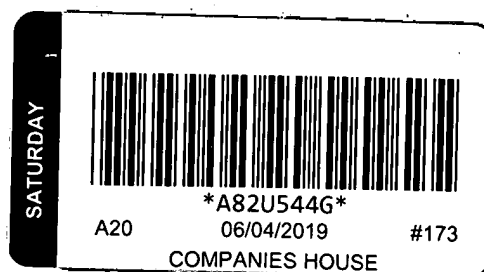


Company Registration No. 03009015 (England and Wales)

WESTLEY RICHARDS (HOLDINGS) LIMITED
CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2018



WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY INFORMATION

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

WESTLEY RICHARDS (HOLDINGS) LIMITED

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WESTLEY RICHARDS (HOLDINGS) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present the strategic report for the year ended 30 September 2018.

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:

	2018	2017
	£	£
Turnover	7,787,998	7,271,740
Gross profit	1,696,988	1,664,801
	(21.54%)	(22.89%)

Trading performance in 2018

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

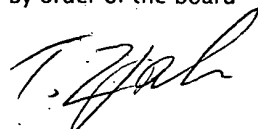
Business Environment in 2019

We enter 2019 with a degree of caution and uncertainty with the U.K. set to leave the EU in March. We are mindful of any potential economic impact from Brexit, yet optimistic that growth and profitability for the group will continue as sales continue to grow and the order book remains strong.

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

21 March 2019

WESTLEY RICHARDS (HOLDINGS) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The directors present their annual report and financial statements for the year ended 30 September 2018.

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 2018

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.

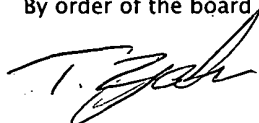
AUDITOR

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

21 March 2019

WESTLEY RICHARDS (HOLDINGS) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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

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 2018 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 2018 and of its 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

WESTLEY RICHARDS (HOLDINGS) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WESTLEY RICHARDS (HOLDINGS) LIMITED

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.

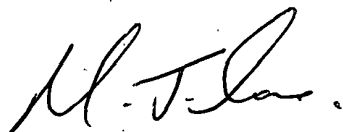
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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



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

21 March 2019

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
TURNOVER	3	7,878,998	7,271,740
Cost of sales		(6,182,010)	(5,606,939)
GROSS PROFIT		1,696,988	1,664,801
Administrative expenses		(1,529,670)	(1,695,294)
Other operating income		16,648	29,166
OPERATING PROFIT/(LOSS)	4	183,966	(1,327)
Interest receivable and similar income	8	26	4,090
Interest payable and similar expenses	9	(53,160)	(32,980)
PROFIT/(LOSS) BEFORE TAXATION		130,832	(30,217)
Tax on profit/(loss)	10	(32,522)	1,724
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		98,310	(28,493)
OTHER COMPREHENSIVE INCOME			
Currency translation differences		16,019	(18,269)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		114,329	(46,762)

Profit/(loss) 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 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Goodwill	11	599,150	681,572
Other intangible assets	11	2,559	9,670
Total intangible assets		601,709	691,242
Tangible assets	12	4,223,203	4,291,111
		4,824,912	4,982,353
CURRENT ASSETS			
Stocks	17	1,573,639	1,426,433
Debtors	18	1,632,792	1,203,348
Cash at bank and in hand		187,696	228,939
		3,394,127	2,858,720
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	19	(3,303,640)	(2,865,828)
NET CURRENT ASSETS/(LIABILITIES)		90,487	(7,108)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,915,399	4,975,245
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	20	(1,311,526)	(1,521,445)
PROVISIONS FOR LIABILITIES	23	(62,000)	(24,188)
NET ASSETS		3,541,873	3,429,612
CAPITAL AND RESERVES			
Called up share capital	25	250	250
Share premium account		1,149,850	1,149,850
Revaluation reserve		2,044,964	2,057,318
Profit and loss reserves		346,809	222,194
TOTAL EQUITY		3,541,873	3,429,612

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2018

The financial statements were approved by the board of directors and authorised for issue on 21 March 2019 and are signed on its behalf by:



