

REGISTERED NUMBER: 01381670 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
STARTIN TRACTORS LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2018

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STARTIN TRACTORS LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018

DIRECTORS: Mrs J M Startin
Mr J E Startin

SECRETARY: Mrs J M Startin

REGISTERED OFFICE: The Grange
Croxall
Lichfield
Staffordshire
WS13 8RB

BUSINESS ADDRESS: Ashby Road
Twycross
Atherstone
Warwickshire
CV9 3PW

REGISTERED NUMBER: 01381670 (England and Wales)

AUDITORS: Philip Barnes & Co Limited
Chartered Accountants
Statutory Auditors
The Old Council Chambers
Halford Street
Tamworth
Staffordshire
B79 7RB

BANKERS: Lloyds Bank plc
17 George Street
Tamworth
Staffordshire
B79 7LW

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their strategic report for the year ended 31 December 2018.

REVIEW OF BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

As a main tractor dealer, the company continues to deal in new and used agricultural machinery, provide servicing, repairs and spares. The company's activities can be classified into the following divisions:-

Sales of new and used tractors and machinery
Sales of spare parts
Servicing and repairs

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover and gross margin.

The directors are satisfied with the results for the year in all divisions.

The profit and loss account on page 6 shows the profit before tax has increased from £601,828 to £749,763.

PRINCIPAL RISKS AND UNCERTAINTIES

As for many businesses in our industry, the business environment in which we operate continues to be challenging.

ON BEHALF OF THE BOARD:

Mr J E Startin - Director

27 June 2019

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2018

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

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2018.

DIRECTORS

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

Mrs J M Startin
Mr J E Startin

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

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

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

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITORS

The auditors, Philip Barnes & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr J E Startin - Director

27 June 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARTIN TRACTORS LIMITED

Opinion

We have audited the financial statements of Startin Tractors Limited (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet, Cash Flow Statement and Notes to the 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 company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF STARTIN TRACTORS LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 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 company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

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

Christopher Humphreys FCA (Senior Statutory Auditor)
for and on behalf of Philip Barnes & Co Limited
Chartered Accountants
Statutory Auditors
The Old Council Chambers
Halford Street
Tamworth
Staffordshire
B79 7RB

27 June 2019

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
TURNOVER	3	14,256,504	13,986,446
Cost of sales		<u>11,980,962</u>	<u>11,929,717</u>
GROSS PROFIT		2,275,542	2,056,729
Administrative expenses		<u>1,568,164</u>	<u>1,454,901</u>
OPERATING PROFIT	5	707,378	601,828
Interest receivable and similar income		<u>42,385</u>	<u>-</u>
PROFIT BEFORE TAXATION		749,763	601,828
Tax on profit	6	<u>144,723</u>	<u>115,763</u>
PROFIT FOR THE FINANCIAL YEAR		605,040	486,065
Retained earnings at beginning of year		<u>8,868,550</u>	<u>8,382,485</u>
RETAINED EARNINGS AT END OF YEAR		<u>9,473,590</u>	<u>8,868,550</u>

The notes form part of these financial statements

STARTIN TRACTORS LIMITED (REGISTERED NUMBER: 01381670)**BALANCE SHEET**
31 DECEMBER 2018

	Notes	2018 £	£	2017 £	£
FIXED ASSETS					
Tangible assets	7		899,607		499,442
CURRENT ASSETS					
Stocks	8	8,167,464		4,608,259	
Debtors	9	1,695,421		1,379,717	
Cash at bank and in hand		<u>1,357,068</u>		<u>3,276,458</u>	
		11,219,953		9,264,434	
CREDITORS					
Amounts falling due within one year	10	<u>2,488,303</u>		<u>781,326</u>	
NET CURRENT ASSETS			<u>8,731,650</u>		<u>8,483,108</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,631,257		8,982,550
CREDITORS					
Amounts falling due after more than one year	11		(21,667)		-
PROVISIONS FOR LIABILITIES	13		<u>(66,000)</u>		<u>(44,000)</u>
NET ASSETS			<u>9,543,590</u>		<u>8,938,550</u>
CAPITAL AND RESERVES					
Called up share capital	14		8,925		8,925
Share premium	15		59,500		59,500
Capital redemption reserve	15		1,575		1,575
Retained earnings	15		<u>9,473,590</u>		<u>8,868,550</u>
SHAREHOLDERS' FUNDS			<u>9,543,590</u>		<u>8,938,550</u>

