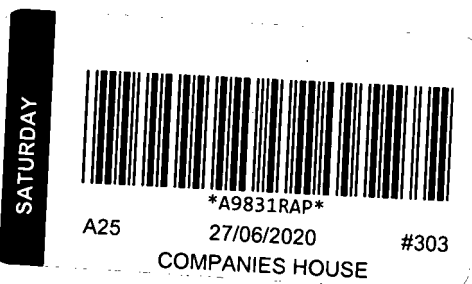


Company Registration No. 03009015 (England and Wales)

WESTLEY RICHARDS (HOLDINGS) LIMITED

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2019



**WESTLEY RICHARDS (HOLDINGS) LIMITED**

**COMPANY INFORMATION**

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**DIRECTORS** H E Sheikh S B J Al Thani  
A N Clode

**SECRETARY** T Zjalic

**COMPANY NUMBER** 03009015

**REGISTERED OFFICE** 130 Pritchett Street  
Birmingham  
B6 4EH

**AUDITOR** JW Hinks LLP  
Chartered Accountants and Registered Auditor  
19 Highfield Road  
Edgbaston  
Birmingham  
B15 3BH

**BANKERS** Lloyds Bank Plc  
142 Edgbaston Park Road  
Birmingham  
West Midlands  
B15 2TY

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# **WESTLEY RICHARDS (HOLDINGS) LIMITED**

## **CONTENTS**

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	<b>PAGE</b>
<b>Strategic report</b>	<b>1</b>
<b>Directors' report</b>	<b>2 – 3</b>
<b>Directors' responsibilities statement</b>	<b>4</b>
<b>Independent auditor's report</b>	<b>5 – 7</b>
<b>Group statement of comprehensive income</b>	<b>8</b>
<b>Group balance sheet</b>	<b>9 – 10</b>
<b>Company balance sheet</b>	<b>11 – 12</b>
<b>Group statement of changes in equity</b>	<b>13</b>
<b>Company statement of changes in equity</b>	<b>14</b>
<b>Group statement of cash flows</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16 – 39</b>

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The directors present the strategic report for the year ended 30 September 2019.

#### FAIR REVIEW OF THE BUSINESS

We aim to present a balanced and comprehensive review of the development and performance of our business during the year and its position at the year end.

Our review is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

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

Turnover and gross margin of the company were as follows:

	2019	2018
	£	£
Turnover	8,537,978	7,787,998
Gross profit	1,869,417	1,696,988
	(21.90%)	(21.75%)

#### Trading performance in 2019

This year saw the most successful year on record for revenue, mainly due to customer confidence in us and our products.

#### Business Environment in 2020

At the present time during the Coronavirus pandemic, there are many unknown variables which makes forecasting the future results and impact on the group very difficult. The directors recognise that the current situation is uncertain, but they have considered the position of the group both at present and for the next 12 months given the current information available.

The group has a strong balance sheet and forecasts have been prepared and reviewed for the next 12 months, these consider trading and cashflow impacts of possible implications from the current situation. We are in regular communication with our customers to understand their position and this information has been used in preparing and reviewing the forecasts.

The objective of the group is to continue trading while monitoring and adapting to the impact of the Coronavirus pandemic.

#### PRINCIPAL RISKS AND UNCERTAINTIES

The group operates in the firearms industry, with the principal risk being legislation changes restricting shooting, or making it difficult to transport firearms. The risk of the retail business is that of a general economic downturn in the world. Within the engineering business the principal risk is the loss of a major customer, or that of a general economic downturn in the world.

By order of the board



T Zjalic – Secretary

23 June 2020

WESTLEY RICHARDS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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The directors present their annual report and financial statements for the year ended 30 September 2019.

PRINCIPAL ACTIVITIES

The principal activity of the company and group continued to be that of the manufacture and repair of firearms, manufacture of components for aerospace, automotive and other industries. Retail of used guns, clothing and accessories related to the shooting industry.

DIRECTORS

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

H E Sheikh S B J Al Thani  
A N Clode

RESULTS AND DIVIDENDS

The results for the year are set out on page 8.

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

DIRECTORS' INDEMNITY

The company's Articles of Association provide, subject to the provisions of UK legislation, an indemnity for directors and officers of the company in respect of liabilities they may incur in the discharge of their duties or in the exercise of their powers, including any liabilities relating to the defence of any proceedings brought against them which relate to anything done or omitted, or alleged to have been done or omitted, by them as officers or employees of the company.

