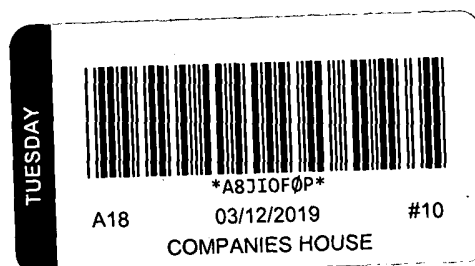


Group Strategic Report,  
Report of the Directors and  
Audited  
Consolidated Financial Statements  
for the year ended  
31 December 2018  
for  
B S Eaton Limited



Contents of the Consolidated Financial Statements  
for the year ended 31 December 2018

|  | Page |
|--|------|
| Company Information                            | 1    |
| Group Strategic Report                         | 2    |
| Report of the Directors                        | 3    |
| Report of the Independent Auditors             | 4    |
| Consolidated Income Statement                  | 6    |
| Consolidated Other Comprehensive Income        | 7    |
| Consolidated Balance Sheet                     | 8    |
| Company Balance Sheet                          | 9    |
| Consolidated Statement of Changes in Equity    | 10   |
| Company Statement of Changes in Equity         | 11   |
| Consolidated Cash Flow Statement               | 12   |
| Notes to the Consolidated Cash Flow Statement  | 13   |
| Notes to the Consolidated Financial Statements | 14   |

B S Eaton Limited

Company Information  
for the year ended 31 December 2018

**DIRECTORS:**

O S C Eaton  
S M Eaton

**REGISTERED OFFICE:**

Coppice Lane  
Cheslyn Hay  
Walsall  
WS6 7EY

**REGISTERED NUMBER:**

00653789 (England and Wales)

**AUDITORS:**

Nicklin Audit Limited  
Chartered Accountants  
Statutory Auditors  
Church Court  
Stourbridge Road  
Halesowen  
West Midlands  
B63 3TT

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 directors are pleased with the company's results for the year during what has been another tough trading year.

The directors monitor closely the company's product range and aim to maintain excellent quality along with strong availability and delivery times for all products to customers. The company and its directors strive to achieve excellent customer service to match its quality product range.

### PRINCIPAL RISKS AND UNCERTAINTIES

The company's principal risks are identified as follows;

#### Credit risk

This refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit. At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

#### Cash flow and liquidity risk

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due. The Company ensures that there are sufficient levels of cash and cash equivalents to ensure that the Company is, at all times, able to meet its financial commitments as they become due. Liquidity risk is managed by continuous monitoring of forecast and actual cash flows. The Company has one significant interest bearing asset and consequently, its income and cash flows are largely independent of changes in market interest rates. All interest bearing borrowings comprising of directors loans, bank overdrafts and loans from related companies have variable interest rates and are potentially subject to fluctuations in such rates. The Company does not use interest rate swaps or other instruments to manage its interest rate exposure.

### RESULTS

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

The company monitors various key financial and other performance indicators during the year and identifies the following as significant at the year end:

|                     | 2018<br>£  | 2017<br>£  |
|---------------------|------------|------------|
| Turnover            | 20,130,113 | 19,458,186 |
| Operating profit    | 2,133,589  | 1,558,651  |
| Profit for the year | 1,540,936  | 1,094,836  |

### FORECASTS AND OUTLOOK

The Directors remain optimistic about future trading prospects for the company despite the difficult and uncertain political environment in which the country is facing at this present time.

### ON BEHALF OF THE BOARD:



.....  
S M Eaton - Director

Date: .....

6/11/19

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**

An interim dividend of £305.5556 per share was paid on 31 December 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2018 will be £1,100,000.

**DIRECTORS**

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

O S C Eaton  
S M Eaton

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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). 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.

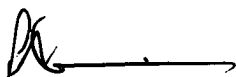
**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**AUDITORS**

The auditors, Nicklin Audit Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
S M Eaton - Director

Date: ..... 6/11/19 .....

### **Opinion**

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

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.

### **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 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 Statement of Directors' Responsibilities set out on page three, 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.

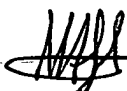
### **Auditors' responsibilities for the audit of the financial statements**

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](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.



Mark Howell FCA (Senior Statutory Auditor)  
for and on behalf of Nicklin Audit Limited  
Chartered Accountants  
Statutory Auditors  
Church Court  
Stourbridge Road  
Halesowen  
West Midlands  
B63 3TT

Date: 7/11/19

Consolidated Income Statement  
for the year ended 31 December 2018

|  |       | 2018      |            | 2017<br>as restated |            |
|--|-------|-----------|------------|---------------------|------------|
|  | Notes | £         | £          | £                   | £          |
| <b>TURNOVER</b>                        |       |           | 20,130,113 |                     | 19,458,186 |
| Cost of sales                          |       |           | 13,414,912 |                     | 13,127,000 |
| <b>GROSS PROFIT</b>                    |       |           | 6,715,201  |                     | 6,331,186  |
| Distribution costs                     |       | 1,239,163 |            | 1,408,048           |            |
| Administrative expenses                |       | 3,342,449 |            | 3,364,487           |            |
|  |       |           | 4,581,612  |                     | 4,772,535  |
| <b>OPERATING PROFIT</b>                | 4     |           | 2,133,589  |                     | 1,558,651  |
| Income from fixed asset investments    |       | 105       |            | 10,251              |            |
| Interest receivable and similar income |       | 10,996    |            | 4                   |            |
|  |       |           | 11,101     |                     | 10,255     |
|  |       |           | 2,144,690  |                     | 1,568,906  |
| Gain/loss on revaluation of assets     |       |           | -          |                     | 6,223      |
|  |       |           | 2,144,690  |                     | 1,575,129  |
| Interest payable and similar expenses  | 5     |           | 45,314     |                     | 45,152     |
| <b>PROFIT BEFORE TAXATION</b>          |       |           | 2,099,376  |                     | 1,529,977  |
| Tax on profit                          | 6     |           | 558,440    |                     | 435,141    |
| <b>PROFIT FOR THE FINANCIAL YEAR</b>   |       |           | 1,540,936  |                     | 1,094,836  |
| Profit attributable to:                |       |           |            |                     |            |
| Owners of the parent                   |       |           | 1,532,607  |                     | 1,145,833  |
| Non-controlling interests              |       |           | 8,329      |                     | (50,997)   |
|  |       |           | 1,540,936  |                     | 1,094,836  |