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:

Mr J E Startin - Director

The notes form part of these financial statements

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	(1,374,021)	(88,154)
Tax paid		<u>(102,757)</u>	<u>(145,746)</u>
Net cash from operating activities		<u>(1,476,778)</u>	<u>(233,900)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(534,237)	(228,719)
Sale of tangible fixed assets		52,400	22,050
Interest received		<u>42,385</u>	<u>-</u>
Net cash from investing activities		<u>(439,452)</u>	<u>(206,669)</u>
Cash flows from financing activities			
Amount introduced by directors		-	1,776
Amount withdrawn by directors		<u>(3,160)</u>	<u>-</u>
Net cash from financing activities		<u>(3,160)</u>	<u>1,776</u>
Decrease in cash and cash equivalents		<u>(1,919,390)</u>	<u>(438,793)</u>
Cash and cash equivalents at beginning of year	2	3,276,458	3,715,251
Cash and cash equivalents at end of year	2	<u><u>1,357,068</u></u>	<u><u>3,276,458</u></u>

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

	2018	2017
	£	£
Profit before taxation	749,763	601,828
Depreciation charges	114,976	84,342
(Profit)/loss on disposal of fixed assets	(33,304)	16,262
Finance income	(42,385)	-
	<u>789,050</u>	<u>702,432</u>
Increase in stocks	(3,559,205)	(722,622)
(Increase)/decrease in trade and other debtors	(315,704)	162,224
Increase/(decrease) in trade and other creditors	<u>1,711,838</u>	<u>(230,188)</u>
Cash generated from operations	<u>(1,374,021)</u>	<u>(88,154)</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>1,357,068</u>	<u>3,276,458</u>

Year ended 31 December 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	<u>3,276,458</u>	<u>3,715,251</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Startin Tractors 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 Company 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.

The significant accounting policies applied in the preparation of the financial statements are set out below. These policies have been consistently applied to all periods presented unless otherwise stated.

Significant judgements and estimates

The preparation of the financial statements requires judgements, estimations and assumptions to be made that affect the reported values of assets, liabilities, revenues and expenses. The nature of estimation and judgement means that actual outcomes could differ from those estimates. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The company exercises judgement on the level of stock provisioning based on its knowledge of the trade and past experience.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding value added tax.

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually the point at which the customer has signed for or taken delivery of the goods.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Plant and machinery	- 33% on cost and 15% reducing balance
Fixtures and fittings	- 25% on cost and 15% reducing balance
Motor vehicles	- 25% reducing balance

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

NOTES TO THE 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

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

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured at fair value.

Creditors

Short term trade creditors are measured at the transaction price.

Hire purchase commitments

Assets obtained under hire purchase contracts or finance leases are capitalised and depreciated over the shorter of the lease term and the expected useful life of the asset.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The related obligations, net of future finance charges, are included in creditors.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	11,301,251	10,702,719
Europe	2,221,724	2,852,436
Other countries	733,529	431,291
	<u>14,256,504</u>	<u>13,986,446</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**4. EMPLOYEES**

	2018	2017
	£	£
Wages and salaries	1,186,762	1,043,862
Social security costs	139,769	124,242
Other pension costs	170,109	135,031
	<u>1,496,640</u>	<u>1,303,135</u>

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

	2018	2017
Management and administration	7	7
Sales and service	<u>21</u>	<u>21</u>
	<u>28</u>	<u>28</u>

	2018	2017
	£	£
Directors' remuneration	20,589	20,589
Directors' pension contributions to money purchase schemes	<u>40,000</u>	<u>40,000</u>

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

	2018	2017
Money purchase schemes	<u>1</u>	<u>1</u>

5. OPERATING PROFIT

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

	2018	2017
	£	£
Depreciation - owned assets	114,976	84,342
(Profit)/loss on disposal of fixed assets	(33,304)	16,262
Audit	4,800	4,600
Foreign exchange differences	<u>(2,428)</u>	<u>3,567</u>

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

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

	2018	2017
	£	£
Current tax:		
UK corporation tax	122,723	102,763
Deferred tax	22,000	13,000
Tax on profit	<u>144,723</u>	<u>115,763</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

