151 Products Limited

Registered number: 02149608

Annual report and financial statements

For the year ended 31 December 2019

COMPANY INFORMATION

Directors	Mr R L Shonn Mr S M Shonn Mr D S Shonn Mr I P George Mrs A L Lewis Mrs J C Gayle
Company secretary	Steven Martin Shonn
Registered number	02149608
Registered office	The Old School House 39 Bengal Street Manchester M4 6AF
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor One St. Peter's Square Manchester M2 3DE

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STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Business review

The principal activity of the company continues to be that of wholesaling branded domestic products.

The company has seen a 16.2% growth in sales this year compared to 2018 and a gross margin of 25.5% compared to 27.4% in the previous year.

The directors continue to monitor the distribution and administration costs to ensure the company remains profitable.

The company retains a strong balance sheet with £12.4m in reserves at the year end. The company will continue to see future growth and sustained profitability levels in future years.

Principal risks and uncertainties

The business is impacted by the performance of the retail sector but, where risks can be identified, they have been addressed and actions taken where possible to control them.

The impact of Brexit remains uncertain however, the directors have reviewed potential risks and feel there are adequate plans in place to continue current levels of performance.

Fluctuations in currency affect the company's trading and any devaluation of Sterling poses a challenge to the business. The business reduces this risk by entering into forward contract currency deals.

Whilst risk and uncertainty in the market is still present, the directors feel that the company is well positioned to build on this year's results and will continue to trade well in future years.

Future Developments

The Company has a mixture of funding lines in place which are reviewed regularly to ensure there is sufficient headroom available to meet the working capital requirements of the business.

The Directors consider that the Company is well positioned to continue the current level of performance into the future.

COVID-19

COVID-19 has impacted all markets globally with the full impact on the UK & European retail sector remaining uncertain. The business continues to trade through these unprecedented times by offering essential household products at competitive prices. The Company has maintained the support of its stakeholders and banking relationships remain strong. The directors have performed a review of all funding lines available to ensure the correct facilities are in place and have taken advantage of government funding options where appropriate. The directors have reviewed potential risks and feel that there are sufficient plans in place to continue current levels of performance.

Directors' statement of compliance with duty to promote the success of the Company

The Companies (Miscellaneous Reporting) Regulations 2018, requires Directors to explain how they considered the interests of key stakeholders and the broader matters set out in section 172(1) (A) to (F) of the Companies Act 2006, when performing their duty to promote the success of the Company under S172. This S172 statement, which is being reported for the first time, explains how, during the financial year, group Directors:

- have engaged with employees, suppliers, customers & others
- have maintained the company's reputation for good business conduct
- have acted fairly for all shareholders whilst having regard to other stakeholders

A – The likely consequences of any decision in the long term

The Directors understand the business and environment in which we operate, including the challenges faced by the UK & European retail sector. The strategy set by the board is intended to strengthen our position as a wholesaler of high-quality domestic household products at competitive prices.
To achieve our strategic ambitions, the board have continued to develop relationships with suppliers and customers to communicate our strategy, ensuring our goals are understood and achievable.
The Directors recognise how our goals are viewed by our stakeholders and have taken decisions they believe best support strategic objectives.

B – The interests of the company's employees

The Directors recognise that its employees are core to the business and play a huge part in the delivery of our strategic goals. The success of our business depends on attracting and retaining employees and keeping them motivated. The Directors understand that we must be a responsible employee from pay and benefits to health and safety in the workplace.
The directors consider the implications of decisions on employees and the wider workforce where relevant and feasible.

C – The need to foster the company's business relationships with suppliers, customers and others

Delivering our strategy requires mutually beneficial relationships with suppliers & customers. The board continuously reviews and approves the approach to suppliers and assesses customer related priorities and with whom we do business with. The board communicates with the business on these matters by way of business updates.

D – The impact of the company's operations on the community and the environment

The Directors are aware of the growing importance of environmental sustainability & preservation. The board understand that we must act responsibly in this regard in our day to day business activities. The board will discuss any environmental issues with their senior management team as and when required.

E – The desirability of the company maintaining a reputation for high standards of business conduct

This aspect has always been inherent within the values & the strategic ambitions of the company. The Directors periodically review and approve the company frameworks such as employee handbook, Statements of Operating Procedures & Modern Slavery Statements. This is to ensure that high standards are maintained within the company and other business relationships. The board is informed of any key changes to relevant compliances and take these into consideration during the review process.

