

SHS Sales & Marketing Limited

Report and Financial Statements

For the period from 30 December 2017 to 28 December 2018



WEDNESDAY



JNI *J8ERRYGO* #192
25/09/2019
COMPANIES HOUSE

Directors

J Sloan
E Birchall
A Richmond

Secretary

A Richmond

Auditors

Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers

Danske Bank
Donegall Square West
Belfast BT1 6SJ

Solicitors

Carson McDowell
Murray House
4 Murray Street
Belfast BT1 6DN

Registered Office

SHS House
199 Airport Road West
Belfast BT3 9ED

Strategic Report

The directors present their strategic report for the period ended 28 December 2018.

Principal activity and review of the business

The company's principal activity is the marketing and distribution of grocery, beverage and pharmaceutical products.

There were no significant changes in the activities of the company during the period. The directors consider that in light of prevailing economic and market conditions, both the results for the period and the prospects for the future are satisfactory.

The company strategy for the coming year is to increase shareholder value through enhancing market share and developing the company's customer base further.

Key performance indicators

The key performance indicator for the company is gross margin. The gross margin for the period was 9.8% (period ended 29 December 2017 – 9.3%). Other key performance indicators are noted below:

	<i>Period ended 28 December 2018 £</i>	<i>Period ended 29 December 2017 £</i>
Turnover	23,998,919	24,199,821
Profit after tax	146,654	100,868
Shareholder funds	2,252,612	2,105,958
Average employees during the period (no.)	40	38
Current assets v current liabilities (quick ratio)	1.25	1.20

Principal risks and uncertainties

The company uses various financial instruments including cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

The existence of these financial instruments exposes the company to a number of financial risks, which are described in more detail below.

The main risks arising from the company's financial instruments are interest rate risk, currency risk, credit risk, liquidity risk, price and market risk and Brexit risk.

The directors review and agree policies for managing each of these risks, and they are summarised below. These policies have remained unchanged from previous years.

Interest rate risk

The company finances its operations through retained profits. The company's exposure to interest rate fluctuations on its borrowings is limited.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk, the directors assess potential customers based on a mixture of past history, credit references and industry knowledge, and amounts owed are reviewed and followed up on a regular basis.

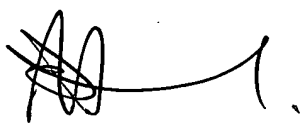
Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

Brexit risk

The current Brexit position remains uncertain. A planning exercise was carried out ahead of the 29 March 2019 deadline to identify areas which would impact the company. Where possible, we have taken steps to address any such areas by identifying and implementing solutions as applicable. Our plans are still active as the Brexit situation unfolds.

By order of the Board



A Richmond
Director

Date: 31 May 2019

Registered No. NI016166

Directors' report

The directors present their report for the period ended 28 December 2018.

Results and dividends

The profit for the period after taxation amounted to £146,654 (period ended 29 December 2017 – profit of £100,868). The directors do not recommend a final dividend (period ended 29 December 2017 – £nil).

Future developments

The directors are committed to long-term creation of shareholder value. 2018 has been a challenging period in a competitive sector, however the directors are continuing to focus on driving the business forward and are committed to seeking new business opportunities. While the incoming year is likely to continue to be very challenging, early results indicate we are in line to achieve our expectations for the year.

Directors

The directors who served the company during the period were as follows:

J Sloan
E Birchall
A Richmond

Disclosure of information to the auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

In accordance with Companies Act 2006 s485 a resolution to reappoint Ernst & Young LLP as auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



E Birchall
Director

Date: 31 May 2019

Directors' Responsibilities Statement

The directors are responsible for preparing the annual 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 including FRS 102 'The Financial Reporting Standard Applicable in the United Kingdom and Republic of Ireland' (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 those financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare 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 SHS Sales & Marketing Limited

Opinion

We have audited the financial statements of SHS Sales & Marketing Limited for the period ended 28 December 2018 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 16, 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 company's affairs as at 28 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. 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.