The notes form part of these financial statements



Consolidated Other Comprehensive Income  
for the year ended 31 December 2018

|  | Notes  | 2018<br>£        | 2017<br>as restated<br>£ |
|--|--------|------------------|--------------------------|
| <b>PROFIT FOR THE YEAR</b>                                 |        | 1,540,936        | 1,094,836                |
| <b>OTHER COMPREHENSIVE INCOME</b>                          |        | -                | -                        |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>             |        |                  | <u>1,094,836</u>         |
| Prior year adjustment                                      | Note 9 | 358              |                          |
| <b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b> |        | <u>1,541,294</u> |                          |
| Total comprehensive income attributable to:                |        |                  |                          |
| Owners of the parent                                       |        | 1,532,965        | 1,145,833                |
| Non-controlling interests                                  |        | 8,329            | (50,997)                 |
|  |        | <u>1,541,294</u> | <u>1,094,836</u>         |

Consolidated Balance Sheet  
31 December 2018

|  |       | 2018             |                         | 2017<br>as restated |                         |
|--|-------|------------------|-------------------------|---------------------|-------------------------|
|  | Notes | £                | £                       | £                   | £                       |
| <b>FIXED ASSETS</b>                          |       |                  |                         |                     |                         |
| Intangible assets                            | 10    |                  | 181,398                 |                     | 228,375                 |
| Tangible assets                              | 11    |                  | 3,193,598               |                     | 2,923,623               |
| Investments                                  | 12    |                  | -                       |                     | -                       |
|  |       |                  | <u>3,374,996</u>        |                     | <u>3,151,998</u>        |
| <b>CURRENT ASSETS</b>                        |       |                  |                         |                     |                         |
| Stocks                                       | 13    | 2,343,753        |                         | 2,890,051           |                         |
| Debtors                                      | 14    | 4,403,099        |                         | 3,404,956           |                         |
| Investments                                  | 15    | 1,545,186        |                         | 1,585,483           |                         |
| Cash at bank and in hand                     |       | <u>1,014,664</u> |                         | <u>894,177</u>      |                         |
|  |       | 9,306,702        |                         | 8,774,667           |                         |
| <b>CREDITORS</b>                             |       |                  |                         |                     |                         |
| Amounts falling due within one year          | 16    | <u>6,686,662</u> |                         | <u>6,444,188</u>    |                         |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>2,620,040</u>        |                     | <u>2,330,479</u>        |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 5,995,036               |                     | 5,482,477               |
| <b>PROVISIONS FOR LIABILITIES</b>            | 18    |                  | <u>(123,263)</u>        |                     | <u>(127,719)</u>        |
| <b>NET ASSETS</b>                            |       |                  | <u><u>5,871,773</u></u> |                     | <u><u>5,354,758</u></u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                         |                     |                         |
| Called up share capital                      | 19    |                  | 3,600                   |                     | 3,600                   |
| Capital redemption reserve                   | 20    |                  | 1,400                   |                     | 1,400                   |
| Retained earnings                            | 20    |                  | <u>5,942,862</u>        |                     | <u>5,510,255</u>        |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | 5,947,862               |                     | 5,515,255               |
| <b>NON-CONTROLLING INTERESTS</b>             |       |                  | <u>(76,089)</u>         |                     | <u>(160,497)</u>        |
| <b>TOTAL EQUITY</b>                          |       |                  | <u><u>5,871,773</u></u> |                     | <u><u>5,354,758</u></u> |

The financial statements were approved by the Board of Directors on 6/11/19 and were signed on its behalf by:



