

151 Products Limited

Registered number: 02149608

Annual report and financial statements

For the year ended 31 December 2018

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151 PRODUCTS LIMITED

COMPANY INFORMATION

Directors	Mr R L Shonn Mr S M Shonn Mr D S Shonn Mr I P George Mrs A L Lewis (appointed 21 December 2018) Mrs J C Gayle (appointed 21 December 2018)
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

151 PRODUCTS LIMITED

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151 PRODUCTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

Business review

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

The company has seen a 3% growth in sales this year compared to 2017 and an improved gross margin of 27.4% compared to 24.1% in the previous year.

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

The company has a strong balance sheet with £10.8m in reserves at the year end. The company will continue to see future growth & 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 on the UK and European retail sector remains uncertain. The directors have reviewed the potential risks of Brexit to the business and feel there are sufficient plans in place to continue the current levels of performance.

Currency fluctuations can affect the company's trading and the devaluation of Sterling throughout the Brexit process poses a challenge to the business.

The business reduces the impact of this uncertainty by entering into forward contract currency deals.

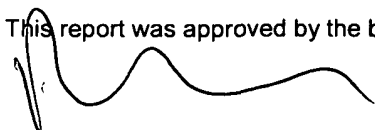
Whilst risk and uncertainty in the market is still present, the directors feel that the company is well positioned to build on this year's results and continue to trade well in future years.

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.

This report was approved by the board on



Mr R L Shonn
Director

29 May 2019

and signed on its behalf.

151 PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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;
- 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 £1,246,455 (2017 - £902,720).

Dividends of £149,400 (2017: 429,600) 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 (appointed 21 December 2018)
Mrs J C Gayle (appointed 21 December 2018)

151 PRODUCTS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

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.

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 29 May 2019 and signed on its behalf.



Mr R L Shonn
Director

151 PRODUCTS LIMITED

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 2018 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 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 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.

The impact of uncertainties due to Britain exiting the European Union on our audit

The Directors' view on the impact of Brexit is disclosed on page 1.

The terms on which the United Kingdom may withdraw from the European Union are not clear, and it is therefore not currently possible to evaluate all the potential implications to the Company's trade, customers, suppliers and the wider economy.

We considered the impact of Brexit on the Company as part of our audit procedures, applying a standard firm wide approach in response to the uncertainty associated with the Company's future prospects and performance.

However, no audit should be expected to predict the unknowable factors or all possible implications for the Company and this is particularly the case in relation to Brexit.

151 PRODUCTS LIMITED

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.

151 PRODUCTS LIMITED

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 2, 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 (Senior statutory auditor)

for and on behalf of

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

Date: 29 May 2019

151 PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover	4	37,787,894	36,721,130
Cost of sales		(27,449,772)	(27,874,863)
Gross profit		<u>10,338,122</u>	<u>8,846,267</u>
Distribution costs		(2,306,882)	(2,085,627)
Administrative expenses		(6,409,968)	(5,651,915)
Operating profit	5	<u>1,621,272</u>	<u>1,108,725</u>
Interest receivable and similar income	8	361	3,213
Interest payable and expenses	9	(116,447)	(101,449)
Profit before tax		<u>1,505,186</u>	<u>1,010,489</u>
Tax on profit	10	(258,731)	(107,769)
Profit for the financial year		<u><u>1,246,455</u></u>	<u><u>902,720</u></u>

There were no recognised gains and losses for 2018 or 2017 other than those included in the statement of comprehensive income. All activities relate to continuing operations.

There was no other comprehensive income for 2018 (2017:£NIL).

The notes on pages 10 to 30 form part of these financial statements.

151 PRODUCTS LIMITED
REGISTERED NUMBER: 02149608

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Intangible assets	12	926,250	-
Tangible assets	13	3,516,422	3,451,188
Investments	14	81	80
		<u>4,442,753</u>	<u>3,451,268</u>
Current assets			
Stocks	15	5,255,028	4,165,856
Debtors: amounts falling due within one year	16	8,554,027	8,658,689
Cash at bank and in hand	17	956,331	1,040,268
		<u>14,765,386</u>	<u>13,864,813</u>
Creditors: amounts falling due within one year	18	(6,532,079)	(5,768,662)
Net current assets		<u>8,233,307</u>	<u>8,096,151</u>
Total assets less current liabilities		<u>12,676,060</u>	<u>11,547,419</u>
Creditors: amounts falling due after more than one year	19	(1,884,079)	(1,856,808)
Provisions for liabilities			
Deferred tax	22	(38,583)	(34,268)
		<u>(38,583)</u>	<u>(34,268)</u>
Net assets		<u><u>10,753,398</u></u>	<u><u>9,656,343</u></u>
Capital and reserves			
Called up share capital	24	1,000	1,000
Profit and loss account	25	10,752,398	9,655,343
		<u><u>10,753,398</u></u>	<u><u>9,656,343</u></u>

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


Mr R L Shonn
 Director

29 May 2019

The notes on pages 10 to 30 form part of these financial statements.