Mr A N Clode
DIRECTOR

WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY BALANCE SHEET

AS AT 30 SEPTEMBER 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
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>
CURRENT ASSETS			
Debtors	18	1,522,756	1,380,027
Cash at bank and in hand		45,116	9,150
		<u>1,567,872</u>	<u>1,389,177</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	19	(492,370)	(473,159)
NET CURRENT ASSETS		<u>1,075,502</u>	<u>916,018</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,687,243</u>	<u>5,527,759</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	20	(518,350)	(540,174)
NET ASSETS		<u><u>5,168,893</u></u>	<u><u>4,987,585</u></u>
CAPITAL AND RESERVES			
Called up share capital	25	250	250
Share premium account		1,149,850	1,149,850
Revaluation reserve		2,094,386	2,094,386
Profit and loss reserves		1,924,407	1,743,099
TOTAL EQUITY		<u><u>5,168,893</u></u>	<u><u>4,987,585</u></u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2018

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 £181,308 (2017 – £101,026 profit).

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

The financial statements were approved by the board of directors and authorised for issue on 21 March 2019 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 2018

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
BALANCE AT 1 OCTOBER 2016		250	1,149,850	2,069,672	290,326	3,510,098
YEAR ENDED 30 SEPTEMBER 2017:						
Loss for the year		-	-	-	(28,493)	(28,493)
Other comprehensive income					(18,269)	(18,269)
Currency translation differences		-	-	-	11,776	11,776
Total comprehensive income for the year		-	-	-	(34,986)	(34,986)
Dividends		-	-	-	(45,500)	(45,500)
Transfer of depreciation on revaluation		-	-	(12,354)	12,354	-
BALANCE AT 30 SEPTEMBER 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

WESTLEY RICHARDS (HOLDINGS) LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	Share capital £	Share premium account £	Revaluation reserve £	Profit and loss reserves £	Total £
BALANCE AT 1 OCTOBER 2016		250	1,149,850	2,094,386	1,687,574	4,932,060
YEAR ENDED 30 SEPTEMBER 2017:						
Profit and total comprehensive income for the year		-	-	-	101,025	101,025
Dividends		-	-	-	(45,500)	(45,500)
BALANCE AT 30 SEPTEMBER 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

WESTLEY RICHARDS (HOLDINGS) LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

	Notes	2018 £	£	2017 £	£
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	30	483,274		698,337	
Interest paid		(53,160)		(32,980)	
Income taxes refunded		39,445		25,948	
NET CASH INFLOW FROM OPERATING ACTIVITIES		469,559		691,305	
INVESTING ACTIVITIES					
Purchase of intangible assets		-		(961,521)	
Purchase of tangible fixed assets		(204,340)		(205,894)	
Proceeds on disposal of tangible fixed assets		1,500		10,700	
Interest received		26		4,090	
NET CASH USED IN INVESTING ACTIVITIES		(202,814)		(1,152,625)	
FINANCING ACTIVITIES					
Proceeds of new bank loans		-		824,340	
Repayment of bank loans		(217,509)		(86,188)	
New finance lease arrangement		151,046		-	
Payment of finance leases obligations		(195,928)		(55,024)	
Dividends paid to equity shareholders		-		(45,500)	
NET CASH (USED IN)/GENERATED FROM FINANCING ACTIVITIES		(262,391)		637,628	
NET INCREASE IN CASH AND CASH EQUIVALENTS		4,354		176,308	
Cash and cash equivalents at beginning of year		(38,495)		(214,803)	
CASH AND CASH EQUIVALENTS AT END OF YEAR		(34,141)		(38,495)	
RELATING TO:					
Cash at bank and in hand		187,696		228,939	
Bank overdrafts included in creditors payable within one year		(221,838)		(267,434)	

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.

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

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

1 ACCOUNTING POLICIES

(Continued)

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.

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 2018. 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.

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

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

1 ACCOUNTING POLICIES

(Continued)

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.

1.5 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 if the fair value 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.

1 ACCOUNTING POLICIES

(Continued)

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.

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 ACCOUNTING POLICIES

(Continued)

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.

