

**REGISTERED NUMBER: 00551762 (England and Wales)**

**G.J.HANDY & COMPANY LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**30TH NOVEMBER 2018**

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FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**G.J.HANDY & COMPANY LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**DIRECTORS:**

Mr D L Belcher  
Mr S A Belcher  
Mrs D S Belcher  
Mr S Bartlett  
Mr M A Moseley

**REGISTERED OFFICE:**

Handy Distribution  
Murdock Road  
Dorcan  
SWINDON  
Wiltshire  
SN3 5HY

**REGISTERED NUMBER:**

00551762 (England and Wales)

**AUDITORS:**

Morris Owen  
Statutory Auditors  
43-45 Devizes Road  
SWINDON  
Wiltshire  
SN1 4BG

**BANKERS:**

National Westminster Bank Plc  
84 Commercial Road  
SWINDON  
Wiltshire  
SN1 5NW

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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The directors present their strategic report for the year ended 30th November 2018.

**REVIEW OF BUSINESS**

The principal activity of the company in the year under review was that of retailing and distribution of domestic and professional garden machinery.

The sector in which the company trades is seasonal and is dependent to some degree on the weather at key times.

2018 started strong and the company traded well until the end of May however the dry weather over the summer then caused sales to slow.

Company performed well against many in the industry due to our clear strategy for growth and development. The turnover for the year was £18,564,454, down by approximately £924,046 compared to the previous year and over heads of £743,170 compare well with the previous year.

The Webb brand continues to grow at a strong pace alongside our other brands which compliment the big brand names we represent.

As set out last year, our continued drive to have the best distribution infrastructure in our industry coupled with a highly skilled and knowledgeable team of staff means we can continue to grow our business and lead in our sector.

The company balance sheet has continued to strengthen as a result of the profitability of the company and the directors continue to closely monitor overheads and stock levels. This has been done very efficiently again this year with a greatly reduced year end stock holding.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The company has two main risks and uncertainties. The main risk, similar to a lot of businesses that import, is the implications of the BREXIT process; the major uncertainty is the weather, particularly at certain times in the year.

With regard the direct risk associated with BREXIT, currently sales outside of the UK in the EU are very limited, as is any trade in Euros.

The indirect risks of BREXIT are equally important to the company as this continues to cause exchange rate fluctuations - the Directors continue to closely monitor the exchange rate risk, hedging where appropriate, to reduce the impact on the business.

Weather is always the biggest uncertainty, the impact of this is mitigated where possible through closely managed stock levels.

**KEY PERFORMANCE INDICATORS**

The directors have identified that the key performance indicators when looking at the business are the monitoring of turnover on a monthly basis compared to the seasonalised budget, margin levels (2018 13.0%, 2017 10.4%), stock turn (2018 3.1, 2017 3.2), control of overheads compared to budget and cash flow.

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**FUTURE DEVELOPMENTS**

We are committed to developing sustainable business, so we can offer industry leading service and we will continue to grow the business in a sensible way while the UK navigates through BREXIT. We are partnered by the leading brands as well as our own brand offerings making us the one stop wholesaler in our industry, we aim to further cement this position even further in the coming year.

**ON BEHALF OF THE BOARD:**

Mr S A Belcher - Director

8th February 2019

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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The directors present their report with the financial statements of the company for the year ended 30th November 2018.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of retailing and distribution of domestic and professional garden machinery.

**DIVIDENDS**

Dividends totalling £12.32 per share were paid during the year. The total distribution of dividends for the year end 30th November 2018 was £209,362

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1st December 2017 to the date of this report.

Mr D L Belcher  
Mr S A Belcher  
Mrs D S Belcher  
Mr S Bartlett  
Mr M A Moseley

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 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.

**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 company'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 company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**AUDITORS**

The auditors, Morris Owen, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr S A Belcher - Director

8th February 2019

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF G.J.HANDY & COMPANY LIMITED**

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### **Opinion**

We have audited the financial statements of G.J.Handy & Company Limited (the 'company') for the year ended 30th November 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the 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 company's affairs as at 30th November 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

- the 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 directors are responsible for the other information. The other information comprises the information in the 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 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 Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF G.J.HANDY & COMPANY LIMITED

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### **Matters on which we are required to report by exception**

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

### **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](http://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.