Appropriate directors' and officers liability insurance cover is in place in respect of all of the company's directors.

FINANCIAL INSTRUMENTS

The group has various financial instruments. These include loans, cash, and various items, such as trade debtors and trade creditors that arise directly from its operations. Their existence exposes the group to a number of financial risks which are described in more detail below:

Liquidity risk

The group has no abnormal exposure to price, credit, cashflow and liquidity risks arising from its trading activities.

The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. The objective is to ensure a mix of funding methods offering flexibility and cost effectiveness to match the needs of the group. Short-term flexibility is achieved by overdraft facilities. Longer term borrowing is achieved by utilising finance leases and bank loans when considered appropriate.

Interest rate risk

The group finances its operations through a mixture of bank borrowings and finance leases. The group's policy is to arrange bank overdrafts and loans with a floating rate of interest and to arrange finance leases with a fixed interest rate.

WESTLEY RICHARDS (HOLDINGS) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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Foreign currency risk

The group is exposed to foreign exchange risk. Transaction exposures, including those associated with forecast transactions, are assessed and hedging is considered where the risks facing the group are outside acceptable limits. Foreign exchange differences on retranslation of these assets and liabilities are taken to the profit and loss account.

Credit risk

The principal credit risk arises from trade debtors.

In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed by the credit controllers on a regular basis in conjunction with debt ageing and collection history.

AUDITOR

JW Hinks LLP were appointed as auditor to the group and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

STATEMENT OF DISCLOSURE TO AUDITOR

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

By order of the board



T Zjalic

SECRETARY

23 June 2020

WESTLEY RICHARDS (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2019

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 group and company will continue in business.

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

WESTLEY RICHARDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WESTLEY RICHARDS (HOLDINGS) LIMITED

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OPINION

We have audited the financial statements of Westley Richards (Holdings) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 30 September 2019 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows 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 group's and the parent company's affairs as at 30 September 2019 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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.

CONCLUSIONS RELATING TO GOING CONCERN

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

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent 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 our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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

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

#### RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement, 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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

#### 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

WESTLEY RICHARDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTLEY RICHARDS (HOLDINGS) LIMITED

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MARCUS ROSE FCA CTA (SENIOR STATUTORY AUDITOR)  
FOR AND ON BEHALF OF JW HINKS LLP

CHARTERED ACCOUNTANTS

STATUTORY AUDITOR

19 Highfield Road

Edgbaston

Birmingham

B15 3BH

23 June 2020

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
TURNOVER	3	8,537,978	7,878,998
Cost of sales		(6,668,561)	(6,165,362)
GROSS PROFIT		1,869,417	1,713,636
Administrative expenses		(1,482,194)	(1,529,670)
OPERATING PROFIT	4	387,223	183,966
Interest receivable and similar income	8	309	26
Interest payable and similar expenses	9	(47,701)	(53,160)
PROFIT BEFORE TAXATION		339,831	130,832
Tax on profit	10	(75,529)	(32,522)
PROFIT FOR THE FINANCIAL YEAR		264,302	98,310
OTHER COMPREHENSIVE INCOME			
Currency translation differences		-	16,019
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		264,302	114,329

Profit for the financial year is all attributable to the owners of the parent company.

Total comprehensive income for the year is all attributable to the owners of the parent company.

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

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Goodwill	11	516,729	599,150
Other intangible assets	11	-	2,559
<b>Total intangible assets</b>		<b>516,729</b>	<b>601,709</b>
Tangible assets	12	4,196,421	4,223,203
		<b>4,713,150</b>	<b>4,824,912</b>
<b>CURRENT ASSETS</b>			
Stocks	17	1,731,428	1,573,639
Debtors	18	1,339,372	1,632,792
Cash at bank and in hand		322,299	187,696
		<b>3,393,099</b>	<b>3,394,127</b>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	19	<b>(3,076,821)</b>	<b>(3,303,640)</b>
<b>NET CURRENT ASSETS</b>		<b>316,278</b>	<b>90,487</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>5,029,428</b>	<b>4,915,399</b>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	20	<b>(1,156,107)</b>	<b>(1,311,526)</b>
<b>PROVISIONS FOR LIABILITIES</b>	23	<b>(92,800)</b>	<b>(62,000)</b>
<b>NET ASSETS</b>		<b>3,780,521</b>	<b>3,541,873</b>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	250	250
Share premium account		1,149,850	1,149,850
Revaluation reserve		2,032,610	2,044,964
Profit and loss reserves		597,811	346,809
<b>TOTAL EQUITY</b>		<b>3,780,521</b>	<b>3,541,873</b>

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2019

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The financial statements were approved by the board of directors and authorised for issue on 23 June 2020 and are signed on its behalf by:

A handwritten signature in black ink, appearing to read 'AN Clode', with a long horizontal stroke extending to the right.