.....  
S M Eaton - Director

Company Balance Sheet  
31 December 2018

|  |       | 2018             |                  | 2017<br>as restated |                  |
|--|-------|------------------|------------------|---------------------|------------------|
|  | Notes | £                | £                | £                   | £                |
| <b>FIXED ASSETS</b>                          |       |                  |                  |                     |                  |
| Intangible assets                            | 10    |                  | -                |                     | 59,000           |
| Tangible assets                              | 11    |                  | 3,176,239        |                     | 2,907,755        |
| Investments                                  | 12    |                  | 173,833          |                     | 173,831          |
|  |       |                  | <u>3,350,072</u> |                     | <u>3,140,586</u> |
| <b>CURRENT ASSETS</b>                        |       |                  |                  |                     |                  |
| Stocks                                       | 13    | 1,507,606        |                  | 1,817,069           |                  |
| Debtors                                      | 14    | 4,712,626        |                  | 3,610,402           |                  |
| Investments                                  | 15    | 1,545,186        |                  | 1,585,483           |                  |
| Cash at bank and in hand                     |       | 902,619          |                  | 886,139             |                  |
|  |       | <u>8,668,037</u> |                  | <u>7,899,093</u>    |                  |
| <b>CREDITORS</b>                             |       |                  |                  |                     |                  |
| Amounts falling due within one year          | 16    | 5,726,540        |                  | 5,225,402           |                  |
| <b>NET CURRENT ASSETS</b>                    |       |                  | <u>2,941,497</u> |                     | <u>2,673,691</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       |                  | 6,291,569        |                     | 5,814,277        |
| <b>PROVISIONS FOR LIABILITIES</b>            | 18    |                  | 123,263          |                     | 127,719          |
| <b>NET ASSETS</b>                            |       |                  | <u>6,168,306</u> |                     | <u>5,686,558</u> |
| <b>CAPITAL AND RESERVES</b>                  |       |                  |                  |                     |                  |
| Called up share capital                      | 19    |                  | 3,600            |                     | 3,600            |
| Capital redemption reserve                   | 20    |                  | 1,400            |                     | 1,400            |
| Retained earnings                            | 20    |                  | 6,163,306        |                     | 5,681,558        |
| <b>SHAREHOLDERS' FUNDS</b>                   |       |                  | <u>6,168,306</u> |                     | <u>5,686,558</u> |
| Company's profit for the financial year      |       |                  | <u>1,581,748</u> |                     | <u>1,262,577</u> |

The financial statements were approved by the Board of Directors on 6/11/19 and were signed on its behalf by:

.....  
S M Eaton - Director

Consolidated Statement of Changes in Equity  
for the year ended 31 December 2018

|  | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£                  | Capital<br>redemption<br>reserve<br>£ |
|--|------------------------------------|--|---------------------------------------|
| <b>Balance at 1 January 2017</b>           | 3,600                              | 5,464,422                                  | 1,400                                 |
| <b>Changes in equity</b>                   |                                    |  |                                       |
| Dividends                                  | -                                  | (1,100,000)                                | -                                     |
| Total comprehensive income                 | -                                  | 1,145,475                                  | -                                     |
| <b>Balance at 31 December 2017</b>         | 3,600                              | 5,509,897                                  | 1,400                                 |
| Prior year adjustment                      | -                                  | 358  | -                                     |
| As restated                                | 3,600                              | 5,510,255                                  | 1,400                                 |
| <b>Changes in equity</b>                   |                                    |  |                                       |
| Dividends                                  | -                                  | (1,100,000)                                | -                                     |
| Total comprehensive income                 | -                                  | 1,532,607                                  | -                                     |
|  | 3,600                              | 5,942,862                                  | 1,400                                 |
| Acquisition of non-controlling<br>interest | -                                  | -  | -                                     |
| <b>Balance at 31 December 2018</b>         | 3,600                              | 5,942,862                                  | 1,400                                 |
|  | <b>Total<br/>£</b>                 | <b>Non-controlling<br/>interests<br/>£</b> | <b>Total<br/>equity<br/>£</b>         |
| <b>Balance at 1 January 2017</b>           | 5,469,422                          | (109,500)                                  | 5,359,922                             |
| <b>Changes in equity</b>                   |                                    |  |                                       |
| Dividends                                  | (1,100,000)                        | -  | (1,100,000)                           |
| Total comprehensive income                 | 1,145,475                          | (50,997)                                   | 1,094,478                             |
| <b>Balance at 31 December 2017</b>         | 5,514,897                          | (160,497)                                  | 5,354,400                             |
| Prior year adjustment                      | 358                                | -  | 358                                   |
| As restated                                | 5,515,255                          | (160,497)                                  | 5,354,758                             |
| <b>Changes in equity</b>                   |                                    |  |                                       |
| Dividends                                  | (1,100,000)                        | -  | (1,100,000)                           |
| Total comprehensive income                 | 1,532,607                          | 8,329                                      | 1,540,936                             |
|  | 5,947,862                          | (152,168)                                  | 5,795,694                             |
| Acquisition of non-controlling<br>interest | -                                  | 76,079                                     | 76,079                                |
| <b>Balance at 31 December 2018</b>         | 5,947,862                          | (76,089)                                   | 5,871,773                             |

The notes form part of these financial statements

Company Statement of Changes in Equity  
for the year ended 31 December 2018

|                                    | Called up<br>share<br>capital<br>£ | Retained<br>earnings<br>£ | Capital<br>redemption<br>reserve<br>£ | Total<br>equity<br>£ |
|------------------------------------|------------------------------------|---------------------------|---------------------------------------|----------------------|
| <b>Balance at 1 January 2017</b>   | 3,600                              | 5,518,981                 | 1,400                                 | 5,523,981            |
| <b>Changes in equity</b>           |                                    |                           |                                       |                      |
| Dividends                          | -                                  | (1,100,000)               | -                                     | (1,100,000)          |
| Total comprehensive income         | -                                  | 1,262,577                 | -                                     | 1,262,577            |
| <b>Balance at 31 December 2017</b> | <u>3,600</u>                       | <u>5,681,558</u>          | <u>1,400</u>                          | <u>5,686,558</u>     |
| <b>Changes in equity</b>           |                                    |                           |                                       |                      |
| Dividends                          | -                                  | (1,100,000)               | -                                     | (1,100,000)          |
| Total comprehensive income         | -                                  | 1,581,748                 | -                                     | 1,581,748            |
| <b>Balance at 31 December 2018</b> | <u>3,600</u>                       | <u>6,163,306</u>          | <u>1,400</u>                          | <u>6,168,306</u>     |

