18 2FA
Nature of business: Wholesaling of health and beauty products

Class of shares:	% holding
A, B & C Ordinary	90.00

	2018 £	2017 £
Aggregate capital and reserves	4,665,258	4,670,833
Profit for the year/period	1,014,248	782,581

The subsidiary Miner's International Limited, registered number 00601845, is exempt from audit under s479A of the Companies Act 2006.

16. STOCKS

	Group 2018 £	2017 £
Finished goods	4,150,332	3,059,547

The total value of stock written off in the period is £48,834 (2017: £60,752)

There is no material difference between the replacement cost of stocks and the amounts stated above.

continued...

17. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	
	2018	2017
	£	£
Trade debtors	2,674,457	2,499,754
Amounts owed by participating interests	475	280,475
Other debtors	-	404,511
Prepayments and accrued income	501,406	233,059
	3,176,338	3,417,799

The total value of debtors written off in the period is £32,005 (2017: £15,996).

18. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 20)	609,501	651,299	-	-
Other loans (see note 20)	500,000	500,000	500,000	500,000
Trade creditors	1,780,859	1,021,641	-	-
Amounts owed to group undertakings	-	-	30,465	119,445
Corporation tax	86,101	182,694	-	-
Social security and other taxes	110,812	92,390	4,521	-
VAT	233,701	138,928	-	-
Accruals and deferred income	1,127,959	719,731	3,000	6,600
	4,448,933	3,306,683	537,986	626,045

19. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Other loans (see note 20)	2,743,040	3,243,040	2,743,040	3,243,040

continued...

20. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	609,501	651,299	-	-
Other loans	500,000	500,000	500,000	500,000
	1,109,501	1,151,299	500,000	500,000
Amounts falling due between one and two years:				
Other loans - 1-2 years	500,000	500,000	500,000	500,000
Amounts falling due between two and five years:				
Other loans - 2-5 years	1,500,000	1,500,000	1,500,000	1,500,000
Amounts falling due in more than five years:				
Repayable by instalments				
Other loans - after 5 years	743,040	1,243,040	743,040	1,243,040

Loan Notes of £3,743,040 were issued on 31 August 2017 to P Murray & K Murray.

These Loan Notes are due for repayment in seven annual instalments of £500,000 payable on each anniversary of the issue of the loan notes and one final instalment of £243,040 payable on the eighth anniversary of the issue of the Loan Notes.

Interest is due at a rate of 2% per annum above the published base rate of Barclays Bank PLC.

21. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	651,554	731,709
Between one and five years	2,029,156	2,021,057
In more than five years	3,831,208	4,273,065
	6,511,918	7,025,831

continued...

22. SECURED DEBTS

The following secured debts are included within creditors:

	Group	
	2018	2017
	£	£
Bank overdrafts	609,501	651,299

The bank overdrafts of Metro Gold Limited and its subsidiary, Paul Murray PLC, are secured by a cross-guarantee and debenture provided jointly by Metro Gold Limited and Paul Murray PLC which includes a fixed and floating charge over all of the assets of each company.

23. FINANCIAL INSTRUMENTS

The Group financial statements include the following financial instruments:

Financial Assets measured at amortised cost

	2018	2017
	£	£
Trade Debtors	2,674,457	2,499,754
Cash at Bank & Hand	616,240	122,933
Loan to Albemarle Properties	-	404,511
Loans to Related Companies	475	280,475
	3,291,172	3,307,673

Financial Liabilities measured at amortised cost

	2018	2017
	£	£
Bank Loans and Overdrafts	609,501	651,299
Trade Creditors	1,780,859	1,021,640
Loan Notes	3,243,040	3,743,040
	5,633,400	5,415,979

The Company financial statements include the following financial instruments:

Financial Assets measured at amortised cost

	2018	2017
	£	£
Cash at Bank & Hand	4,621	89
	4,621	89

Financial Liabilities measured at amortised cost

	2018	2017
	£	£
Amounts owed to Group Undertakings	30,465	119,445
Loan Notes	3,243,040	3,743,040
	3,273,505	3,862,485

 continued...

24. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	21,436	17,414

Group

	Deferred tax
	£
Balance at 1 January 2018	17,414
Provided during year	4,022
Acquisition of Subsidiary	
Balance at 31 December 2018	21,436

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

	2018	2017
	£	£
Accelerated capital allowances	38,272	30,965
Short-term timing differences	(16,836)	(13,551)
	21,436	17,414

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Class	No. of Shares	Nominal Value	2018	2017
			£	£
A Ordinary	42,000	£1	42,000	42,000
B Ordinary	42,000	£1	42,000	42,000
C Ordinary	336,000	£1	336,000	336,000
			420,000	420,000

Each share is entitled to one vote in any circumstance. All classes of shares rank equally on a winding up of the company. Dividends on each class of share are voted separately.

continued...

26. RESERVES

Group

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	(11,580)	2,937,002	2,925,422
Profit for the year	711,911		711,911
Dividends	(333,475)		(333,475)
At 31 December 2018	366,856	2,937,002	3,303,858

Company

	Retained earnings £	Share premium £	Totals £
At 1 January 2018	(25,998)	2,937,002	2,911,004
Profit for the year	926,066		926,066
Dividends	(333,475)		(333,475)
At 31 December 2018	566,593	2,937,002	3,503,595

27. NON-CONTROLLING INTERESTS

Newbarn Compton Limited holds a 10% interest in the issued share capital of Paul Murray PLC.

28. PENSION COMMITMENTS

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

The charge to profit or loss in respect of defined contribution schemes was £88,396 (2017: £21,088).

Contributions of £15,411 (2017: £7,068) were outstanding at the year end and are included within accruals.

The company does not operate a pension scheme.

29. OTHER FINANCIAL COMMITMENTS

Dividends paid to the directors of the group and company totalled £333,475 (2017: £111,158).

30. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

continued...

Entities over which the entity has control, joint control or significant influence

During the period, the subsidiary company Paul Murray PLC paid expenses on behalf of Metro Gold Limited which totalled £11,019 and was repaid £100,000. The outstanding balance at the year end was £30,465 (2017: 119,446) and is included in amounts owed to group undertakings in the company accounts. This loan is interest free and repayable on demand.

During the period dividends of £1,019,823 (2017: £140,791)were paid by Paul Murray PLC to Metro Gold Limited.

Metro Gold Limited and its subsidiary Paul Murray PLC have jointly provided security to Barclays Bank PLC by way of a fixed and floating charge over their assets. As at 31 December 2017 Paul Murray PLC had overdrawn bank accounts of £609,501 with Barclays Bank PLC.

Other related parties

	2018 £	2017 £
Amount due from Albemarle Properties Development Limited	-	404,511
Amount due from Newbarn Compton Limited	475	280,475

Albemarle Properties Development Limited is a company under the control of the directors P Murray and M Murray. During the year advances of £Nil (2017: £25,000) were made to Albemarle Properties Development Limited and repayments of £404,511 (2017: £Nil) were received from Albemarle Properties Development Limited. Interest of £2,420 (2017: £14,967) was due in respect of these loans. The outstanding loan balance at the year end was £Nil (2017: £404,511) and is included in other debtors.

Newbarn Compton Limited holds 10% of the issued share capital in Paul Murray PLC. During the year advances of £Nil (2017: £280,475) were made to Newbarn Compton Limited and repayments of £280,000 (2017: £Nil) were received from Newbarn Compton Limited. The outstanding loan balance at the year end was £475 (2017: £280,475) and is included in amounts owed by group undertakings. This balance is interest free and repayable on demand. During the year dividends of £Nil (2017: £1,400,000) were paid to Newbarn Compton Limited.

On 31 August 2017 Loan Notes of £3,743,040 were issued by Metro Gold Limited in favour of the directors P Murray and K Murray. These loan notes are due to be repaid in 8 annual instalments as set out in Note 20. Interest is payable on these loan notes at 2% above the Barclays base rate and during the period £90,717 (2017: £29,632) of interest was paid to P Murray and K Murray.

The remuneration of key management personnel, who are also directors, is as follows:

	2018 £	2017 £
Aggregate compensation	491,615	121,280

31. POST BALANCE SHEET EVENTS

Since the year-end the company has declared dividends of £111,158 (2017: £138,948)

32. ULTIMATE CONTROLLING PARTY

The group and company are ultimately controlled by M J Murray, C A Eastwood and G L Robertson, directors of the company, by virtue of their majority shareholdings in Metro Gold Limited.