Mr Ian Sumbler (Senior Statutory Auditor)  
for and on behalf of Morris Owen  
Statutory Auditors  
43-45 Devizes Road  
SWINDON  
Wiltshire  
SN1 4BG

14th February 2019

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	<b>18,564,454</b>	19,488,500
Cost of sales		<b>16,147,427</b>	17,452,922
<b>GROSS PROFIT</b>		<b>2,417,027</b>	2,035,578
Administrative expenses		<b>1,804,388</b>	1,745,483
		<b>612,639</b>	290,095
Other operating income	4	<b>102,731</b>	50,594
<b>OPERATING PROFIT</b>	6	<b>715,370</b>	340,689
Interest receivable and similar income		-	6,641
		<b>715,370</b>	347,330
Interest payable and similar expenses	7	<b>35,398</b>	26,926
<b>PROFIT BEFORE TAXATION</b>		<b>679,972</b>	320,404
Tax on profit	8	<b>189,436</b>	60,359
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>490,536</b>	260,045
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>490,536</b>	260,045

STATEMENT OF FINANCIAL POSITION  
30TH NOVEMBER 2018

	Notes	2018 £	£	2017 £	£
<b>FIXED ASSETS</b>					
Intangible assets	10		7,325		11,725
Tangible assets	11		<u>402,515</u>		<u>237,917</u>
			<b>409,840</b>		<b>249,642</b>
<b>CURRENT ASSETS</b>					
Stocks	12	4,238,288		4,746,942	
Debtors	13	5,252,596		6,665,752	
Cash at bank and in hand		<u>429,599</u>		<u>899</u>	
		<b>9,920,483</b>		<b>11,413,593</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>3,588,009</u>		<u>5,263,506</u>	
<b>NET CURRENT ASSETS</b>			<b>6,332,474</b>		<b>6,150,087</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>6,742,314</b>		<b>6,399,729</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(111,046)		(82,581)
<b>PROVISIONS FOR LIABILITIES</b>	20		<u>(78,726)</u>		<u>(45,780)</u>
<b>NET ASSETS</b>			<b>6,552,542</b>		<b>6,271,368</b>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	21		17,000		17,000
Capital redemption reserve	22		9,000		9,000
Retained earnings	22		<u>6,526,542</u>		<u>6,245,368</u>
<b>SHAREHOLDERS' FUNDS</b>			<b>6,552,542</b>		<b>6,271,368</b>

The financial statements were approved and authorised for issue by the Board of Directors on 8th February 2019 and were signed on its behalf by:

Mr S A Belcher - Director

Mr D L Belcher - Director

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1st December 2016</b>	17,000	6,112,366	9,000	6,138,366
<b>Changes in equity</b>				
Dividends	-	(127,043)	-	(127,043)
Total comprehensive income	-	260,045	-	260,045
<b>Balance at 30th November 2017</b>	<u>17,000</u>	<u>6,245,368</u>	<u>9,000</u>	<u>6,271,368</u>
<b>Changes in equity</b>				
Dividends	-	(209,362)	-	(209,362)
Total comprehensive income	-	490,536	-	490,536
<b>Balance at 30th November 2018</b>	<u>17,000</u>	<u>6,526,542</u>	<u>9,000</u>	<u>6,552,542</u>

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,231,532	(972,204)
Interest paid		(28,744)	(20,657)
Interest element of hire purchase payments paid		(9,243)	(5,424)
Tax paid		(55,828)	(120,310)
Net cash from operating activities		<u>1,137,717</u>	<u>(1,118,595)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(315,672)	(50,068)
Sale of tangible fixed assets		49,782	92,025
Net cash from investing activities		<u>(265,890)</u>	<u>41,957</u>
<b>Cash flows from financing activities</b>			
Capital repayments in year		(101,649)	(97,573)
Amount introduced by directors		3,177	658,000
Amount withdrawn by directors		(31,104)	(244,052)
Equity dividends paid		(209,362)	(127,043)
Net cash from financing activities		<u>(338,938)</u>	<u>189,332</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<u>532,889</u>	<u>(887,306)</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>(103,290)</u>	784,016
<b>Cash and cash equivalents at end of year</b>	2	<u>429,599</u>	<u>(103,290)</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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

	<b>2018</b>	2017
	<b>£</b>	£
Profit before taxation	<b>679,972</b>	320,404
Depreciation charges	<b>295,152</b>	162,106
Profit on disposal of fixed assets	<b>(34,782)</b>	(62,511)
Increase/(Decrease) in provision	<b>(102)</b>	52
Finance costs	<b>35,398</b>	26,926
Finance income	<b>-</b>	(6,641)
	<b>975,638</b>	440,336
Decrease/(increase) in stocks	<b>508,654</b>	(1,525,038)
Decrease/(increase) in trade and other debtors	<b>1,409,979</b>	(2,205,490)
(Decrease)/increase in trade and other creditors	<b>(1,662,739)</b>	2,317,988
<b>Cash generated from operations</b>	<b><u>1,231,532</u></b>	<b><u>(972,204)</u></b>