Mr A N Clode  
DIRECTOR

WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>FIXED ASSETS</b>			
Investment properties	13	3,553,000	3,553,000
Investments	14	1,058,741	1,058,741
		<u>4,611,741</u>	<u>4,611,741</u>
<b>CURRENT ASSETS</b>			
Debtors	18	1,703,815	1,522,756
Cash at bank and in hand		78,420	45,116
		<u>1,782,235</u>	<u>1,567,872</u>
<b>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	19	(590,416)	(492,370)
<b>NET CURRENT ASSETS</b>		<u>1,191,819</u>	<u>1,075,502</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>5,803,560</u>	<u>5,687,243</u>
<b>CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	20	(496,436)	(518,350)
<b>NET ASSETS</b>		<u><u>5,307,124</u></u>	<u><u>5,168,893</u></u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	26	250	250
Share premium account		1,149,850	1,149,850
Revaluation reserve		2,094,386	2,094,386
Profit and loss reserves		2,062,638	1,924,407
<b>TOTAL EQUITY</b>		<u><u>5,307,124</u></u>	<u><u>5,168,893</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £138,230 (2018 – £181,309 profit).

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2019

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The financial statements were approved by the board of directors and authorised for issue on 23 June 2020 and are signed on its behalf by:



Mr A N Clode  
DIRECTOR

COMPANY REGISTRATION NO. 03009015

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
BALANCE AT 1 OCTOBER 2017	250	1,149,850	2,057,318	222,194	3,429,612
YEAR ENDED 30 SEPTEMBER 2018:					
Profit for the year	-	-	-	98,310	98,310
Other comprehensive income:				16,019	16,019
Currency translation differences	-	-	-	(2,068)	(2,068)
Total comprehensive income for the year	-	-	-	112,261	112,261
Transfer of depreciation on revaluation	-	-	(12,354)	12,354	-
BALANCE AT 30 SEPTEMBER 2018	250	1,149,850	2,044,964	346,809	3,541,873
YEAR ENDED 30 SEPTEMBER 2019:					
Profit for the year	-	-	-	264,302	264,302
Other comprehensive income:	-	-	-	-	-
Currency translation differences	-	-	-	(25,654)	(25,654)
Total comprehensive income for the year	-	-	-	238,648	264,302
Transfer of depreciation on revaluation	-	-	(12,354)	12,354	-
BALANCE AT 30 SEPTEMBER 2019	250	1,149,850	2,032,610	597,811	3,780,521



WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Share capital	Share premium account	Revaluation reserve	Profit and loss reserves	Total
	£	£	£	£	£
BALANCE AT 1 OCTOBER 2017	250	1,149,850	2,094,386	1,743,099	4,987,585
YEAR ENDED 30 SEPTEMBER 2018:					
Profit and total comprehensive income for the year	-	-	-	181,308	181,308
BALANCE AT 30 SEPTEMBER 2018	250	1,149,850	2,094,386	1,924,407	5,168,893
YEAR ENDED 30 SEPTEMBER 2019:					
Profit and total comprehensive income for the year	-	-	-	138,231	138,231
BALANCE AT 30 SEPTEMBER 2019	250	1,149,850	2,094,386	2,062,638	5,307,124

