

Company Registration No. 01293580 (England and Wales)

GODIVA BEARINGS (SOUTHERN) LTD

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

PAGES FOR FILING WITH REGISTRAR



GODIVA BEARINGS (SOUTHERN) LTD

COMPANY INFORMATION

Directors	T J Brain T Hamlett P Cuthill
Secretary	T J Brain
Company number	01293580
Registered office	Unit 3 Shepperton Business Park Govett Avenue Shepperton Middlesex TW17 8BA
Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW

GODIVA BEARINGS (SOUTHERN) LTD

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GODIVA BEARINGS (SOUTHERN) LTD

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present the strategic report for the year ended 31 March 2017.

Fair review of the business

The directors are pleased to report that despite the difficult trading conditions within the world the company has increased its turnover by 10.7%. Although the sales in the UK have remained at much the same level, sales abroad have increased by 56%. Gross margins have been increased by taking advantage of the company's positive cash flow and being in the position to place large call-off stock orders. The company has also been in the position to purchase from other companies in the industry that were required to reduce their stockholdings. In general, having such a small management team allows the company to react quickly and take advantage of business opportunities that arise.

Principal risks and uncertainties

The business has identified 3 key areas in which it faces some form of exposure but has taken steps to minimise each case.


- Exposure to exchange rates in its foreign activities has been addressed by the business both buying and selling in the three major currencies: Sterling, Euros and US Dollars. Activities have meant that it holds cash balances in each of these currencies thus alleviating any major changes to exchange rates.
- The market in which the business operates is finite and to address this, the business continues to develop its product portfolio to offer more and more to its customers.
- The business has identified that there is a shortage of staff with the right level of skills on the market and to address this it has commenced a programme of recruiting staff and putting them through "apprentice" style training courses to ensure that the correct skill levels are reached.

The business's principal financial instruments comprise of bank balances, stock, trade debtors and trade creditors. The purpose of these financial instruments is to finance the business's operations.

Bank balances are held in such a way as to minimise interest and charges paid.

Trade debtors are controlled using a very strict credit control program to minimise the risk of bad debts and to ensure that there is enough liquidity in the business to pay its trade creditors.

On behalf of the board



T J Brain

Director

9 August 2017

GODIVA BEARINGS (SOUTHERN) LTD

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2017

The directors present their annual report and financial statements for the year ended 31 March 2017.

Principal activities

The company acts as distributors, dealers and wholesalers of bearings and other products to the engineering industry.

Directors

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

T J Brain
T Hamlett
P Cuthill

Results and dividends

The results for the year are set out on page 5.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Jacob Cavenagh & Skeet, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



T J Brain

Director

9 August 2017

GODIVA BEARINGS (SOUTHERN) LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GODIVA BEARINGS (SOUTHERN) LTD

We have audited the financial statements of Godiva Bearings (Southern) Ltd for the year ended 31 March 2017 set out on pages 5 to 19. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017, 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

GODIVA BEARINGS (SOUTHERN) LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF GODIVA BEARINGS (SOUTHERN) LTD

Matters on which we are required to report by exception

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

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

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



Paul Newton FCA (Senior Statutory Auditor)
for and on behalf of Jacob Cavenagh & Skeet

20/9/2017

Chartered Accountants
Statutory Auditor

5 Robin Hood Lane
Sutton
Surrey
SM1 2SW

GODIVA BEARINGS (SOUTHERN) LTD

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2017

	Notes	2017 £	2016 £
Turnover	3	16,045,881	14,491,647
Other operating income and cost of sales		(10,491,509)	(9,983,770)
Administrative expenses		(2,576,423)	(2,397,008)
Operating profit	4	2,977,949	2,110,869
Interest payable and similar expenses	7	(16,984)	(50,409)
Profit before taxation		2,960,965	2,060,460
Taxation	8	(601,844)	(424,478)
Profit for the financial year		2,359,121	1,635,982

The profit and loss account has been prepared on the basis that all operations are continuing operations.

GODIVA BEARINGS (SOUTHERN) LTD

BALANCE SHEET

AS AT 31 MARCH 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	9		107,600		198,661
Current assets					
Stocks	10	6,160,758		6,063,519	
Debtors	11	10,343,066		9,155,527	
Cash at bank and in hand		636,648		118,379	
		17,140,472		15,337,425	
Creditors: amounts falling due within one year	12	(4,376,704)		(5,006,849)	
Net current assets			12,763,768		10,330,576
Total assets less current liabilities			12,871,368		10,529,237
Provisions for liabilities	14		(15,954)		(32,944)
Net assets			12,855,414		10,496,293
Capital and reserves					
Called up share capital	17		12		12
Profit and loss reserves			12,855,402		10,496,281
Total equity			12,855,414		10,496,293

The financial statements were approved by the board of directors and authorised for issue on 9 August 2017 and are signed on its behalf by:



T J Brain
Director

Company Registration No. 01293580

GODIVA BEARINGS (SOUTHERN) LTD

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2017

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 April 2015	12	8,860,299	8,860,311
Year ended 31 March 2016:			
Profit and total comprehensive income for the year	-	1,635,982	1,635,982
Balance at 31 March 2016	12	10,496,281	10,496,293
Year ended 31 March 2017:			
Profit and total comprehensive income for the year	-	2,359,121	2,359,121
Balance at 31 March 2017	12	12,855,402	12,855,414

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

Company information

Godiva Bearings (Southern) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Shepperton Business Park, Govett Avenue, Shepperton, Middlesex, TW17 8BA.