**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 30th November 2018**

	<b>30.11.18</b>	<b>1.12.17</b>
	<b>£</b>	£
Cash and cash equivalents	<b>429,599</b>	<b>899</b>
Bank overdrafts	<b>-</b>	<b>(104,189)</b>
	<b><u>429,599</u></b>	<b><u>(103,290)</u></b>

**Year ended 30th November 2017**

	30.11.17	1.12.16
	£	£
Cash and cash equivalents	899	784,016
Bank overdrafts	<b>(104,189)</b>	<b>-</b>
	<b><u>(103,290)</u></b>	<b><u>784,016</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**1. STATUTORY INFORMATION**

G J Handy & Company Limited is private company, limited by shares, registered in England and Wales.

The registered office address is Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY.

These financial statements are presented in British Pounds (GBP), which is the company's functional and presentational currency.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Significant judgements and estimates**

The directors have calculated an annual stock provision for any slowing moving or obsolete third party stock. The directors believe the most accurate way to calculate this provision is to review each stock line held at the year end and compare this to sales post year end. All stock lines that have had less than 20% sales are deemed to be slowing moving and/or obsolete. Of this total of slowing moving and/or obsolete stock, the directors believe that 25% should be provided for. The period for the post year end review is considered to capture the seasonality of the business. For this year, the directors have relied on calculations from previous years and provided for the same %, as insufficient time has passed for the post year end trading figures to be available. The provision has been calculated at £142,766 (2017: £154,009)

The directors also have determined an appropriate provision for bad and doubtful debts by assessing the recoverability of all balances on a balance by balance basis.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, net of vat, discounts, and rebates. Turnover is recognised when goods are despatched or made available for collection. Turnover in foreign currencies is translated into sterling at the rates published by HMRC.

**Intangible fixed assets**

Amortisation is provided over 3 years to write off the website costs over its estimated useful life.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Property improvements	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 40% on reducing balance
Computer equipment	- 20% on cost

**Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value, after make due allowance for obsolete and slow moving items. The cost of inventories is measured using the first-in first-out basis.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2018**

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**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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**

Transactions in all other 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.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date.

The company enters into a forward agreements to minimise against the risk of fluctuations in the dollar.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

**Pension costs and other post-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.

**Financial instruments**

Financial instruments are classified by the directors as basic or advanced following the conditions in FRS 102 Section 11. Basic financial instruments are recognised at amortised cost using the effective interest method. The only advanced instruments recognised by the company are derivatives (being forward foreign exchange contracts). Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in arriving at profit before tax. Derivative assets are included in other debtors and derivative liabilities are included in other creditors.



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**3. TURNOVER**

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

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

	<b>2018</b>	2017
	<b>£</b>	£
Sale of goods	<b>18,564,454</b>	19,488,500
	<b><u>18,564,454</u></b>	<u>19,488,500</u>

**4. OTHER OPERATING INCOME**

	<b>2018</b>	2017
	<b>£</b>	£
Other income	<b>102,731</b>	46,086
Equipment rental	<b>-</b>	4,508
	<b><u>102,731</u></b>	<u>50,594</u>

**5. EMPLOYEES AND DIRECTORS**

	<b>2018</b>	2017
	<b>£</b>	£
Wages and salaries	<b>1,420,633</b>	1,444,276
Social security costs	<b>142,997</b>	141,646
Other pension costs	<b>27,246</b>	20,013
	<b><u>1,590,876</u></b>	<u>1,605,935</u>

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

	<b>2018</b>	2017
Management staff	<b>5</b>	5
Administration staff	<b>18</b>	16
Sales, distribution & workshop staff	<b>38</b>	44
	<b><u>61</u></b>	<u>65</u>

	<b>2018</b>	2017
	<b>£</b>	£
Directors' remuneration	<b>136,363</b>	196,455
Directors' pension contributions to money purchase schemes	<b>4,840</b>	4,499

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

Money purchase schemes	<b><u>3</u></b>	<u>3</u>
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**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**6. OPERATING PROFIT**