Consolidated Cash Flow Statement  
for the year ended 31 December 2018

|   | Notes | 2018<br>£               | 2017<br>as restated<br>£ |
|---|-------|-------------------------|--------------------------|
| <b>Cash flows from operating activities</b>           |       |                         |                          |
| Cash generated from operations                        | 1     | 2,611,795               | 3,464,294                |
| Interest paid   |       | (37,651)                | (42,295)                 |
| Interest element of hire purchase payments paid       |       | (7,663)                 | (2,857)                  |
| Tax paid  |       | (498,273)               | (614,973)                |
| Net cash from operating activities                    |       | <u>2,068,208</u>        | <u>2,804,169</u>         |
| <b>Cash flows from investing activities</b>           |       |                         |                          |
| Purchase of intangible fixed assets                   |       | (2)                     | -                        |
| Purchase of tangible fixed assets                     |       | (1,076,900)             | (1,079,629)              |
| Sale of tangible fixed assets                         |       | 14,148                  | 274,815                  |
| Purchase of current asset investment                  |       | -                       | (547,861)                |
| Sale of current asset investment                      |       | 40,296                  | 386,426                  |
| Purchase costs of subsidiaries                        |       | -                       | (2,537)                  |
| Interest received                                     |       | 10,996                  | 4                        |
| Dividends received                                    |       | 105                     | 10,251                   |
| Net cash from investing activities                    |       | <u>(1,011,357)</u>      | <u>(958,531)</u>         |
| <b>Cash flows from financing activities</b>           |       |                         |                          |
| New HP facilities in year                             |       | 163,636                 | 228,929                  |
| Equity dividends paid                                 |       | (1,100,000)             | (1,100,000)              |
| Net cash from financing activities                    |       | <u>(936,364)</u>        | <u>(871,071)</u>         |
| <b>Increase in cash and cash equivalents</b>          |       | <u>120,487</u>          | <u>974,567</u>           |
| <b>Cash and cash equivalents at beginning of year</b> | 2     | 894,177                 | (80,390)                 |
| <b>Cash and cash equivalents at end of year</b>       | 2     | <u><u>1,014,664</u></u> | <u><u>894,177</u></u>    |

The notes form part of these financial statements

Notes to the Consolidated Cash Flow Statement  
for the year ended 31 December 2018

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

|                                       | 2018             | 2017<br>as restated |
|---------------------------------------|------------------|---------------------|
|                                       | £                | £                   |
| Profit before taxation                | 2,099,376        | 1,529,977           |
| Depreciation charges                  | 917,730          | 1,101,507           |
| Profit on disposal of fixed assets    | (1,894)          | (11,231)            |
| Gain on revaluation of fixed assets   | -                | (6,223)             |
| Finance costs                         | 45,314           | 45,152              |
| Finance income                        | (11,101)         | (10,255)            |
|                                       | <u>3,049,425</u> | <u>2,648,927</u>    |
| Decrease/(increase) in stocks         | 546,298          | (2,064)             |
| Increase in trade and other debtors   | (998,143)        | (243,137)           |
| Increase in trade and other creditors | 14,215           | 1,060,568           |
|                                       | <u>2,611,795</u> | <u>3,464,294</u>    |
| <b>Cash generated from operations</b> | <u>2,611,795</u> | <u>3,464,294</u>    |

2. **CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2018**

|                           | 31.12.18         | 1.1.18         |
|---------------------------|------------------|----------------|
|                           | £                | £              |
| Cash and cash equivalents | <u>1,014,664</u> | <u>894,177</u> |

**Year ended 31 December 2017**

|                           | 31.12.17<br>as restated | 1.1.17          |
|---------------------------|-------------------------|-----------------|
|                           | £                       | £               |
| Cash and cash equivalents | 894,177                 | 150,765         |
| Bank overdrafts           | -                       | (231,155)       |
|                           | <u>894,177</u>          | <u>(80,390)</u> |

Notes to the Consolidated Financial Statements  
for the year ended 31 December 2018

1. **STATUTORY INFORMATION**

B S Eaton 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**

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

**Associates**

Investments in associated undertakings are recognised at transaction price subsequently adjusted to reflect both the group's share of the profit or loss of the associate and the amortisation of implicit goodwill. Implicit goodwill is recognised as the difference between the cost of acquisition and the investor's share of the net identifiable assets of the associate. The amortisation is calculated on the basis of the excess of its fair value over its carrying value at the time the investment was acquired.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Goodwill**

Goodwill, being the amounts paid in connection with the acquisition of interests in a business in 2015 and subsequent years, is being amortised evenly from the dates of acquisition over its estimated useful life of five years.

**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.

Domain names is being amortised evenly over its estimated useful life of two years.

**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.

|                       |                            |
|-----------------------|----------------------------|
| Freehold property     | - 7.5% on reducing balance |
| Plant and machinery   | - 15% on reducing balance  |
| Fixtures and fittings | - 25% on reducing balance  |
| Motor vehicles        | - 25% on reducing balance  |

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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



Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

2. **ACCOUNTING POLICIES - continued**

**Deferred tax**

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

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

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

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

**Current asset investments**

Current asset investments are recognised at fair value.

3. **EMPLOYEES AND DIRECTORS**

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

|                | 2018<br>No. | 2017<br>No. |
|----------------|-------------|-------------|
| Administration | 18          | 18          |
| Manufacturing  | 71          | 72          |
|                | <u>89</u>   | <u>90</u>   |

The average number of employees by undertakings that were proportionately consolidated during the year was 7 (2017: 7).