F – The need to act fairly as between members of the company

The Directors will make decisions in line with company strategy whilst taking into consideration the impact on stakeholders. In doing so they act fairly as between the members of the company.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

This report was approved by the board on 25/9/2020 and signed on its behalf.

Mr R L Shonn
Director

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,892,799 (2018: £1,246,455).

Dividends of £275,411 (2018: 149,400) were declared in the year.

Directors

The directors who served during the year were:

Mr R L Shonn
Mr S M Shonn
Mr D S Shonn
Mr I P George
Mrs A L Lewis
Mrs J C Gayle

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2019

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

The impact of uncertainties due to both the COVID-19 coronavirus and the United Kingdom exiting the European Union

COVID-19 has impacted all markets globally with the full impact on the UK & European retail sector remaining uncertain. The business continues to trade through these unprecedented times by offering essential household products at competitive prices. The company has maintained the support of its stakeholders and banking relationships remain strong. The directors have performed a review of all funding lines available to ensure the correct facilities are in place and have taken advantage of government funding options where appropriate. The directors have reviewed potential risks and feel that there are sufficient plans in place to continue current levels of performance.

The Directors continue to assess the potential implications if the United Kingdom withdraws from the European Union. Although there is an appreciation that there is a level of uncertainty associated, no significant direct implications are expected.

Auditor

The auditor, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 25|9|2020 and signed on its behalf.

Mr R L Shonn
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Opinion

We have audited the financial statements of 151 Products Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 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 Auditor's 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.

Emphasis of Matter - Impact of outbreak of COVID-19 on the financial statements

In forming our opinion on the company financial statements, which is not modified, we draw your attention to the directors' view on the impact of the COVID-19 as disclosed on page 5, and the consideration in the going concern basis of preparation on page 13 and non-adjusting post balance sheet events on page 30.

Since the balance sheet date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 has become significant and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

The full impact following the recent emergence of the COVID-19 is still unknown. It is therefore not currently possible to evaluate all the potential implications to the company's trade, customers, suppliers and the wider economy.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

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 included in the annual report, other than the financial statements and our auditor's report 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 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.

Matters on which we are required to report by exception

In 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 Directors' Report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 151 PRODUCTS LIMITED

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of the audit report

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

Neil Barton

Neil Barton (Senior statutory auditor)

for and on behalf of

Mazars LLP
Chartered Accountants and Statutory Auditor
One St. Peter's Square
Manchester
M2 3DE

Date: 30 September 2020

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019 £	2018 £
Turnover	4	43,891,802	37,787,894
Cost of sales		(32,707,157)	(27,449,772)
Gross profit		11,184,645	10,338,122
Distribution costs		(2,791,410)	(2,306,882)
Administrative expenses		(5,937,818)	(6,409,968)
Operating profit	5	2,455,417	1,621,272
Interest receivable and similar income	8	-	361
Interest payable and expenses	9	(101,261)	(116,447)
Profit before tax		2,354,156	1,505,186
Tax on profit	10	(461,357)	(258,731)
Profit for the financial year		1,892,799	1,246,455

There were no recognised gains and losses for 2019 or 2018 other than those included in the statement of ~~comprehensive income. All activities relate to continuing operations.~~

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 12 to 30 form part of these financial statements.

151 PRODUCTS LIMITED
REGISTERED NUMBER: 02149608

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note		2019 £		2018 £
Fixed assets					
Intangible assets	12		878,750		926,250
Tangible assets	13		3,327,473		3,516,422
Investments	14		81		81
			4,206,304		4,442,753
Current assets					
Stocks	15	5,490,691		5,255,028	
Debtors: amounts falling due within one year	16	9,042,045		8,554,027	
Cash at bank and in hand	17	1,099,767		956,331	
		15,632,503		14,765,386	
Creditors: amounts falling due within one year	18	(5,771,432)		(6,532,079)	
Net current assets			9,861,071		8,233,307
Total assets less current liabilities			14,067,375		12,676,060
Creditors: amounts falling due after more than one year	19		(1,672,412)		(1,884,079)
Provisions for liabilities					
Deferred tax	22	(24,177)		(38,583)	
			(24,177)		(38,583)
Net assets			12,370,786		10,753,398
Capital and reserves					
Called up share capital	24		1,000		1,000
Profit and loss account	25		12,369,786		10,752,398
			12,370,786		10,753,398

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/9/

Mr R L Shonn
Director

The notes on pages 12 to 30 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2018	1,000	9,655,343	9,656,343
Comprehensive income for the year			
Profit for the year	-	1,246,455	1,246,455
Total comprehensive income for the year	-	1,246,455	1,246,455
Dividends: Equity capital (Note 11)	-	(149,400)	(149,400)
Total transactions with owners	-	(149,400)	(149,400)
At 1 January 2019	1,000	10,752,398	10,753,398
Comprehensive income for the year			
Profit for the year	-	1,892,799	1,892,799
Total comprehensive income for the year	-	1,892,799	1,892,799
Dividends: Equity capital (Note 11)	-	(275,411)	(275,411)
Total transactions with owners	-	(275,411)	(275,411)
At 31 December 2019	1,000	12,369,786	12,370,786

The notes on pages 12 to 30 form part of these financial statements.