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2019

	Notes	2019 £	2018 £
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash generated from operations	32	649,172	483,274
Interest paid		(47,701)	(53,160)
Income taxes refunded		11,170	39,445
<b>NET CASH INFLOW FROM OPERATING ACTIVITIES</b>		<b>612,641</b>	<b>469,559</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible fixed assets		(256,813)	(204,340)
Proceeds on disposal of tangible fixed assets		6,111	1,500
Interest received		309	26
<b>NET CASH USED IN INVESTING ACTIVITIES</b>		<b>(250,393)</b>	<b>(202,814)</b>
<b>FINANCING ACTIVITIES</b>			
Repayment of bank loans		(160,472)	(217,510)
New finance lease arrangement		91,842	151,046
Payment of finance leases obligations		(65,620)	(195,928)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>		<b>(134,250)</b>	<b>(262,392)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>227,998</b>	<b>4,353</b>
Cash and cash equivalents at beginning of year		(34,142)	(38,495)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		<b>193,856</b>	<b>(34,142)</b>
<b>RELATING TO:</b>			
Cash at bank and in hand		322,299	187,696
Bank overdrafts included in creditors payable within one year		(128,443)	(221,838)

1 ACCOUNTING POLICIES

COMPANY INFORMATION

Westley Richards (Holdings) Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 130 Pritchett Street, Birmingham, West Midlands, B6 4EH.

The group consists of Westley Richards (Holdings) Limited and all of its subsidiaries.

1.1 ACCOUNTING CONVENTION

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

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

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 BASIS OF CONSOLIDATION

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination accounted for using the purchase method and the amounts that can be deducted or assessed for tax, considering the manner in which the carrying amount of the asset or liability is expected to be recovered or settled. The deferred tax recognised is adjusted against goodwill or negative goodwill.

The consolidated financial statements incorporate those of Westley Richards (Holdings) Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 30 September 2019. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1 ACCOUNTING POLICIES

(Continued)

Subsidiaries have been included in the group financial statements using the purchase method of accounting. Accordingly, the group profit and loss account and statement of cash flows include the results and cash flows of all subsidiaries for the year under review.

Entities other than subsidiary undertakings or joint ventures, in which the group has a participating interest and over whose operating and financial policies the group exercises a significant influence, are treated as associates. In the group financial statements, associates are accounted for using the equity method.

Entities in which the group holds an interest and which are jointly controlled by the group and one or more other venturers under a contractual arrangement are treated as joint ventures. In the group financial statements, joint ventures are accounted for using the equity method.

1.3 GOING CONCERN

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the group being able to continue to operate and come to terms with the impact of the 2020 COVID-19 pandemic.

At the present time there are many unknown variables which makes forecasting the future results and impact on the group very difficult.

The directors recognise that the current situation is uncertain but they have considered the position of the group both at present and for the future given the current information available.

The directors have considered the various income streams of the group, anticipated costs, future cash flows and the various options available to them.

Based on the above, the directors believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

1.4 TURNOVER

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

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

## 1 ACCOUNTING POLICIES

(Continued)

## 1.5 INTANGIBLE FIXED ASSETS – GOODWILL

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

## 1.6 INTANGIBLE FIXED ASSETS OTHER THAN GOODWILL

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably.

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

Website costs	25% – 33.33% straight line
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## 1.7 TANGIBLE FIXED ASSETS

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

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

Freehold land and buildings	2% straight line
Plant and equipment	20% – 33.33% reducing balance
Fixtures, fittings & office equipment	25% straight line
Computers	25% straight line
Motor vehicles	25% reducing balance
Drawings and models	33.33% straight line
Showroom displays	16.66% straight line

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

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1 ACCOUNTING POLICIES

(Continued)

1.8 FIXED ASSET INVESTMENTS

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The group considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Investments in associates are initially recognised at the transaction price (including transaction costs) and are subsequently adjusted to reflect the group's share of the profit or loss, other comprehensive income and equity of the associate using the equity method. Any difference between the cost of acquisition and the share of the fair value of the net identifiable assets of the associate on acquisition is recognised as goodwill. Any unamortised balance of goodwill is included in the carrying value of the investment in associates.

Losses in excess of the carrying amount of an investment in an associate are recorded as a provision only when the company has incurred legal or constructive obligations or has made payments on behalf of the associate.

In the parent company financial statements, investments in associates are accounted for at cost less impairment.