NOTES TO THE 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 £
Profit before tax	<u>749,763</u>	<u>601,828</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	142,455	114,347
Effects of:		
Expenses not deductible for tax purposes	877	594
Other	<u>1,391</u>	<u>822</u>
Total tax charge	<u><u>144,723</u></u>	<u><u>115,763</u></u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2018	271,408	127,669	100,956	555,161	1,055,194
Additions	215,593	155,475	2,451	160,718	534,237
Disposals	-	(9,001)	-	(127,185)	(136,186)
At 31 December 2018	<u>487,001</u>	<u>274,143</u>	<u>103,407</u>	<u>588,694</u>	<u>1,453,245</u>
DEPRECIATION					
At 1 January 2018	72,789	108,350	79,920	294,693	555,752
Charge for year	4,894	17,908	5,283	86,891	114,976
Eliminated on disposal	-	(8,999)	-	(108,091)	(117,090)
At 31 December 2018	<u>77,683</u>	<u>117,259</u>	<u>85,203</u>	<u>273,493</u>	<u>553,638</u>
NET BOOK VALUE					
At 31 December 2018	<u>409,318</u>	<u>156,884</u>	<u>18,204</u>	<u>315,201</u>	<u>899,607</u>
At 31 December 2017	<u>198,619</u>	<u>19,319</u>	<u>21,036</u>	<u>260,468</u>	<u>499,442</u>

Included in freehold property is freehold land of approximately £350,000 (2017 - £135,000) which is not depreciated.

8. STOCKS

	2018 £	2017 £
Stocks	<u>8,167,464</u>	<u>4,608,259</u>

All stocks are expensed as cost of sales.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018**9. DEBTORS**

	2018 £	2017 £
Amounts falling due within one year:		
Trade debtors	519,251	410,878
Other debtors	191,893	309,193
Other taxes	420,295	139,561
Prepayments	21,597	20,085
	<u>1,153,036</u>	<u>879,717</u>
Amounts falling due after more than one year:		
Other debtors	<u>542,385</u>	<u>500,000</u>
Aggregate amounts	<u>1,695,421</u>	<u>1,379,717</u>

10. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2017 £
Hire purchase contracts (see note 12)	100,000	-
Trade creditors	1,767,866	335,866
Corporation tax	122,723	102,757
Social security and other taxes	59,379	48,211
Other creditors	30,621	8,006
Directors' current accounts	10,838	13,998
Accruals	396,876	272,488
	<u>2,488,303</u>	<u>781,326</u>

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

	2018 £	2017 £
Hire purchase contracts (see note 12)	<u>21,667</u>	<u>-</u>

12. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Net obligations repayable:		
Within one year	100,000	-
Between one and five years	21,667	-
	<u>121,667</u>	<u>-</u>

13. PROVISIONS FOR LIABILITIES

	2018 £	2017 £
Deferred tax	<u>66,000</u>	<u>44,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

13. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2018	44,000
Accelerated capital allowances	26,000
Other	(4,000)
Balance at 31 December 2018	<u>66,000</u>

The amount of net transfer from deferred tax expected to occur next year is £17,000 relating to existing timing differences on tangible fixed assets, etc.

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2018	2017
Number:	Class:		£	£
8,925	Ordinary £1	£1	<u>8,925</u>	<u>8,925</u>

Ordinary shares carry full voting rights and have no restrictions attached.

15. RESERVES

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2018	8,868,550	59,500	1,575	8,929,625
Profit for the year	<u>605,040</u>			<u>605,040</u>
At 31 December 2018	<u>9,473,590</u>	<u>59,500</u>	<u>1,575</u>	<u>9,534,665</u>

Retained earnings - retained earnings represents cumulative distributable profits.

Share premium - the share premium reserve is a non-distributable reserve created by the issue of shares for the amount in excess of the nominal value.

Capital redemption reserve - this is a non-distributable reserve.

16. RELATED PARTY DISCLOSURES

Key management personnel of the entity (in the aggregate)

	2018 £	2017 £
Amounts due to related parties	<u>10,838</u>	<u>13,999</u>

Other related parties

	2018 £	2017 £
Sales	166,503	96,982
Purchases	177,260	352,780
Amounts due from related parties	<u>719,665</u>	<u>762,613</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2018

17. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr J Startin by virtue of his majority shareholding.

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