The aggregate payroll costs of the average number of employees were as follows:

|                       | 2018<br>£        | 2017<br>£        |
|-----------------------|------------------|------------------|
| Wages and salaries    | 4,003,498        | 4,286,470        |
| Social security costs | 370,524          | 472,189          |
| Other pension costs   | 11,638           | 10,135           |
|                       | <u>4,385,660</u> | <u>4,768,794</u> |

Directors emoluments for the year amounted to £1,275,000 (2017: £1,140,000)

The emoluments of the highest paid director were £740,000 (2017: £900,000). Pension contributions paid on behalf of this director were £10,000 (2017: £10,000).

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

4. **OPERATING PROFIT**

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

|  | 2018           | 2017<br>as restated |
|--|----------------|---------------------|
|  | £              | £                   |
| Hire of plant and machinery                      | 8,273          | 7,721               |
| Depreciation - owned assets                      | 760,084        | 952,745             |
| Depreciation - assets on hire purchase contracts | 34,587         | 30,967              |
| Profit on disposal of fixed assets               | (1,894)        | (11,231)            |
| Goodwill amortisation                            | 64,058         | 56,458              |
| Domain names amortisation                        | 59,000         | 59,000              |
| Auditors' remuneration                           | 27,350         | 23,000              |
| Taxation advisory services                       | -              | 2,000               |
| Foreign exchange differences                     | 3,846          | (335)               |
|  | <u>778,294</u> | <u>1,109,926</u>    |

5. **INTEREST PAYABLE AND SIMILAR EXPENSES**

|                  | 2018          | 2017<br>as restated |
|------------------|---------------|---------------------|
|                  | £             | £                   |
| Interest payable | 37,651        | 42,295              |
| Hire purchase    | 7,663         | 2,857               |
|                  | <u>45,314</u> | <u>45,152</u>       |

6. **TAXATION**

**Analysis of the tax charge**

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

|                          | 2018           | 2017<br>as restated |
|--------------------------|----------------|---------------------|
|                          | £              | £                   |
| Current tax:             |                |                     |
| UK corporation tax       | 562,896        | 498,273             |
| Prior year overprovision | -              | (14,509)            |
| Total current tax        | <u>562,896</u> | <u>483,764</u>      |
| Deferred tax             | (4,456)        | (48,623)            |
| Tax on profit            | <u>558,440</u> | <u>435,141</u>      |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

6. **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:

|  | 2018             | 2017<br>as restated |
|--|------------------|---------------------|
|  | £                | £                   |
| Profit before tax  | <u>2,099,376</u> | <u>1,529,977</u>    |
| Profit multiplied by the standard rate of corporation tax in the UK of 19%<br>(2017 - 19.250%) | 398,881          | 294,521             |
| Effects of:  |                  |                     |
| Depreciation in excess of capital allowances   | 39,118           | 105,797             |
| Other timing differences   | 127,435          | 109,464             |
| Capital loss carried forward   | (2,538)          | (40,527)            |
| Deferred tax movement in year  | (4,456)          | (48,623)            |
| Prior year underprovision  | -                | 14,509              |
| Total tax charge   | <u>558,440</u>   | <u>435,141</u>      |

7. **INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

8. **DIVIDENDS**

|                            | 2018             | 2017<br>as restated |
|----------------------------|------------------|---------------------|
|                            | £                | £                   |
| Ordinary shares of £1 each |                  |                     |
| Interim                    | <u>1,100,000</u> | <u>1,100,000</u>    |

9. **PRIOR YEAR ADJUSTMENT**

The directors have established that the amount of £400,000 paid to Ceminer Limited in previous years which was previously treated as an investment in that company's shares, is more properly considered to be a loan, and accordingly this amount has been reclassified from investments to debtors in the current and prior period balance sheet, and the movement in profit share and amortisation of notional goodwill amounting to £358 recognized in the prior year profit and loss account has been reversed.

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

## 10. INTANGIBLE FIXED ASSETS

**Group**

|                       | Goodwill<br>£ | Domain<br>names<br>£ | Totals<br>£ |
|-----------------------|---------------|----------------------|-------------|
| <b>COST</b>           |               |                      |             |
| At 1 January 2018     | 282,291       | 118,000              | 400,291     |
| Additions             | 76,081        | -                    | 76,081      |
| At 31 December 2018   | 358,372       | 118,000              | 476,372     |
| <b>AMORTISATION</b>   |               |                      |             |
| At 1 January 2018     | 112,916       | 59,000               | 171,916     |
| Amortisation for year | 64,058        | 59,000               | 123,058     |
| At 31 December 2018   | 176,974       | 118,000              | 294,974     |
| <b>NET BOOK VALUE</b> |               |                      |             |
| At 31 December 2018   | 181,398       | -                    | 181,398     |
| At 31 December 2017   | 169,375       | 59,000               | 228,375     |

**Company**

|   | Domain<br>names<br>£ |
|---|----------------------|
| <b>COST</b>                               |                      |
| At 1 January 2018<br>and 31 December 2018 | 118,000              |
| <b>AMORTISATION</b>                       |                      |
| At 1 January 2018                         | 59,000               |
| Amortisation for year                     | 59,000               |
| At 31 December 2018                       | 118,000              |
| <b>NET BOOK VALUE</b>                     |                      |
| At 31 December 2018                       | -                    |
| At 31 December 2017                       | 59,000               |

During the 2016 year the company purchased certain domain names which it believes will provide future economic benefit. In accordance with the provisions of Financial reporting Standard 102 the company has capitalised these costs and will write them off over a 2 year period commencing in the year after purchase.