1. General information

151 Products Limited ('the Company') is a private limited company incorporated in England and Wales. The address of its registered office and principal place of business is:

The Old School House, 39 Bengal Street, Manchester, M4 6AF.

The principal activities of the Company is that of wholesaling branded domestic products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has adopted the triennial review of FRS 102 effective for periods commencing on or after 1 January 2019.

Information in repect of the differences from the previous accounting framework are detailed within note 31.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Eurostation Holdings Limited as at 31 December 2019 and these financial statements may be obtained from The Old School House, 39 Bengal Street, Manchester M4 6AF.

2. Accounting policies (continued)

2.3 *Going concern*

After considering the potential future impact of the withdrawal of the United Kingdom from the European and the COVID-19 pandemic, the directors consider that the Company has adequate resources to continue in operational existence for the foreseeable future. Forecasts produced by the company on a worst case scenario still demonstrate that the company is able to generate profits and not breach banking facilities. Accordingly the directors have continued to prepare the financial statements on the going concern basis.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.6 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2. Accounting policies (continued)

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Trademarks	-	20	years straight line

2. Accounting policies (continued)

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Plant and machinery	-	20% / 33%
Fixtures and fittings	-	33%
Equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Statement of Financial Position date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the

2. Accounting policies (continued)

2.18 Financial instruments (continued)

contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an 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.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amount of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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

The directors believe that the critical accounting policies where judgements or estimates are necessarily applied are stock provisions, bad debt provisions and the useful expected lives of property, plant and equipment, and trademarks.

4. Turnover

	2019 £	2018 £
Sale of goods	43,891,802	37,787,894

Analysis of turnover by country of destination:

	2019 £	2018 £
United Kingdom	38,217,633	32,559,324
Overseas	5,674,169	5,228,570
	43,891,802	37,787,894

5. Operating profit

The operating profit is stated after charging:

	2019 £	2018 £
Exchange differences	(380,520)	(1,323,446)
Fees payable to the Company's auditor for the audit of the Company's financial statements	13,800	13,500
Taxation compliance and other services	4,750	4,300
Depreciation	289,824	318,355
Amortisation	47,500	23,750
Operating lease expenditure	556,879	522,899
Employer's pension costs	143,632	105,460

6. Employees

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

	2019 £	2018 £
Wages and salaries	3,352,516	3,416,927
Social security costs	372,104	390,033
Cost of defined contribution pension scheme	143,632	105,460
	3,868,252	3,912,420

The average monthly number of employees, including the directors, during the year was as follows:

	2019 No.	2018 No.
Production staff	43	49
Administrative staff	60	63
	103	112

7. Directors' remuneration

	2019 £	2018 £
Directors' emoluments	480,322	284,001
Company contributions to defined contribution pension schemes	30,000	30,261
	510,322	314,262

During the year retirement benefits were accruing to 2 directors (2018: 4) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £170,274 (2018: £171,008).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £12,000 (2018: £12,000).

8. Interest receivable

	2019 £	2018 £
Other interest receivable	-	361

9. Interest payable and similar expenses

	2019 £	2018 £
Bank interest payable	42,772	53,579
Other loan interest payable	46,489	50,868
Finance leases and hire purchase contracts	12,000	12,000
	101,261	116,447

10. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	475,763	272,069
Adjustments in respect of previous periods	-	(17,653)
Total current tax	475,763	254,416
Deferred tax		
Origination and reversal of timing differences	(14,406)	6,385
Adjustments in respect of prior periods	-	(2,070)
Total deferred tax	(14,406)	4,315
Taxation on profit on ordinary activities	461,357	258,731

10. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2018 -lower than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	2,354,156	1,505,186
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	447,290	285,985
Effects of:		
Expenses not deductible for tax purposes	6,203	2,464
Fixed asset differences	11,383	15,895
Adjustments in respect of prior periods	-	(17,653)
Adjust deferred tax to average rate of 19% (2018 -19%)	1,694	(751)
Adjustments to historic deferred tax charge	-	(2,070)
Adjustment in respect of prior periods rounding	(1)	1
Group relief surrendered/(claimed)	(5,212)	(25,140)
Total tax charge for the year	461,357	258,731

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2020 on 17 March 2020. The rate applicable from 1 April 2020 now remains at 19%, rather than the previously enacted reduction to 17%. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and are reflected in these financial statements.