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

	<b>2018</b>	2017
	<b>£</b>	£
Hire of plant and machinery	<b>8,199</b>	8,399
Depreciation - owned assets	<b>161,943</b>	59,936
Depreciation - assets on hire purchase contracts	<b>128,810</b>	97,770
Profit on disposal of fixed assets	<b>(34,782)</b>	(62,511)
Website costs amortisation	<b>4,400</b>	4,400
Auditors' remuneration	<b>15,335</b>	9,170
Auditors' remuneration for non audit work	<b>11,134</b>	16,490
Foreign exchange differences	<b>(45,861)</b>	(3,216)
Recharged costs	<b>323</b>	-
Forward currency contract movement	<b>(24,289)</b>	18,901
Amounts of stock recognised as an expense during the period	<b><u>13,753,049</u></b>	<u>15,113,957</u>

Auditors' remuneration for non audit work includes the fees of £5,000 (2017: £5,000) payable to the company's auditors for the audit of its fellow subsidiary company, HGJ Property Limited, and for the HGJ Holdings Group as a whole.

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	<b>2018</b>	2017
	<b>£</b>	£
Bank interest	<b>26,155</b>	21,502
Hire purchase	<b><u>9,243</u></b>	<u>5,424</u>
	<b><u>35,398</u></b>	<u>26,926</u>

**8. TAXATION****Analysis of the tax charge**

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

	<b>2018</b>	2017
	<b>£</b>	£
Current tax:		
UK corporation tax	<b>156,543</b>	55,983
Over/under provision in previous year	<b><u>(155)</u></b>	<u>-</u>
Total current tax	<b><u>156,388</u></b>	<u>55,983</u>
Deferred tax	<b><u>33,048</u></b>	<u>4,376</u>
Tax on profit	<b><u>189,436</u></b>	<u>60,359</u>

UK corporation tax has been charged at 19% (2017 - 19%).

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**8. 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:

	<b>2018</b>	2017
	<b>£</b>	£
Profit before tax	<b><u>679,972</u></b>	<u>320,404</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	<b>129,195</b>	60,877
Effects of:		
Expenses not deductible for tax purposes	<b>3,399</b>	743
Income not taxable for tax purposes	<b>-</b>	(11,877)
Depreciation in excess of capital allowances	<b>23,949</b>	5,280
Adjustments to tax charge in respect of previous periods	<b>(155)</b>	-
Change in tax rates	<b>-</b>	960
Deferred tax	<b><u>33,048</u></b>	<u>4,376</u>
Total tax charge	<b><u>189,436</u></b>	<u>60,359</u>

The UK corporation tax rate has been announced to be reduced to 17% by 2020. A reduction in the rate from 20% to 19% was effective from 1 April 2017 and a further reduction in the rate from 19% to 17% (effective from 1 April 2020) was substantially enacted on 15 September 2016.

The deferred tax charge of £33,048 (2017: £4,376) relates to the origination and reversal of temporary timing differences.

**9. DIVIDENDS**

	<b>2018</b>	2017
	<b>£</b>	£
Interim	<b><u>209,362</u></b>	<u>127,043</u>

**10. INTANGIBLE FIXED ASSETS**

	<b>Website costs</b>
	<b>£</b>
<b>COST</b>	
At 1st December 2017 and 30th November 2018	<b><u>22,000</u></b>
<b>AMORTISATION</b>	
At 1st December 2017	<b>10,275</b>
Amortisation for year	<b><u>4,400</u></b>
At 30th November 2018	<b><u>14,675</u></b>
<b>NET BOOK VALUE</b>	
At 30th November 2018	<b><u>7,325</u></b>
At 30th November 2017	<b><u>11,725</u></b>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2018