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

## 11. TANGIBLE FIXED ASSETS

## Group

|                        | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Fixtures<br>and<br>fittings<br>£ |
|------------------------|---------------------------|-----------------------------|----------------------------------|
| <b>COST</b>            |                           |                             |                                  |
| At 1 January 2018      | 3,674,323                 | 7,722,591                   | 2,542                            |
| Additions              | -                         | 563,662                     | -                                |
| Disposals              | -                         | (152,788)                   | -                                |
| At 31 December 2018    | 3,674,323                 | 8,133,465                   | 2,542                            |
| <b>DEPRECIATION</b>    |                           |                             |                                  |
| At 1 January 2018      | 2,980,129                 | 6,730,813                   | 453                              |
| Charge for year        | 145,093                   | 191,193                     | 515                              |
| Eliminated on disposal | -                         | (149,211)                   | -                                |
| At 31 December 2018    | 3,125,222                 | 6,772,795                   | 968                              |
| <b>NET BOOK VALUE</b>  |                           |                             |                                  |
| At 31 December 2018    | 549,101                   | 1,360,670                   | 1,574                            |
| At 31 December 2017    | 694,194                   | 991,778                     | 2,089                            |
|                        | Motor<br>vehicles<br>£    | Computer<br>equipment<br>£  | Totals<br>£                      |
| <b>COST</b>            |                           |                             |                                  |
| At 1 January 2018      | 4,841,860                 | 2,225                       | 16,243,541                       |
| Additions              | 513,238                   | -                           | 1,076,900                        |
| Disposals              | (158,459)                 | -                           | (311,247)                        |
| At 31 December 2018    | 5,196,639                 | 2,225                       | 17,009,194                       |
| <b>DEPRECIATION</b>    |                           |                             |                                  |
| At 1 January 2018      | 3,607,784                 | 739                         | 13,319,918                       |
| Charge for year        | 457,103                   | 767                         | 794,671                          |
| Eliminated on disposal | (149,782)                 | -                           | (298,993)                        |
| At 31 December 2018    | 3,915,105                 | 1,506                       | 13,815,596                       |
| <b>NET BOOK VALUE</b>  |                           |                             |                                  |
| At 31 December 2018    | 1,281,534                 | 719                         | 3,193,598                        |
| At 31 December 2017    | 1,234,076                 | 1,486                       | 2,923,623                        |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 201811. **TANGIBLE FIXED ASSETS - continued****Group**

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

|                       | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Totals<br>£ |
|-----------------------|-----------------------------|------------------------|-------------|
| <b>COST</b>           |                             |                        |             |
| At 1 January 2018     | -                           | 371,599                | 371,599     |
| Additions             | 376,793                     | 171,945                | 548,738     |
| At 31 December 2018   | 376,793                     | 543,544                | 920,337     |
| <b>DEPRECIATION</b>   |                             |                        |             |
| At 1 January 2018     | -                           | 30,967                 | 30,967      |
| Charge for year       | 7,850                       | 26,737                 | 34,587      |
| At 31 December 2018   | 7,850                       | 57,704                 | 65,554      |
| <b>NET BOOK VALUE</b> |                             |                        |             |
| At 31 December 2018   | 368,943                     | 485,840                | 854,783     |
| At 31 December 2017   | -                           | 340,632                | 340,632     |

**Company**

|                        | Freehold<br>property<br>£ | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Totals<br>£ |
|------------------------|---------------------------|-----------------------------|------------------------|-------------|
| <b>COST</b>            |                           |                             |                        |             |
| At 1 January 2018      | 3,674,323                 | 7,703,346                   | 4,841,860              | 16,219,529  |
| Additions              | -                         | 558,909                     | 513,238                | 1,072,147   |
| Disposals              | -                         | (152,788)                   | (158,459)              | (311,247)   |
| At 31 December 2018    | 3,674,323                 | 8,109,467                   | 5,196,639              | 16,980,429  |
| <b>DEPRECIATION</b>    |                           |                             |                        |             |
| At 1 January 2018      | 2,980,129                 | 6,724,341                   | 3,607,304              | 13,311,774  |
| Charge for year        | 145,093                   | 189,411                     | 456,905                | 791,409     |
| Eliminated on disposal | -                         | (149,211)                   | (149,782)              | (298,993)   |
| At 31 December 2018    | 3,125,222                 | 6,764,541                   | 3,914,427              | 13,804,190  |
| <b>NET BOOK VALUE</b>  |                           |                             |                        |             |
| At 31 December 2018    | 549,101                   | 1,344,926                   | 1,282,212              | 3,176,239   |
| At 31 December 2017    | 694,194                   | 979,005                     | 1,234,556              | 2,907,755   |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

11. **TANGIBLE FIXED ASSETS - continued**

**Company**

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

|                       | Plant and<br>machinery<br>£ | Motor<br>vehicles<br>£ | Totals<br>£ |
|-----------------------|-----------------------------|------------------------|-------------|
| <b>COST</b>           |                             |                        |             |
| At 1 January 2018     | -                           | 371,599                | 371,599     |
| Additions             | 376,793                     | 171,945                | 548,738     |
| At 31 December 2018   | 376,793                     | 543,544                | 920,337     |
| <b>DEPRECIATION</b>   |                             |                        |             |
| At 1 January 2018     | -                           | 30,967                 | 30,967      |
| Charge for year       | 7,850                       | 26,737                 | 34,587      |
| At 31 December 2018   | 7,850                       | 57,704                 | 65,554      |
| <b>NET BOOK VALUE</b> |                             |                        |             |
| At 31 December 2018   | 368,943                     | 485,840                | 854,783     |
| At 31 December 2017   | -                           | 340,632                | 340,632     |