1.1 Accounting convention

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

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

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

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

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of S P Macbeth 5 Limited. These consolidated financial statements are available from its registered office, Unit 3 Shepperton Business Park, Govett Avenue, Shepperton, Middlesex TW17 8BA.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

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

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

Land and buildings Leasehold	14% on cost
Plant and machinery	20% to 33% on cost
Fixtures, fittings & equipment	15% on cost
Computer equipment	10% to 20% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

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

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

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

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

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable. These contributions are invested separately from the company's assets.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

Stock is valued at the lower cost and net realisable value. Net realisable value includes, where necessary, provisions for slow moving and obsolete stocks. Calculation of these provisions requires judgements to be made, which include forecast consumer demand, the promotional, competitive and economic environment and stock loss trends.

3 Turnover and other revenue

	2017	2016
	£	£
Worldwide turnover	16,045,881	14,491,647

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(49,972)	1,390
Fees payable to the company's auditor for the audit of the company's financial statements	10,920	10,800
Depreciation of owned tangible fixed assets	34,882	30,991
Loss on disposal of tangible fixed assets	93,275	-
Cost of stocks recognised as an expense	9,970,060	9,533,499
Operating lease charges	80,600	79,123

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

5 Employees

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

	2017 Number	2016 Number
Office and management	10	11
Sales and distribution	36	36
	<u>46</u>	<u>47</u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,393,337	1,324,366
Social security costs	139,457	126,933
Pension costs	22,790	23,692
	<u>1,555,584</u>	<u>1,474,991</u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	252,004	244,533
Company pension contributions to defined contribution schemes	13,882	13,882
	<u>265,886</u>	<u>258,415</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2016 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	141,356	144,717
Company pension contributions to defined contribution schemes	12,500	12,500

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

7 Interest payable and similar expenses

	2017	2016
	£	£
Interest on bank overdrafts and loans	16,984	41,951
Other interest	-	8,458
	<u>16,984</u>	<u>50,409</u>

8 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	617,658	398,824
Adjustments in respect of prior periods	1,176	-
	<u>618,834</u>	<u>398,824</u>
Deferred tax		
Origination and reversal of timing differences	(16,990)	25,654
	<u>(16,990)</u>	<u>25,654</u>
Total tax charge	<u>601,844</u>	<u>424,478</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017	2016
	£	£
Profit before taxation	<u>2,960,965</u>	<u>2,060,460</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2016: 20.00%)	592,193	412,092
Tax effect of expenses that are not deductible in determining taxable profit	8,475	12,588
Adjustments in respect of prior years	1,176	-
Permanent capital allowances in excess of depreciation	16,990	(25,856)
Origination and reversal of timing differences	(16,990)	25,654
	<u>601,844</u>	<u>424,478</u>
Taxation charge for the year	<u>601,844</u>	<u>424,478</u>

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

9 Tangible fixed assets

	Land and buildings Leasehold £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
Cost				
At 1 April 2016	137,312	645,854	665,708	1,448,874
Additions	-	39,301	160	39,461
Disposals	-	(95,640)	-	(95,640)
At 31 March 2017	137,312	589,515	665,868	1,392,695
Depreciation and impairment				
At 1 April 2016	115,034	483,000	652,179	1,250,213
Depreciation charged in the year	6,538	24,505	3,839	34,882
At 31 March 2017	121,572	507,505	656,018	1,285,095
Carrying amount				
At 31 March 2017	15,740	82,010	9,850	107,600
At 31 March 2016	22,278	162,854	13,529	198,661

10 Stocks

	2017 £	2016 £
Finished goods and goods for resale	6,160,758	6,063,519

The stock is pledged as security for borrowings under the factoring arrangements.

11 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	3,591,597	3,145,277
Amounts due from group undertakings	6,577,168	5,854,274
Other debtors	29,982	17,043
Prepayments and accrued income	144,319	138,933
	10,343,066	9,155,527

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

12 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Other borrowings	13	-	1,419,754
Trade creditors		1,806,619	1,630,246
Amounts due to group undertakings		1,601,014	1,282,231
Corporation tax		417,658	198,824
Other taxation and social security		144,101	158,153
Other creditors		110,364	56,130
Accruals and deferred income		296,948	261,511
		<u>4,376,704</u>	<u>5,006,849</u>

13 Loans and overdrafts

	2017 £	2016 £
Other loans	-	1,419,754
	<u>-</u>	<u>1,419,754</u>
Payable within one year	-	1,419,754
	<u>-</u>	<u>1,419,754</u>

The amounts due under invoice financing are secured by a fixed and floating charge over the assets of the company.

14 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	15	15,954	32,944
		<u>15,954</u>	<u>32,944</u>

15 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	15,954	32,944
	<u>15,954</u>	<u>32,944</u>

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

15 Deferred taxation (Continued)

	2017
Movements in the year:	£
Liability at 1 April 2016	32,944
Credit to profit or loss	(16,990)
	<u>15,954</u>
Liability at 31 March 2017	<u>15,954</u>

£6,000 of the deferred tax liability is expected to reverse in the next 12 months as the accelerated capital allowances unwind.

16 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>22,790</u>	<u>23,692</u>

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

17 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
48,000 Ordinary shares of 0.025p each	<u>12</u>	<u>12</u>

18 Financial commitments, guarantees and contingent liabilities

The company's bankers have provided a VAT deferment bond with recourse to the company. The potential liability to the bank amounts to £40,000.

GODIVA BEARINGS (SOUTHERN) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2017

19 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	234,236	248,192
Between two and five years	598,289	709,868
In over five years	142,241	203,476
	<u>974,766</u>	<u>1,161,536</u>

20 Controlling party

The ultimate holding company is SP Macbeth 5 Limited (incorporated in England & Wales).

Copies of the holding company's accounts are available from the company secretary at Unit 3, Shepperton Business Park, Govett Avenue, Shepperton TW17 8DA.

The company was ultimately controlled at the year end by three directors: T Brain, T Hamlett and P Cuthill.