## 11. TANGIBLE FIXED ASSETS

	Property improvements £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1st December 2017	8,760	317,828	9,034
Additions	-	15,038	-
Disposals	-	(26,875)	-
At 30th November 2018	<u>8,760</u>	<u>305,991</u>	<u>9,034</u>
<b>DEPRECIATION</b>			
At 1st December 2017	1,303	230,880	5,570
Charge for year	875	45,445	1,807
Eliminated on disposal	-	(26,385)	-
At 30th November 2018	<u>2,178</u>	<u>249,940</u>	<u>7,377</u>
<b>NET BOOK VALUE</b>			
At 30th November 2018	<u>6,582</u>	<u>56,051</u>	<u>1,657</u>
At 30th November 2017	<u>7,457</u>	<u>86,948</u>	<u>3,464</u>
	<b>Motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st December 2017	601,394	113,634	1,050,650
Additions	451,067	4,246	470,351
Disposals	(246,032)	-	(272,907)
At 30th November 2018	<u>806,429</u>	<u>117,880</u>	<u>1,248,094</u>
<b>DEPRECIATION</b>			
At 1st December 2017	464,387	110,593	812,733
Charge for year	240,911	1,715	290,753
Eliminated on disposal	(231,522)	-	(257,907)
At 30th November 2018	<u>473,776</u>	<u>112,308</u>	<u>845,579</u>
<b>NET BOOK VALUE</b>			
At 30th November 2018	<u>332,653</u>	<u>5,572</u>	<u>402,515</u>
At 30th November 2017	<u>137,007</u>	<u>3,041</u>	<u>237,917</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**11. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Plant and machinery £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st December 2017	<b>71,519</b>	<b>281,299</b>	<b>352,818</b>
Additions	<b>15,038</b>	<b>146,492</b>	<b>161,530</b>
Disposals	-	<b>(65,351)</b>	<b>(65,351)</b>
Transfer to ownership	<b>(46,100)</b>	<b>(18,000)</b>	<b>(64,100)</b>
At 30th November 2018	<b>40,457</b>	<b>344,440</b>	<b>384,897</b>
<b>DEPRECIATION</b>			
At 1st December 2017	<b>34,634</b>	<b>163,044</b>	<b>197,678</b>
Charge for year	<b>17,311</b>	<b>111,499</b>	<b>128,810</b>
Eliminated on disposal	-	<b>(56,882)</b>	<b>(56,882)</b>
Transfer to ownership	<b>(36,880)</b>	<b>(15,667)</b>	<b>(52,547)</b>
At 30th November 2018	<b>15,065</b>	<b>201,994</b>	<b>217,059</b>
<b>NET BOOK VALUE</b>			
At 30th November 2018	<b>25,392</b>	<b>142,446</b>	<b>167,838</b>
At 30th November 2017	<b>36,885</b>	<b>118,255</b>	<b>155,140</b>

**12. STOCKS**

	<b>2018 £</b>	<b>2017 £</b>
Spares stock	<b>546,254</b>	545,681
Machinery stock	<b>3,692,034</b>	4,201,261
	<b>4,238,288</b>	4,746,942

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018 £</b>	<b>2017 £</b>
Trade debtors	<b>1,401,313</b>	1,828,016
Amounts owed by group undertakings	<b>744,539</b>	735,542
Amounts owed by participating interests	<b>1,756,824</b>	1,756,824
Other debtors	-	30,000
Forward currency contracts	<b>1,096,390</b>	2,053,607
Directors' current accounts	-	3,177
Prepayments and accrued income	<b>253,530</b>	258,586
	<b>5,252,596</b>	6,665,752

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 16)	-	104,189
Hire purchase contracts (see note 17)	<b>104,565</b>	80,000
Trade creditors	<b>1,441,844</b>	2,019,353
Amounts owed to group undertakings	<b>252</b>	24
Corporation tax	<b>156,543</b>	55,983
Social security and other taxes	<b>35,359</b>	31,763
VAT	<b>220,524</b>	263,681
Other creditors	<b>62,858</b>	65,645
Forward currency contracts	<b>1,072,102</b>	2,081,653
Directors' current accounts	-	31,104
Accruals and deferred income	<b>493,962</b>	530,111
	<b><u>3,588,009</u></b>	<b><u>5,263,506</u></b>

Included in other creditors is an amount of £4,705 (2017: £3,316) in relation to pension contributions owing.

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

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Hire purchase contracts (see note 17)	<b><u>111,046</u></b>	<b><u>82,581</u></b>

The terms of the hire purchase agreements for the above balance have repayments in equal installments ending between January 2019 and September 2021, at interest rates that vary between 2.48% and 3.30%

**16. LOANS**

An analysis of the maturity of loans is given below:

	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Amounts falling due within one year or on demand:		
Bank overdrafts	<b><u>-</u></b>	<b><u>104,189</u></b>

**17. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	<b>Hire purchase contracts</b>	
	<b>2018</b>	2017
	<b>£</b>	<b>£</b>
Net obligations repayable:		
Within one year	<b>104,565</b>	80,000
Between one and five years	<b><u>111,046</u></b>	<b><u>82,581</u></b>
	<b><u>215,611</u></b>	<b><u>162,581</u></b>

The company rents its premises from its fellow group company, HGJ Property Limited; there is no formal agreement in place.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**18. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2018</b>	2017
	<b>£</b>	£
Bank overdraft	-	104,189
Hire purchase contracts	<b><u>215,611</u></b>	<u>162,581</u>
	<b><u>215,611</u></b>	<u>266,770</u>

Obligations under hire purchase are secured on the assets concerned.