11. Dividends

	2019 £	2018 £
Dividends paid during the year	275,411	149,400

12. Intangible assets

	Trademarks £
Cost	
At 1 January 2019	950,000
At 31 December 2019	950,000
Amortisation	
At 1 January 2019	23,750
Charge for the year on owned assets	47,500
At 31 December 2019	71,250
Net book value	
At 31 December 2019	878,750
At 31 December 2018	926,250

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 January 2019	3,100,000	1,288,812	547,046	158,403	5,094,261
Additions	-	-	11,596	89,279	100,875
Disposals	-	(147,000)	-	-	(147,000)
At 31 December 2019	3,100,000	1,141,812	558,642	247,682	5,048,136
Depreciation					
At 1 January 2019	299,550	626,304	531,162	120,823	1,577,839
Charge for the year on owned assets	59,910	195,286	10,355	24,273	289,824
Disposals	-	(147,000)	-	-	(147,000)
At 31 December 2019	359,460	674,590	541,517	145,096	1,720,663
Net book value					
At 31 December 2019	2,740,540	467,222	17,125	102,586	3,327,473
At 31 December 2018	2,800,450	662,508	15,884	37,580	3,516,422

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £	2018 £
Plant and machinery	177,564	266,051

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2019	81
At 31 December 2019	81
Net book value	
At 31 December 2019	81
At 31 December 2018	81

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Swirl Consumer Products Limited	Ordinary	80%
Star Wipes Limited	Ordinary	100%

Both subsidiaries have their registered office at The Old School House, 39 Bengal Street, Manchester, M4 6AF.

15. Stocks

	2019 £	2018 £
Finished goods and goods for resale	5,490,691	5,255,028

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FOR THE YEAR ENDED 31 DECEMBER 2019

16. Debtors

	2019 £	2018 £
Trade debtors	5,629,320	4,831,130
Amounts owed from group undertakings	908,894	809,880
Amounts owed from related parties	1,306,891	1,226,003
Other debtors	476,532	613,459
Prepayments and accrued income	720,408	1,073,555
	9,042,045	8,554,027

17. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	1,099,767	956,331

18. Creditors: Amounts falling due within one year

	2019 £	2018 £
Bank loans	928,689	151,698
Invoice finance	1,241,434	2,225,725
Trade creditors	908,328	1,889,570
Amounts owed to group undertakings	74,021	93,111
Corporation tax	475,763	261,447
Other taxation and social security	489,132	477,291
Obligations under finance lease and hire purchase contracts	72,230	111,369
Other creditors	905,965	667,024
Accruals and deferred income	675,870	654,844
	5,771,432	6,532,079

The invoice finance balance is secured against certain trade debtor balances.

19. Creditors: Amounts falling due after more than one year

	2019 £	2018 £
Bank loans	1,528,645	1,668,083
Obligations under finance leases and hire purchase contracts	143,767	215,996
	1,672,412	1,884,079

Secured Loans

The company enters into a short term "import loan" agreements with the bank, whereby the funds borrowed are secured on the stock purchased.

Bank loans is a mortgage, repayable in equal installments until October 2029, with interest charged at 2.09% above HSBC Bank Plc base rate. The mortgage is secured by way of a debenture comprising a fixed and floating charge over the freehold property. An amount of £873,008 (2018: £1,042,696) is due after more than 5 years.

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	72,230	111,369
Between 1-5 years	143,767	215,996
	215,997	327,365

21. Financial instruments

	2019 £	2018 £
Financial assets		
Financial assets measured at fair value through profit or loss	1,099,767	956,331
Financial assets measured at amortised cost	8,321,637	7,480,472
	9,421,404	8,436,803
Financial liabilities		
Financial liabilities measured at amortised cost	(6,478,949)	(7,677,420)

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

Financial assets measured at amortised cost comprise of trade debtors, amounts due from group undertakings, other debtors, and amounts owed from related parties.

Financial liabilities measured at amortised cost comprise of trade and other creditors, amounts owed to group undertakings, bank loans, invoice finance, accruals and obligations under finance lease and hire purchase contracts.