12. **FIXED ASSET INVESTMENTS**

**Company**

|                       | Shares in<br>group<br>undertakings<br>£ |
|-----------------------|---|
| <b>COST</b>           |   |
| At 1 January 2018     | 173,831                                 |
| Additions             | 2                                       |
| At 31 December 2018   | 173,833                                 |
| <b>NET BOOK VALUE</b> |   |
| At 31 December 2018   | 173,833                                 |
| At 31 December 2017   | 173,831                                 |

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiaries**

**E M Paving Limited**

Registered office: Within the United Kingdom

Nature of business: Production of natural stone products

| Class of shares:               | %<br>holding | 2018<br>£ | 2017<br>£ |
|--------------------------------|--------------|-----------|-----------|
| Ordinary 10p                   | 75.00        |           |           |
| Aggregate capital and reserves |              | (304,354) | (327,544) |
| Profit/(loss) for the year     |              | 23,190    | (108,945) |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 201812. **FIXED ASSET INVESTMENTS - continued****Great British Cement Limited**Registered office: Within the United Kingdom  
Nature of business: Dormant

| Class of shares:               | %<br>holding | 2018       | 2017       |
|--------------------------------|--------------|------------|------------|
| Ordinary £1                    | 100.00       | £<br>100   | £<br>100   |
| Aggregate capital and reserves |              | <u>100</u> | <u>100</u> |

**G.B. Cement Limited**Registered office: Within the United Kingdom  
Nature of business: Dormant

| Class of shares:               | %<br>holding | 2018       | 2017       |
|--------------------------------|--------------|------------|------------|
| Ordinary £1                    | 100.00       | £<br>100   | £<br>100   |
| Aggregate capital and reserves |              | <u>100</u> | <u>100</u> |

13. **STOCKS**

|                | <b>Group</b>     |                     | <b>Company</b>   |                     |
|----------------|------------------|---------------------|------------------|---------------------|
|                | 2018             | 2017<br>as restated | 2018             | 2017<br>as restated |
|                | £                | £                   | £                | £                   |
| Raw materials  | 39,968           | 45,690              | 39,968           | 45,690              |
| Consumables    | 139,803          | 134,211             | 139,803          | 134,211             |
| Finished goods | 2,163,982        | 2,710,150           | 1,327,835        | 1,637,168           |
|                | <u>2,343,753</u> | <u>2,890,051</u>    | <u>1,507,606</u> | <u>1,817,069</u>    |

14. **DEBTORS**

|   | <b>Group</b>     |                     | <b>Company</b>   |                     |
|---|------------------|---------------------|------------------|---------------------|
|   | 2018             | 2017<br>as restated | 2018             | 2017<br>as restated |
|   | £                | £                   | £                | £                   |
| Amounts falling due within one year:          |                  |                     |                  |                     |
| Trade debtors                                 | 3,166,224        | 2,644,631           | 2,834,693        | 2,261,121           |
| Other debtors                                 | 558,360          | 133,587             | 606,500          | -                   |
| Prepayments and accrued income                | 278,515          | 226,738             | 121,433          | 199,281             |
|   | <u>4,003,099</u> | <u>3,004,956</u>    | <u>3,562,626</u> | <u>2,460,402</u>    |
| Amounts falling due after more than one year: |                  |                     |                  |                     |
| Other debtors                                 | 400,000          | 400,000             | 1,150,000        | 1,150,000           |
| Aggregate amounts                             | <u>4,403,099</u> | <u>3,404,956</u>    | <u>4,712,626</u> | <u>3,610,402</u>    |



Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 201815. **CURRENT ASSET INVESTMENTS**

|       | <b>Group</b>     |                     | <b>Company</b>   |                     |
|-------|------------------|---------------------|------------------|---------------------|
|       | 2018             | 2017<br>as restated | 2018             | 2017<br>as restated |
|       | £                | £                   | £                | £                   |
| Other | <u>1,545,186</u> | <u>1,585,483</u>    | <u>1,545,186</u> | <u>1,585,483</u>    |

The company acquired several cherished motor vehicles from O S C Eaton during the 2016 financial year. Again, during the 2017 year, the company acquired several additional cherished motor vehicles from O S C Eaton at values provided by the Directors and amounting to £547,861. As at the balance sheet date the total fair value of such vehicles was £1,450,377 (2017: £1,564,861).

The company also holds listed company shares as investments in a portfolio with an external stockbroker. The market value of these investments as at the balance sheet date was £94,809 (2017: £20,622). The company has disposed of several of the investments during the year and in accordance with the provisions of Financial Reporting Standard 102 any gain on the fair value movement has been taken to the profit and loss account during the year.

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

|                                       | <b>Group</b>     |                     | <b>Company</b>   |                     |
|---------------------------------------|------------------|---------------------|------------------|---------------------|
|                                       | 2018             | 2017<br>as restated | 2018             | 2017<br>as restated |
|                                       | £                | £                   | £                | £                   |
| Hire purchase contracts (see note 17) | 392,565          | 228,929             | 392,565          | 228,929             |
| Trade creditors                       | 1,809,983        | 2,609,939           | 900,953          | 1,398,769           |
| Corporation tax                       | 562,896          | 498,273             | 562,896          | 498,273             |
| Social security and other taxes       | 140,712          | 125,576             | 132,742          | 116,791             |
| VAT                                   | 241,221          | 291,437             | 241,221          | 315,677             |
| Other creditors                       | 1,558,411        | 1,123,849           | 1,558,411        | 1,123,732           |
| Accruals and deferred income          | <u>1,980,874</u> | <u>1,566,185</u>    | <u>1,937,752</u> | <u>1,543,231</u>    |
|                                       | <u>6,686,662</u> | <u>6,444,188</u>    | <u>5,726,540</u> | <u>5,225,402</u>    |