Independent auditors' report (continued)

to the members of SHS Sales and Marketing Limited

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 this 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 the 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Independent auditors' report (continued)

to the members of SHS Sales and Marketing Limited

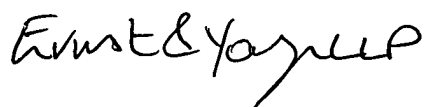
Auditor's responsibilities for the audit of the financial statements

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 <https://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.



Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 31 May 2019

Profit and loss account

for the period ended from 30 December 2017 to 28 December 2018

		Period ended 28 December 2018	Period ended 29 December 2017
	Notes	£	£
Turnover	2	23,998,919	24,199,821
Cost of sales		<u>(21,639,734)</u>	<u>(21,938,786)</u>
Gross profit		2,359,185	2,261,035
Distribution costs		(841,935)	(880,137)
Administrative expenses		(1,338,280)	(1,261,959)
Other operating income	3	<u>14,004</u>	<u>14,004</u>
Operating profit	4	192,974	132,943
Interest payable and similar charges		<u>(3,367)</u>	<u>–</u>
Profit before taxation		189,607	132,943
Tax charge	7	<u>(42,953)</u>	<u>(32,075)</u>
Profit for the financial period		<u>146,654</u>	<u>100,868</u>

All amounts relate to continuing activities.

Statement of comprehensive income

for the period ended from 30 December 2017 to 28 December 2018

There is no comprehensive income or profit other than the profit attributable to the shareholders of the company £146,654 in the period ended 28 December 2018 (period ended 29 December 2017 – profit of £100,868).

Statement of changes in equity

for the period ended from 30 December 2017 to 28 December 2018

	<i>Called up share capital</i> £	<i>Revaluation reserve</i> £	<i>Profit and loss account</i> £	<i>Total Equity</i> £
At 31 December 2016	50,000	55,995	1,899,095	2,005,090
Transfer between revaluation	–	(1,807)	1,807	–
Profit for the period	–	–	100,868	100,868
At 29 December 2017	50,000	54,188	2,001,770	2,105,958
Transfer between revaluation	–	(1,807)	1,807	–
Profit for the period	–	–	146,654	146,654
At 28 December 2018	<u>50,000</u>	<u>52,381</u>	<u>2,150,231</u>	<u>2,252,612</u>

Called up share capital

Share capital represents the nominal value of shares that have been issued.

Revaluation reserve

This revaluation reserve represents the surplus arising on valuation of assets and a reserve movement is adjusted each financial year to reflect the depreciation charge of those related assets.

Profit and loss account

Profit and loss account includes all current period and prior period retained profits and losses.

Registered Number: NI016166

Balance sheet

at 28 December 2018

		28 December 2018	29 December 2017
	Notes	£	£
Fixed assets			
Tangible assets	8	485,313	501,987
Current assets			
Stocks	9	820,380	1,151,932
Debtors	10	7,633,894	7,791,159
Cash at bank and in hand		415,335	609,597
		8,869,609	9,552,688
Creditors: amounts falling due within one year	11	(7,091,961)	(7,938,719)
Net current assets		1,777,648	1,613,969
Total assets less current liabilities		2,262,961	2,115,956
Provisions for liabilities			
Deferred taxation	7(c)	(10,349)	(9,998)
Net Assets		2,252,612	2,105,958
Capital and reserves			
Called up share capital	12	50,000	50,000
Revaluation reserve		52,381	54,188
Profit and loss account		2,150,231	2,001,770
Shareholder funds		2,252,612	2,105,958


E Birchall
Director

Date: 31 May 2019

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies

Statement of compliance

SHS Sales & Marketing Limited is a private company limited by shares and incorporated in Northern Ireland. The Registered Office is SHS House, 199 Airport Road West, Belfast, BT3 9ED.

The company's financial statements have been prepared in compliance with FRS 102 as it applies for the period ended 28 December 2018.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and no rounding has been applied.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions under FRS 102:

- (a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).
- (b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).
- (c) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26.
- (d) Section 33 *Related Party Disclosures* paragraph 33.7.

The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

Going concern

The directors have assessed, based on the anticipated activities of the company, that there are adequate resources in place to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant impact on amounts recognised in the financial statements.