151 PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2017	1,000	9,182,223	9,183,223
Comprehensive income for the year			
Profit for the year	-	902,720	902,720
Dividends: Equity capital (Note 11)	-	(429,600)	(429,600)
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
Dividends: Equity capital (Note 11)	-	(149,400)	(149,400)
At 31 December 2018	1,000	10,752,398	10,753,398

The notes on pages 10 to 30 form part of these financial statements.

151 PRODUCTS LIMITED

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

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 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 Comparative information

Creditors: amount falling due within one year as at 31 December 2017 incorrectly included debtor balances totalling £228,126. These balances have been reclassified from other creditors to prepayments. There is no impact on net assets or any other balance.

2.3 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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 Limited as at 31 December 2018 and these financial statements may be obtained from The Old School House, 39 Bengal Street, Manchester M4 6AF.

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.4 Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the company to continue as a going concern.

Accordingly the directors have a reasonable expectation that the company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.6 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.

2.7 Interest income

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

2.8 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.

2.9 Borrowing costs

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

2.10 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.

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.11 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.

2.12 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
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2.13 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.

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.13 Tangible fixed assets (continued)

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.

2.14 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.

2.15 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.

2.16 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.

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.17 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.

2.18 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.

2.19 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.

2.20 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 non-puttable 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 financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

151 PRODUCTS LIMITED

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

2. Accounting policies (continued)

2.20 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.

2.21 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.

151 PRODUCTS LIMITED

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

4. Turnover

	2018	2017
	£	£
Sale of goods	37,787,894	36,721,130
	<u>37,787,894</u>	<u>36,721,130</u>

Analysis of turnover by country of destination:

	2018	2017
	£	£
United Kingdom	32,559,324	32,704,775
Overseas	5,228,570	4,016,355
	<u>37,787,894</u>	<u>36,721,130</u>

5. Operating profit

The operating profit is stated after charging:

	2018	2017
	£	£
Depreciation of tangible fixed assets	318,355	181,190
Amortisation of intangible assets	23,750	-
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	13,500	13,500
- Taxation compliance and other services	4,300	4,300
Exchange gains	(1,323,446)	(218,110)
Operating lease rentals	522,899	506,372
Defined contribution pension cost	<u>105,460</u>	<u>124,694</u>

151 PRODUCTS LIMITED

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

6. Employees

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

	2018	2017
	£	£
Wages and salaries	3,416,927	3,340,390
Social security costs	390,033	346,572
Cost of defined contribution pension scheme	105,460	124,694
	<u>3,912,420</u>	<u>3,811,656</u>

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

	2018	2017
	No.	No.
Production staff	49	49
Administrative staff	63	62
	<u>112</u>	<u>111</u>

7. Directors' remuneration

	2018	2017
	£	£
Directors' emoluments	284,001	323,408
Company contributions to defined contribution pension schemes	30,261	51,000
	<u>314,262</u>	<u>374,408</u>

During the year retirement benefits were accruing to 4 directors (2017 - 3) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £171,008 (2017 - £160,966).

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 (2017 - £12,000).

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

8. Interest receivable

	2018 £	2017 £
Other interest receivable	361	3,213
	<u>361</u>	<u>3,213</u>

9. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	53,579	48,095
Other loan interest payable	50,868	48,155
Finance leases and hire purchase contracts	12,000	5,199
	<u>116,447</u>	<u>101,449</u>

10. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	272,069	188,478
Adjustments in respect of previous periods	(17,653)	(665)
Total current tax	<u>254,416</u>	<u>187,813</u>
Deferred tax		
Origination and reversal of timing differences	6,385	(80,044)
Adjustments in respect of prior periods	(2,070)	-
Total deferred tax	<u>4,315</u>	<u>(80,044)</u>
Taxation on profit on ordinary activities	<u>258,731</u>	<u>107,769</u>

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

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	1,505,186	1,010,489
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	285,985	194,519
Effects of:		
Expenses not deductible for tax purposes	2,464	11,479
Capital allowances for year in excess of depreciation	15,895	11,454
Adjustments in respect of prior periods	(17,653)	(665)
Adjust deferred tax to average rate of 19% (2017 -19.25%)	(751)	(3,343)
Adjustments to historic deferred tax charge	(2,070)	(105,336)
Adjustment in respect of prior periods rounding	1	-
Group relief surrendered/(claimed)	(25,140)	(339)
Total tax charge for the year	258,731	107,769

Factors that may affect future tax charges

A reduction in the UK corporation tax rate to 17% from 1 April 2020, was enacted in September 2016.