The company has a bank overdraft facility. The use of the facility is secured by the following:

A debenture dated 16th June 2009 over all assets of the company.

A unlimited inter-company guarantee dated 19th November 2015 for HGJ Property Limited and HGJ Holdings Limited.

The company also has an invoice factoring account with a bank. The use of the facility is secured by a proposed debenture to be executed in favour of the bank.

**19. FINANCIAL INSTRUMENTS**

The Company's financial instruments may be analysed as follows:

	<b>2018</b>	2017
	<b>£</b>	£
<b>Financial assets</b>		
Financial assets measured at amortised cost	3,902,747	4,350,382
Financial assets measured at fair value	<u>1,096,390</u>	<u>2,053,607</u>
	<b><u>4,999,137</u></b>	<u>6,403,989</u>
	<b>2018</b>	2017
	<b>£</b>	£
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	1,720,313	2,351,792
Financial liabilities measured at fair value	<u>1,072,102</u>	<u>2,081,653</u>
	<b><u>2,792,415</u></b>	<u>4,433,445</u>

Financial assets measured at amortised cost comprise of trade debtors, other debtors, and amounts owed by group undertakings and participating interests. Financial assets measured at fair value comprise of forward currency contracts.

Financial liabilities measured at amortised cost comprise of trade creditors, other creditors, hire purchase, loans and amounts owed to group undertakings. Financial liabilities measured at fair value comprise of forward currency contracts.

Fair value of financial assets and liabilities

The company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payables. As at 30 November 2018, the outstanding contracts commit the company into purchasing a total of \$1,400,000 (2017: \$2,773,550) for a fixed sterling amount. All outstanding contracts are due to mature within 4 months of the period end and are measured using observable exchange rates. The movement in fair value on these contracts at the financial position date is a gain of £24,289 (2017: loss of £18,901), recognised within finance costs.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30TH NOVEMBER 2018

## 20. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax		
Accelerated capital allowances	63,549	30,501
Warranty provision	15,177	15,279
	<u>78,726</u>	<u>45,780</u>
	Deferred tax	Other provisions
	£	£
Balance at 1st December 2017	30,501	15,279
Provided during year	33,048	-
Balance at 30th November 2018	<u>63,549</u>	<u>15,279</u>

The other provision relates to warranty costs on certain product lines, expected within the next 12 months.

## 21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid: Number:	Class:	Nominal value: £1	2018 £	2017 £
17,000	Ordinary		<u>17,000</u>	<u>17,000</u>

Ordinary shares have full voting rights.

## 22. RESERVES

	Retained earnings £	Capital redemption reserve £	Totals £
At 1st December 2017	6,245,368	9,000	6,254,368
Profit for the year	490,536		490,536
Dividends	(209,362)		(209,362)
At 30th November 2018	<u>6,526,542</u>	<u>9,000</u>	<u>6,535,542</u>

## 23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 30th November 2018 and 30th November 2017:

	2018 £	2017 £
<b>Mr S A Belcher</b>		
Balance outstanding at start of year	3,177	475,937
Amounts advanced	174,556	135,240
Amounts repaid	(177,733)	(608,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>3,177</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 30TH NOVEMBER 2018**

**23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued****Mr D L Belcher**

Balance outstanding at start of year	-	-
Amounts advanced	<b>316,599</b>	-
Amounts repaid	<b>(316,599)</b>	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>-</u>

**24. 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.

**Other related parties - entities controlled or jointly controlled by key management personnel**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Sponsorship paid to related parties	<b>72,000</b>	80,000
Wages recharged to related parties	<b>77,000</b>	46,086
Administration fees paid on behalf of related parties	-	93
Amount due from related parties	<u><b>1,840,344</b></u>	<u>1,795,002</u>

During the year, total key management personnel compensation of £223,008 (2017: 200,954) was paid. This is considered to be directors' remuneration only.

**25. ULTIMATE CONTROLLING PARTY**

The company's immediate and ultimate parent company is HGJ Holdings Limited, a private company, limited by shares and registered in England and Wales. The registered office of this company is Murdock Road, Dorcan, Swindon, Wiltshire, SN3 5HY,

The ultimate controlling party is considered to be Mr S A Belcher, being the majority shareholder of HGJ Holdings Limited.

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