Entities in which the group has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.9 IMPAIRMENT OF FIXED ASSETS

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

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

1 ACCOUNTING POLICIES

(Continued)

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

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

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

1.10 STOCKS

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

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

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

1.11 CASH AND CASH EQUIVALENTS

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

1.12 FINANCIAL INSTRUMENTS

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

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

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

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1 ACCOUNTING POLICIES

(Continued)

**Basic financial assets**

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

**Other financial assets**

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

**Impairment of financial assets**

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

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

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

**Derecognition of financial assets**

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

**Classification of financial liabilities**

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



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1 ACCOUNTING POLICIES

(Continued)

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

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

1.13 EQUITY INSTRUMENTS

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

1.14 TAXATION

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

Current tax

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

1 ACCOUNTING POLICIES

(Continued)

Deferred tax

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

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

1.15 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

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

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

1.16 RETIREMENT BENEFITS

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 SHARE-BASED PAYMENTS

Westley Richards (Holdings) Limited operates an equity-settled share based remuneration scheme for selected employees. Such employees are eligible to participate in the long term incentive scheme, the only vesting condition being that the individual remains an employee of the group over the vesting period.

1 ACCOUNTING POLICIES

(Continued)

When the terms and conditions of equity-settled share-based payments at the time they were granted are subsequently modified, the fair value of the share-based payment under the original terms and conditions and under the modified terms and conditions are both determined at the date of the modification. Any excess of the modified fair value over the original fair value is recognised over the remaining vesting period in addition to the grant date fair value of the original share-based payment. The share-based payment expense is not adjusted if the modified fair value is less than the original fair value.

Cancellations or settlements (including those resulting from employee redundancies) are treated as an acceleration of vesting and the amount that would have been recognised over the remaining vesting period is recognised immediately.

1.18. LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.19 FOREIGN EXCHANGE

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

2 JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

3 TURNOVER AND OTHER REVENUE

The turnover, pre-tax results and net assets are attributable to the principal activities of the group.

**3 TURNOVER AND OTHER REVENUE**

(Continued)

	2019	2018
	£	£
<b>OTHER SIGNIFICANT REVENUE</b>		
Interest income	309	26
Fees receivable	10,523	16,648
	<u>          </u>	<u>          </u>

	2019	2018
	£	£
<b>TURNOVER ANALYSED BY GEOGRAPHICAL MARKET</b>		
United Kingdom	4,323,793	4,271,729
European Union	982,686	824,146
Rest of World	3,231,499	2,783,123
	<u>          </u>	<u>          </u>
	<u>8,537,978</u>	<u>7,878,998</u>

**4 OPERATING PROFIT**

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(33,102)	1,359
Depreciation of owned tangible fixed assets	173,130	180,737
Depreciation of tangible fixed assets held under finance leases	87,131	76,700
Loss on disposal of tangible fixed assets	546	6,280
Amortisation of intangible assets	84,980	89,533
Cost of stocks recognised as an expense	3,958,766	3,798,703
Operating lease charges	57,739	64,600
	<u>          </u>	<u>          </u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

5 AUDITOR'S REMUNERATION

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
FOR AUDIT SERVICES		
Audit of the financial statements of the group and company	2,500	2,500
Audit of the financial statements of the company's subsidiaries	13,224	13,897
	<u>15,724</u>	<u>16,397</u>
FOR OTHER SERVICES		
All other non-audit services	<u>2,991</u>	<u>5,655</u>

6 EMPLOYEES

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

	Group 2019 Number	2018 Number	Company 2019 Number	2018 Number
Directors	2	2	2	2
Administration, marketing and selling	29	26	-	-
Direct	47	46	-	-
	<u>78</u>	<u>74</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Wages and salaries	2,432,080	2,184,247	39,913	39,480
Social security costs	220,527	195,393	1,250	1,194
Pension costs	59,055	50,734	638	900
	<u>2,711,662</u>	<u>2,430,374</u>	<u>41,801</u>	<u>41,574</u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

7 DIRECTORS' REMUNERATION

	2019	2018
	£	£
Remuneration for qualifying services	30,000	30,000

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2019	2018
	£	£
INTEREST INCOME		
Other interest income	309	26

9 INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
INTEREST ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST:		
Interest on bank overdrafts and loans	41,488	46,384
Interest on finance leases and hire purchase contracts	6,213	6,776
	47,701	53,160

10 TAXATION

	2019	2018
	£	£
CURRENT TAX		
UK corporation tax on profits for the current period	44,729	9,390
Adjustments in respect of prior periods	-	(14,680)
Total current tax	44,729	(5,290)
DEFERRED TAX		
Origination and reversal of timing differences	30,800	37,812
Total tax charge for the year	75,529	32,522

## 10 TAXATION

(Continued)