The following are the company's key sources of estimation uncertainty:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Details of the company's tax charge are contained in note 7.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies (continued)

Turnover

Turnover represents income from the marketing and distribution of grocery, beverage and pharmaceutical products. Revenue is recognised upon delivery of products. All turnover relates to sale of goods.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. 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 the statement of comprehensive income.

If there is 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 the statement of comprehensive income.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables 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.

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold property	–	2% straight-line
Motor vehicles	–	10-25% straight-line
Fixtures and fittings	–	5-10% straight-line
Computer-equipment	–	10-25% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies (continued)

Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all costs incurred in bringing each product to its present location.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currencies

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

Retirement benefits to employees of the company are provided by the SHS Group Limited pension scheme. The company's staff comprise a percentage of the overall membership of this scheme. The company has no influence on the level of contributions and is unable to identify its share of underlying liabilities or assets in the scheme. As such payments to the scheme are accounted for by the company as a defined contribution scheme in line with the requirements of FRS 102 section 28 "Employee Benefits". Contributions to the scheme are charged to the profit and loss account. The contributions are estimated so as to spread the cost of pensions over employees working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected benefits valuation method.

SHS Group Limited has fully complied with the accounting and disclosure requirements of FRS 102 section 28 "Employee Benefits".

The company also 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.

2. Turnover

The whole of the turnover is attributable to income received from the marketing and distribution of grocery, beverage and pharmaceutical products.

All turnover arose within the United Kingdom and relates to sale of goods.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

3. Other operating income

	<i>Period ended 28 December 2018</i>	<i>Period ended 29 December 2017</i>
	<i>£</i>	<i>£</i>
Rent	14,004	14,004
	<u>14,004</u>	<u>14,004</u>

4. Operating profit

This is stated after (crediting) / charging:

	<i>Period ended 28 December 2018</i>	<i>Period ended 29 December 2017</i>
	<i>£</i>	<i>£</i>
Auditors' remuneration		
– audit services	5,678	5,545
– non audit services	1,434	1,400
Depreciation of tangible fixed assets		
– owned by the company	20,924	21,119
(Gain) / loss on foreign exchange	(1,137)	1,332
Operating lease rentals		
– other	110,815	137,491
	<u>110,815</u>	<u>137,491</u>

5. Directors' remuneration

	<i>Period ended 28 December 2018</i>	<i>Period ended 29 December 2017</i>
	<i>£</i>	<i>£</i>
Remuneration	261,826	258,278
	<u>261,826</u>	<u>258,278</u>

The highest paid director received remuneration of £261,826 (period ended 29 December 2017 – £258,278).

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	<i>Period ended 28 December 2018 £</i>	<i>Period ended 29 December 2017 £</i>
Wages and salaries	1,166,186	1,154,433
Social security costs	136,827	126,967
Other pension costs	104,887	97,478
	<u>1,407,900</u>	<u>1,378,878</u>

The average monthly number of employees (including directors) during the period was made up as follows:

	<i>Period ended 28 December 2018 No.</i>	<i>Period ended 29 December 2017 No.</i>
Distribution	26	24
Administration	14	14
	<u>40</u>	<u>38</u>

7. Tax

(a) Tax on profit

The tax charge is made up as follows:

	<i>Period ended 28 December 2018 £</i>	<i>Period ended 29 December 2017 £</i>
Current tax:		
UK corporation tax on profit for the period	42,505	31,268
Adjustments in respect of prior period	97	–
Total current tax (note 7(b))	<u>42,602</u>	<u>31,268</u>
Deferred tax:		
Origination and reversal of timing differences	392	913
Change in DT rate	(41)	(106)
Total deferred tax (note 7(c))	<u>351</u>	<u>807</u>
Total tax charge	<u>42,953</u>	<u>32,075</u>

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

7. Tax (continued)

(b) Factors affecting the total tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (period ended 29 December 2017 – 19.25%). The differences are explained below:

	<i>Period ended 28 December 2018 £</i>	<i>Period ended 29 December 2017 £</i>
Profit before tax	<u>189,607</u>	<u>132,943</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (period ended 29 December 2017 – 19.25%)	36,025	25,587
<i>Effects of:</i>		
Expenses not deductible for tax purposes	6,872	6,594
Rate change from DT to CT	(41)	(106)
Adjustments in respect of prior periods	97	–
Total tax charge for the period (note 7(a))	<u>42,953</u>	<u>32,075</u>