11. Dividends

	2018 £	2017 £
Dividends paid during the year	149,400	429,600
	149,400	429,600

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

12. Intangible assets

	Trademarks £
Cost	
Additions	950,000
At 31 December 2018	<u>950,000</u>
Amortisation	
Charge for the year	23,750
At 31 December 2018	<u>23,750</u>
Net book value	
At 31 December 2018	<u><u>926,250</u></u>
At 31 December 2017	<u><u>-</u></u>

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

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Equipment £	Total £
Cost					
At 1 January 2018	3,100,000	929,323	529,335	152,014	4,710,672
Additions	-	359,489	17,711	6,389	383,589
At 31 December 2018	<u>3,100,000</u>	<u>1,288,812</u>	<u>547,046</u>	<u>158,403</u>	<u>5,094,261</u>
Depreciation					
At 1 January 2018	239,640	430,294	497,820	91,730	1,259,484
Charge for the year	59,910	196,010	33,342	29,093	318,355
At 31 December 2018	<u>299,550</u>	<u>626,304</u>	<u>531,162</u>	<u>120,823</u>	<u>1,577,839</u>
Net book value					
At 31 December 2018	<u><u>2,800,450</u></u>	<u><u>662,508</u></u>	<u><u>15,884</u></u>	<u><u>37,580</u></u>	<u><u>3,516,422</u></u>
At 31 December 2017	<u><u>2,860,360</u></u>	<u><u>499,029</u></u>	<u><u>31,515</u></u>	<u><u>60,284</u></u>	<u><u>3,451,188</u></u>

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

	2018 £	2017 £
Plant and machinery	29,300	68,350
	<u><u>29,300</u></u>	<u><u>68,350</u></u>

151 PRODUCTS LIMITED

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

14. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018	80
Additions	1
At 31 December 2018	<u>81</u>

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%

The aggregate of the share capital and reserves as at 31 December 2018 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
Swirl Consumer Products Limited	690,088	390,527
Star Wipes Limited	(186,180)	(186,181)

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

15. Stocks

	2018 £	2017 £
Finished goods and goods for resale	5,255,028	4,165,856
	<u>5,255,028</u>	<u>4,165,856</u>

Stock recognised in cost of sales during the year as an expense was £26,654,329 (2017 - £25,779,724) .

16. Debtors

	2018 £	2017 £
Trade debtors	4,831,130	4,891,720
Amounts owed from group undertakings	809,880	478,576
Other debtors	1,839,462	2,795,984
Prepayments and accrued income	1,073,555	492,409
	<u>8,554,027</u>	<u>8,658,689</u>

17. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	956,331	1,040,268
	<u>956,331</u>	<u>1,040,268</u>

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FOR THE YEAR ENDED 31 DECEMBER 2018**

18. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Bank loans	151,698	148,392
Invoice finance	2,225,725	2,036,814
Trade creditors	1,889,570	1,059,745
Amounts owed to group undertakings	93,111	258,863
Corporation tax	261,447	187,813
Other taxation and social security	477,291	578,565
Obligations under finance lease and hire purchase contracts	111,369	60,816
Other creditors	667,024	824,040
Accruals and deferred income	654,844	613,614
	<u>6,532,079</u>	<u>5,768,662</u>

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

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

	2018	2017
	£	£
Bank loans	1,668,083	1,811,224
Obligations under finance leases and hire purchase contracts	215,996	45,584
	<u>1,884,079</u>	<u>1,856,808</u>

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 £1,042,696 (2017: £1,184,023) is due after more than 5 years.

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

20. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	111,369	60,816
Between 1-5 years	215,996	45,584
	<u>327,365</u>	<u>106,400</u>

21. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	956,331	1,040,268
Financial assets measured at amortised cost	7,480,472	8,166,280
	<u>8,436,803</u>	<u>9,206,548</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,355,552)</u>	<u>5,421,438</u>

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 and other debtors.

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

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

22. Deferred taxation

	2018 £	2017 £
At beginning of year	(34,268)	(114,312)
Charged to profit or loss	(4,315)	80,044
At end of year	(38,583)	(34,268)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(40,916)	(35,430)
Disallowable provisions	2,333	1,162
	(38,583)	(34,268)

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 £105,460 (2017: £124,694). Contributions totalling £nil (2017 - £nil) were payable to the fund at the balance sheet date.

24. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
1,000 (2017 - 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.

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

26. Commitments under operating leases

At 31 December 2018 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	307,435	310,538
Later than 1 year and not later than 5 years	419,020	295,569
Later than 5 years	-	88,804
	<u>726,455</u>	<u>694,911</u>

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 (2017: £130,000).

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

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-owned members of the group.

Purchases from Swirl Consumer Products Limited during the year amounted to £667,518 (2017: £222,677) and sales to Swirl Consumer Products Limited amounted to £568,993 (2017: £550,159). Swirl Consumer Products Limited owes the company £465,672 (2017: £478,576) 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 £1,253,364 (2017: £1,624,725) and sales to Doff Portland Limited amounted to £1,540,082 (2017: £943,345). Doff Portland Limited owes the company £310,719 (2017: £597,344) 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 £122,432 (2017: £122,432). Propeller Investments LLP owes the company £94,681 (2017: £93,731) 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 £30,167 (2017: £NIL) and sales to Shonn Brothers (Manchester) Limited amounted to £969,618 (2017: £NIL). At the balance sheet date Shonn Brothers (Manchester) Limited owed the company £645,547 (2017: £629,727). This is included within other debtors due within one year. At the balance sheet date Shonn Brothers (Manchester) Limited were due £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 £244,150 (2017: £NIL). At the balance sheet date B7 Ventures Limited is owed £45,313 (2017: £NIL). 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 £100,420 (2017: £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 (2017: £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 (2017: £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.

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

29. 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.