17. **LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

**Group**

|   | Hire purchase contracts |                     |
|---|-------------------------|---------------------|
|   | 2018                    | 2017<br>as restated |
|   | £                       | £                   |
| Net obligations repayable:<br>Within one year | <u>392,565</u>          | <u>228,929</u>      |

**Company**

|   | Hire purchase contracts |                     |
|---|-------------------------|---------------------|
|   | 2018                    | 2017<br>as restated |
|   | £                       | £                   |
| Net obligations repayable:<br>Within one year | <u>392,565</u>          | <u>228,929</u>      |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 2018

## 18. PROVISIONS FOR LIABILITIES

|                             | Group          |                     | Company        |                     |
|-----------------------------|----------------|---------------------|----------------|---------------------|
|                             | 2018           | 2017<br>as restated | 2018           | 2017<br>as restated |
|                             | £              | £                   | £              | £                   |
| Deferred tax                | <u>123,263</u> | <u>127,719</u>      | <u>123,263</u> | <u>127,719</u>      |
| <b>Group</b>                |                |                     |                |                     |
|                             |                |                     |                | Deferred tax        |
|                             |                |                     |                | £                   |
| Balance at 1 January 2018   |                |                     |                | 127,719             |
| Reduction in provision      |                |                     |                | (4,456)             |
| Balance at 31 December 2018 |                |                     |                | <u>123,263</u>      |
| <b>Company</b>              |                |                     |                |                     |
|                             |                |                     |                | Deferred tax        |
|                             |                |                     |                | £                   |
| Balance at 1 January 2018   |                |                     |                | 127,719             |
| Reduction in provision      |                |                     |                | (4,456)             |
| Balance at 31 December 2018 |                |                     |                | <u>123,263</u>      |

## 19. CALLED UP SHARE CAPITAL

|                                  |          |                |              |                     |
|----------------------------------|----------|----------------|--------------|---------------------|
| Allotted, issued and fully paid: |          |                |              |                     |
| Number:                          | Class:   | Nominal value: | 2018         | 2017<br>as restated |
|                                  |          |                | £            | £                   |
| 3,600                            | Ordinary | £1             | <u>3,600</u> | <u>3,600</u>        |

## 20. RESERVES

|                       |                   |                            |                  |
|-----------------------|-------------------|----------------------------|------------------|
| <b>Group</b>          |                   |                            |                  |
|                       | Retained earnings | Capital redemption reserve | Totals           |
|                       | £                 | £                          | £                |
| At 1 January 2018     | 5,509,897         | 1,400                      | 5,511,297        |
| Prior year adjustment | 358               |                            | 358              |
|                       | <u>5,510,255</u>  |                            | <u>5,511,655</u> |
| Profit for the year   | 1,532,607         |                            | 1,532,607        |
| Dividends             | (1,100,000)       |                            | (1,100,000)      |
| At 31 December 2018   | <u>5,942,862</u>  | <u>1,400</u>               | <u>5,944,262</u> |

Notes to the Consolidated Financial Statements - continued  
for the year ended 31 December 201820. **RESERVES - continued****Company**

|                     | Retained<br>earnings<br>£ | Capital<br>redemption<br>reserve<br>£ | Totals<br>£      |
|---------------------|---------------------------|---------------------------------------|------------------|
| At 1 January 2018   | 5,681,558                 | 1,400                                 | 5,682,958        |
| Profit for the year | 1,581,748                 |                                       | 1,581,748        |
| Dividends           | (1,100,000)               |                                       | (1,100,000)      |
| At 31 December 2018 | <u>6,163,306</u>          | <u>1,400</u>                          | <u>6,164,706</u> |

21. **RELATED PARTY DISCLOSURES****Entities over which the entity has control, joint control or significant influence**

|                               | 2018<br>£        | 2017<br>as restated<br>£ |
|-------------------------------|------------------|--------------------------|
| Amount due from related party | <u>1,019,000</u> | <u>750,000</u>           |

The company made a loan to its subsidiary undertaking, E M Paving Limited, of £750,000 during the year ended 31 December 2015, and an additional loan of £269,000 during the year ended 31 December 2018. These loans are included within other debtors falling due after more than one year, and other debtors falling due within one year, respectively. The £750,000 loan is repayable in full by 2 December 2020 and attracts interest at a rate of 15% per annum. The company received £121,625 interest during the year (2017 : £108,978).

**Key management personnel of the entity or its parent (in the aggregate)**

|              | 2018<br>£        | 2017<br>as restated<br>£ |
|--------------|------------------|--------------------------|
| Purchases    | -                | 547,861                  |
| Remuneration | <u>1,275,000</u> | <u>1,140,000</u>         |

During the 2017 year the company purchased several cherished motor vehicles from O S C Eaton at market value determined by the Directors based on their original cost and amounting to £547,861. No such purchases were made in the 2018 year.

Included within other creditors "amounts falling due within one year" is a joint directors loan account amounting to £695,861 (2017: £260,982).

**Other related parties**

|                             | 2018<br>£      | 2017<br>as restated<br>£ |
|-----------------------------|----------------|--------------------------|
| Amount due to related party | <u>862,550</u> | <u>862,550</u>           |

Included within other creditors are 3 loans from Tailfin Finance Limited of £862,550 (2017 : £862,550) which are repayable on demand. Interest is payable by reference to HMRC's official rate of interest for beneficial loans which for the year under review was 2.5%. Interest payable on the loan amounted to £34,502 (2017: £31,562). Both of the directors of Tailfin Finance Limited are directors of B S Eaton Limited and Mr S M Eaton is also a shareholder of Tailfin Finance Limited.