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

	2019 £	2018 £
Profit before taxation	339,831	130,832
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	64,568	24,858
Tax effect of expenses that are not deductible in determining taxable profit	2,582	1,310
Tax effect of utilisation of tax losses not previously recognised	(35,254)	(10,262)
Adjustments in respect of prior years	-	(14,680)
Permanent capital allowances in excess of depreciation	12,833	29,086
Additional deduction for R&D expenditure	-	(35,602)
Deferred tax movement	30,800	37,812
Taxation charge for the year	75,529	32,522

## 11 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £	Website costs £	Total £
<b>COST</b>			
At 1 October 2018 and 30 September 2019	824,212	75,697	899,909
<b>AMORTISATION AND IMPAIRMENT</b>			
At 1 October 2018	225,062	73,138	298,200
Amortisation charged for the year	82,421	2,559	84,980
At 30 September 2019	307,483	75,697	383,180
<b>CARRYING AMOUNT</b>			
At 30 September 2019	516,729	-	516,729
At 30 September 2018	599,150	2,559	601,709

The company had no intangible fixed assets at 30 September 2019 or 30 September 2018.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

12 TANGIBLE FIXED ASSETS

GROUP	Freehold land and buildings	Plant and equipment	Fixtures, fittings & office equipment	Computers	Motor vehicles	Drawings and models	Showroom displays	Total
	£	£	£	£	£	£	£	£
<b>COST OR VALUATION</b>								
At 1 October 2018	3,600,000	2,239,457	1,229,401	42,516	59,111	68,924	197,964	7,437,373
Additions	-	139,918	56,401	1,118	31,616	-	9,263	238,316
Disposals	-	(139,012)	(6,565)	-	(21,500)	-	(750)	(167,827)
Exchange adjustments	-	16,680	-	-	-	-	-	16,680
At 30 September 2019	3,600,000	2,257,043	1,279,237	43,634	69,227	68,924	206,477	7,524,542
<b>DEPRECIATION AND IMPAIRMENT</b>								
At 1 October 2018	235,000	1,561,492	1,107,471	33,432	47,758	67,012	162,005	3,214,170
Depreciation charged in the year	47,000	134,543	53,522	5,602	6,076	1,912	11,606	260,261
Eliminated in respect of disposals	-	(138,251)	(6,565)	-	(16,167)	-	(187)	(161,170)
Exchange adjustments	-	14,860	-	-	-	-	-	14,860
At 30 September 2019	282,000	1,572,644	1,154,428	39,034	37,667	68,924	173,424	3,328,121
<b>CARRYING AMOUNT</b>								
At 30 September 2019	3,318,000	684,399	124,809	4,600	31,560	-	33,053	4,196,421
At 30 September 2018	3,365,000	677,965	121,930	9,084	11,353	1,912	35,959	4,223,203

The company had no tangible fixed assets at 30 September 2019 or 30 September 2018.



## 12 TANGIBLE FIXED ASSETS

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	Group 2019 £	2018 £	Company 2019 £	2018 £
Plant and equipment	408,000	462,898	-	-
Depreciation charge for the year in respect of leased assets	87,131	76,700	-	-

Land and buildings with a carrying amount of £3,318,000 (2018: £3,365,000) were revalued on 3 May 2017 by Harris Lamb, independent valuers not connected with the company on the basis of existing use. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group 2019 £	2018 £	Company 2019 £	2018 £
Cost	1,732,300	1,732,300	-	-
Accumulated depreciation	(467,063)	(420,063)	-	-
Carrying value	1,265,237	1,312,237	-	-

## 13 INVESTMENT PROPERTY

	Group 2019 £	Company 2019 £
FAIR VALUE		
At 1 October 2018 and 30 September 2019	-	3,553,000

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

14 FIXED ASSET INVESTMENTS

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Investments in subsidiaries	15	-	-	1,058,741	1,058,741

MOVEMENTS IN FIXED ASSET INVESTMENTS  
COMPANY

Shares in group  
undertakings

£

COST OR VALUATION

At 1 October 2018 and 30 September 2019

1,058,741

CARRYING AMOUNT

At 30 September 2019

1,058,741

At 30 September 2018

1,058,741

15 SUBSIDIARIES

Details of the company's subsidiaries at 30 September 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Teague Precision Chokes Limited	United Kingdom	Design, manufacture and sale of choke systems and choke tubes	Ordinary	100.00	-
W.R. & Co Limited	United Kingdom	Dormant	Ordinary	100.00	-
Westley Engineering Limited	United Kingdom	Manufacture of press tools and suppliers of pressed and precision machined components	Ordinary	100.00	-
Westley Richards Agency LLC	United States of America	Agent to Westley Richards and Company Limited. Retail of clothing and accessories	Ordinary	100.00	-
Westley Richards and Company Limited	United Kingdom	Manufacture and repair of firearms. Retail of clothing and accessories	Ordinary	100.00	-