(c) Deferred tax charge

	<i>£</i>
At 30 December 2017	9,998
Profit and loss account charge for period	<u>351</u>
At 28 December 2018	<u>10,349</u>

The provision for deferred taxation is made up as follows:

	<i>Period ended 28 December 2018 £</i>	<i>Period ended 29 December 2017 £</i>
Accelerated capital allowances	10,984	10,339
Short-term timing differences	<u>(635)</u>	<u>(341)</u>
	<u>10,349</u>	<u>9,998</u>

(d) Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% from 1 April 2017 and will reduce further to 17% from 1 April 2020. The reduction to 17% was announced in the March 2016 Budget and was substantively enacted on 6 September 2016 and this is the rate at which deferred tax has been provided.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

8. Tangible fixed assets

	<i>Leasehold property</i> £	<i>Motor vehicles</i> £	<i>Fixtures and fittings</i> £	<i>Computer equipment</i> £	<i>Total</i> £
<i>Cost or valuation:</i>					
At 30 December 2017	912,757	33,414	360,804	2,260	1,309,235
Additions	–	–	4,250	–	4,250
At 28 December 2018	912,757	33,414	365,054	2,260	1,313,485
<i>Depreciation:</i>					
At 30 December 2017	452,124	27,281	325,583	2,260	807,248
Charge for the period	16,291	3,874	759	–	20,924
At 28 December 2018	468,415	31,155	326,342	2,260	828,172
<i>Net book value:</i>					
At 28 December 2018	444,342	2,259	38,712	–	485,313
At 30 December 2017	460,633	6,133	35,221	–	501,987

9. Stocks

	<i>28 December 2018</i> £	<i>29 December 2017</i> £
Finished goods and goods for resale	820,380	1,151,932

Stocks recognised as an expense in the period were £5,213 (29 December 2017: £18,226).

The replacement value of the stock is not materially different from its carrying value.

10. Debtors

	<i>28 December 2018</i> £	<i>29 December 2017</i> £
Trade debtors	5,748,558	5,894,129
Amounts owned by group undertakings	1,782,406	1,896,738
Prepayments and accrued income	73,725	292
Other debtors	29,205	–
	<u>7,633,894</u>	<u>7,791,159</u>

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

11. Creditors: amounts falling due within one year

	28 December 2018	29 December 2017
	£	£
Trade creditors	1,334,922	1,495,112
Amounts owed to group undertakings	5,552,919	6,094,949
Corporation tax	42,505	31,268
Other taxation and social security costs	35,125	101,350
Accruals and deferred income	126,490	216,040
	<u>7,091,961</u>	<u>7,938,719</u>

12. Issued share capital

	28 December 2018	29 December 2017
	No. £	No. £
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	50,000 <u>50,000</u>	50,000 <u>50,000</u>

13. Pensions

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

The company is also a member of a group defined benefit scheme. Full details of this scheme are disclosed in the financial statements of SHS Group Limited, which has complied with FRS 102 section 28 "Employee Benefits".

The pension charge represents contributions payable to both schemes by the company.

14. Other financial commitments

At 28 December 2018 the company had future minimum rentals payable under non-cancellable operating leases as set out below:

	28 December 2018	29 December 2017
	£	£
<i>Amounts payable:</i>		
Within one year	99,992	103,081
In two to five years	<u>66,208</u>	<u>128,963</u>
	<u>166,200</u>	<u>232,044</u>

15. Related party transactions

As a wholly owned subsidiary of SHS Group Limited, the company is exempt from the requirements of FRS 102 Section 33 *Related Party Disclosures* paragraph 33.7 to disclose transactions with other members of the group which are party to the transaction.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

16. Ultimate parent undertaking and controlling party

The directors consider that the ultimate parent undertaking is SHS Group Limited, a company incorporated in Northern Ireland.

The ultimate controlling parties of SHS Group Limited are its shareholders.

The results of SHS Sales and Marketing Limited are included within the group financial statements of SHS Group Limited, which are available for inspection at the Registrar of Companies, Second Floor, The Linenhall, 32-38 Linenhall Street, Belfast.