22. Deferred taxation

	2019 £	2018 £
At beginning of year	(38,583)	(34,268)
Charged to profit or loss	14,406	(4,315)
At end of year	(24,177)	(38,583)

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	(29,936)	(40,916)
Disallowable provisions	5,759	2,333
	(24,177)	(38,583)

23. Employee benefits

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. Employer pension contributions during the period totalled £143,632 (2018: £105,460). Contributions totalling £Nil (2018 - £nil) were payable to the fund at the balance sheet date.

24. Share capital

	2019	2018
	£	£
Authorised, allotted, called up and fully paid		
1,000 (2018 -1,000) Ordinary shares shares of £1.00 each	1,000	1,000

25. Reserves

Profit and loss account

This reserve records retained earnings and accumulated losses.

26. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019	2018
	£	£
Not later than 1 year	229,025	307,435
Later than 1 year and not later than 5 years	396,524	419,020
	625,549	726,455

27. Contingencies

The company has given an unlimited cross company guarantee in favour of a related company Shonn Brothers (Manchester) Limited to HSBC Bank plc, for all overdrawn balances.

A composite company multilateral guarantee dated 3 December 2015 is also now held by HSBC Bank Plc.

Also the company has given a guarantee in favour of HM Revenue and Customs for £130,000 (2018: £130,000).

28. Related party transactions

The Company has taken advantage of the exemption permitted by Section 33 Related Party Disclosures, not to provide disclosures of transactions entered into with other wholly-owed members of the group.

Purchases from Swirl Consumer Products Limited during the year amounted to £1,555,605 (2018: £667,518) and sales to Swirl Consumer Products Limited amounted to £846,770 (2018: £568,993). Swirl Consumer Products Limited owes the company £521,854 (2018: £465,672) at the balance sheet date, and this is included within amounts due from group undertakings due within one year. Swirl Consumer Products Limited is a related party by virtue of being an 80% subsidiary.

Purchases from Doff Portland Limited during the year amounted to £1,429,435 (2018: £1,253,364) and sales to Doff Portland Limited amounted to £1,136,729 (2018: £1,540,082). Doff Portland Limited owes the company £Nil (2018: £310,719) at the balance sheet date, and this is included within other debtors due within one year. Doff Portland Limited is a related party by virtue of common directorship (R L Shonn).

Purchases from Propeller Investments LLP amounted to £108,000 (2018: £122,432). Propeller Investments LLP owes the company £36,000 (2018: £94,681) at the balance sheet date, and this is included within other debtors due within one year. Propeller Investments LLP is a related party by virtue of common directorship (R L Shonn and S M Shonn).

Purchases from Shonn Brothers (Manchester) Limited amount to £6,592 (2018: £30,167) and sales to Shonn Brothers (Manchester) Limited amounted to £882,725 (2018: £969,618). At the balance sheet date Shonn Brothers (Manchester) Limited owed the company £23,393 (2018: £645,547). This is included within other debtors due within one year. At the balance sheet date Shonn Brothers (Manchester) Limited were due £31 (2018: £106). This is included within other creditors due within one year. Shonn Brothers (Manchester) Limited is a related party by virtue of common directorship (all directors).

Purchases during the year from B7 Ventures Limited amounted to £271,873 (2018: £244,150). At the balance sheet date B7 Ventures Limited is owed £45,312 (2018: £45,313). B7 Ventures Limited is a related party by virtue of common directorship (R L Shonn).

At the balance sheet date D P Brandco Limited owes £Nil (2018: £100,420). D P Brandco Limited is a related party by virtue of common directorship (R L Shonn and I P George).

At the balance sheet date Chorio Limited is owed £713 (2018: £713). Chorio Limited is a related party by virtue of common directorship (D S Shonn).

At the balance sheet date Saxwood Limited is owed £713 (2018: £713). Saxwood Limited is a related party by virtue of common directorship (R L Shonn).

All loans to and from related parties are unsecured and repayable on demand.

Key management personnel are deemed to be the directors.

The company has an unlimited cross company guarantee with a related party dated 21 November 2002.

29. Post balance sheet events

Since the statement of financial position date there has been a global pandemic from the outbreak of COVID-19. The potential impact of COVID-19 has become significant and is causing widespread disruption to normal patterns of business activity across the world, including the UK.

30. Controlling party

The immediate parent company is Eurostation Limited, company number 4307712. The ultimate parent company is Eurostation Holdings Limited, company number 11574848. Both the immediate and ultimate parent companies are registered in England and Wales and copies of the financial statements are available from The Old School House, 39 Bengal Street, Manchester, M4 6AF.

31. Adoption of the triennial review of FRS 102

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.