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

16 FINANCIAL INSTRUMENTS

	Group 2019 £	2018 £	Company 2019 £	2018 £
<b>CARRYING AMOUNT OF FINANCIAL ASSETS</b>				
Debt instruments measured at amortised cost	1,202,104	1,511,222	1,703,815	1,501,696
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>CARRYING AMOUNT OF FINANCIAL LIABILITIES</b>				
Measured at amortised cost	4,040,401	4,441,171	1,054,428	1,010,720
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

17 STOCKS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Raw materials and consumables	430,421	379,163	-	-
Work in progress	1,308,344	1,290,705	-	-
Finished goods and goods for resale	674,988	615,880	-	-
Payments received on account	(682,325)	(712,109)	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	1,731,428	1,573,639	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>



## 18 DEBTORS

	Group		Company	
	2019	2018	2019	2018
AMOUNTS FALLING DUE WITHIN ONE YEAR:	£	£	£	£
Trade debtors	1,150,357	1,465,183	-	-
Corporation tax recoverable	-	11,170	-	20,560
Amounts owed by group undertakings	-	-	1,210,103	1,020,587
Other debtors	51,747	46,039	-	-
Prepayments and accrued income	137,268	110,400	-	500
	<u>1,339,372</u>	<u>1,632,792</u>	<u>1,210,103</u>	<u>1,041,647</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:				
Amounts owed by group undertakings	-	-	493,712	481,109
	<u>-</u>	<u>-</u>	<u>493,712</u>	<u>481,109</u>
TOTAL DEBTORS	<u>1,339,372</u>	<u>1,632,792</u>	<u>1,703,815</u>	<u>1,522,756</u>

## 19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company	
		2019	2018	2019	2018
	Notes	£	£	£	£
Bank loans and overdrafts	21	272,754	369,978	22,440	22,500
Obligations under finance leases	22	140,172	115,174	-	-
Trade creditors		930,558	840,072	7,251	449
Amounts owed to group undertakings		-	-	336,971	341,171
Corporation tax payable		44,729	-	32,424	-
Other taxation and social security		147,798	173,995	-	-
Other creditors		1,361,027	1,590,472	104,630	71,550
Accruals and deferred income		179,783	213,949	86,700	56,700
		<u>3,076,821</u>	<u>3,303,640</u>	<u>590,416</u>	<u>492,370</u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans and overdrafts	21	570,854	727,497	88,216	110,130
Obligations under finance leases	22	177,033	175,809	-	-
Directors' current accounts		408,220	408,220	408,220	408,220
		<u>1,156,107</u>	<u>1,311,526</u>	<u>496,436</u>	<u>518,350</u>

21 LOANS AND OVERDRAFTS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Bank loans	715,165	875,637	110,656	132,630
Bank overdrafts	128,443	221,838	-	-
	<u>843,608</u>	<u>1,097,475</u>	<u>110,656</u>	<u>132,630</u>
Payable within one year	272,754	369,978	22,440	22,500
Payable after one year	570,854	727,497	88,216	110,130

Borrowings due to Lloyds Bank Plc are secured by an unlimited debenture and first legal charge over freehold land and buildings located at 130 Pritchett Street, Aston, Birmingham, West Midlands, B6 4EH.

Obligations under finance leases and hire purchase contracts are secured by the related assets, bear interest at normal commercial rates and are wholly repayable within five years.

## 22 FINANCE LEASE OBLIGATIONS

	Group 2019 £	2018 £	Company 2019 £	2018 £
Future minimum lease payments due under finance leases:				
Within one year	140,172	115,174	-	-
In two to five years	177,033	175,809	-	-
	<u>317,205</u>	<u>290,983</u>	<u>-</u>	<u>-</u>

Finance lease payments represent rentals payable by the company or group for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

## 23 DEFERRED TAXATION

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
GROUP		
Accelerated capital allowances	92,800	85,159
Tax losses	-	(23,159)
	<u>92,800</u>	<u>62,000</u>

The company has no deferred tax assets or liabilities.

	Group 2019 £	Company 2019 £
MOVEMENTS IN THE YEAR:		
Liability at 1 October 2018	62,000	-
Charge to profit or loss	30,800	-
Liability at 30 September 2019	<u>92,800</u>	<u>-</u>

## 24 RETIREMENT BENEFIT SCHEMES

	2019	2018
	£	£
DEFINED CONTRIBUTION SCHEMES		
Charge to profit or loss in respect of defined contribution schemes	59,055	50,734

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

## 25 SHARE-BASED PAYMENT TRANSACTIONS

The Westley Richards (Holdings) Limited EMI Share Option Plan is available to certain employees who meet minimum service requirements.

The earliest exercise date for the options issued during the period is 21 June 2022 and the maximum term is 10 years from the date of grant of the option.

GROUP AND COMPANY	Number of share options		Weighted average exercise price	
	2019 Number	2018 Number	2019 £	2018 £
Outstanding at 1 October 2018	-	-	-	-
Granted	561	-	20.00	-
Outstanding at 30 September 2019	561	-	20.00	-
Exercisable at 30 September 2019	-	-	-	-

The options granted during the period are all exercisable at £20.00 per share subject to the employees remaining in the employment of the group at exercise date and that set performance objectives have been satisfied.

In the opinion of the directors the fair value at the date of grant of the options granted are not materially different to exercise value at grant date. On this basis no charge has been made to the profit and loss account relating to these options.



## 26 SHARE CAPITAL

	Group and company	
	2019	2018
	£	£
ORDINARY SHARE CAPITAL		
ISSUED AND FULLY PAID		
Ordinary shares of £1 each	250	250
	<u>250</u>	<u>250</u>

## 27 OPERATING LEASE COMMITMENTS

## LESSEE

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Within one year	13,626	13,626	-	-
	<u>13,626</u>	<u>13,626</u>	<u>-</u>	<u>-</u>
	<u>13,626</u>	<u>13,626</u>	<u>-</u>	<u>-</u>

## 28 EVENTS AFTER THE REPORTING DATE

These financial statements have been prepared on a going concern basis, the validity of which is dependent upon the group being able to continue to operate and come to terms with the impact of the 2020 COVID-19 pandemic.

At the present time there are many unknown variables which makes forecasting the future results and impact on the group very difficult.

The directors recognise that the current situation is uncertain but they have considered the position of the group both at present and for the future given the current information available.

The directors have considered the various income streams of the group, anticipated costs, future cash flows and the various options available to them.

Based on the above, the directors believe that it remains appropriate for the financial statements to be prepared on a going concern basis.

The financial statements do not include any adjustments which would result from the basis of preparation being inappropriate.

**29 RELATED PARTY TRANSACTIONS**

All intra-group balances, transactions income and expenditure are eliminated on consolidation and are not disclosed in accordance with FRS 102, section 33.1.A.

**30 DIRECTORS' TRANSACTIONS**

**S Clode**

During the year ended 30 September 2019, the Estate of S Clode did not charge the company interest on his directors' loan account.

**H E Sheikh S B J Al-Thani**

During the year ended 30 September 2019, H E Sheikh S B J Al-Thani charged the company no interest on his directors' loan account.

**31 CONTROLLING PARTY**

The group is under the ultimate control of the Clode family trust who own 52% of the issued share capital of Westley Richards (Holdings) Limited.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2019

32 CASH GENERATED FROM GROUP OPERATIONS

	2019	2018
	£	£
Profit for the year after tax	264,302	98,310
ADJUSTMENTS FOR:		
Taxation charged	75,529	32,522
Finance costs	47,701	53,160
Investment income	(309)	(26)
Loss on disposal of tangible fixed assets	546	6,280
Amortisation and impairment of intangible assets	86,797	90,421
Depreciation and impairment of tangible fixed assets	275,121	263,582
MOVEMENTS IN WORKING CAPITAL:		
Increase in stocks	(157,789)	(147,206)
Decrease/(increase) in debtors	282,250	(418,274)
(Decrease)/increase in creditors	(199,322)	508,263
Non cash effect of foreign currency translation	(25,654)	(3,758)
CASH GENERATED FROM OPERATIONS	649,172	483,274