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 AT BANK AND IN HAND

Cash at bank and in hand 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 ACCOUNTING POLICIES

(Continued)

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.

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.

1 ACCOUNTING POLICIES

(Continued)

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.

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 direct issue 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.

1 ACCOUNTING POLICIES

(Continued)

Current tax

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

Deferred tax

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

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset 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 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 the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1 ACCOUNTING POLICIES

(Continued)

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

1.18 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.

	2018	2017
	£	£
OTHER SIGNIFICANT REVENUE		
Interest income	26	4,090
Fees receivable	16,648	29,166
	<u> </u>	<u> </u>
	2018	2017
	£	£
TURNOVER ANALYSED BY GEOGRAPHICAL MARKET		
United Kingdom	4,271,728	3,139,617
European Union	824,146	606,953
Rest of World	2,783,124	3,525,170
	<u> </u>	<u> </u>
	7,878,998	7,271,740
	<u> </u>	<u> </u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

4 OPERATING PROFIT/(LOSS)

	2018	2017
	£	£
Operating profit/(loss) for the year is stated after charging:		
Exchange losses	1,359	13,504
Depreciation of owned tangible fixed assets	180,737	254,325
Depreciation of tangible fixed assets held under finance leases	76,700	48,092
Loss on disposal of tangible fixed assets	6,280	-
Amortisation of intangible assets	89,533	58,021
Cost of stocks recognised as an expense	3,815,351	3,610,672
Operating lease charges	64,600	27,098
	<u> </u>	<u> </u>

5 AUDITOR'S REMUNERATION

	2018	2017
	£	£
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	13,897	10,465
	<u>16,397</u>	<u>12,965</u>
FOR OTHER SERVICES		
All other non-audit services	5,655	6,351
	<u> </u>	<u> </u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

6 EMPLOYEES

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

	Group 2018 Number	2017 Number	Company 2018 Number	2017 Number
Directors	2	2	2	2
Administration, marketing and selling	26	23	-	-
Direct	46	39	-	-
	<u>74</u>	<u>64</u>	<u>2</u>	<u>2</u>

Their aggregate remuneration comprised:

	Group 2018 £	2017 £	Company 2018 £	2017 £
Wages and salaries	2,184,247	1,877,431	39,480	1,980
Social security costs	195,393	184,082	1,194	-
Pension costs	50,734	50,937	900	-
	<u>2,430,374</u>	<u>2,112,450</u>	<u>41,574</u>	<u>1,980</u>

7 DIRECTORS' REMUNERATION

	2018 £	2017 £
Remuneration for qualifying services	<u>30,000</u>	<u>1,980</u>

8 INTEREST RECEIVABLE AND SIMILAR INCOME

	2018 £	2017 £
INTEREST INCOME		
Interest on bank deposits	-	4,090
Other interest income	26	-
Total income	<u>26</u>	<u>4,090</u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

8 INTEREST RECEIVABLE AND SIMILAR INCOME

(Continued)

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	4,090
	<u> </u>	<u> </u>

9 INTEREST PAYABLE AND SIMILAR EXPENSES

INTEREST ON FINANCIAL LIABILITIES MEASURED AT AMORTISED COST:

	2018 £	2017 £
Interest on bank overdrafts and loans	46,384	23,453
Interest on finance leases and hire purchase contracts	6,776	8,674
Directors' loan account interest	-	853
	<u> </u>	<u> </u>
	53,160	32,980
	<u> </u>	<u> </u>

10 TAXATION

CURRENT TAX

	2018 £	2017 £
UK corporation tax on profits for the current period	9,390	7,420
Adjustments in respect of prior periods	(14,680)	-
	<u> </u>	<u> </u>
Total current tax	(5,290)	7,420
	<u> </u>	<u> </u>

DEFERRED TAX

Origination and reversal of timing differences	37,812	(9,144)
	<u> </u>	<u> </u>
Total tax charge/(credit) for the year	32,522	(1,724)
	<u> </u>	<u> </u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

10 TAXATION

(Continued)

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

	2018 £	2017 £
Profit/(loss) before taxation	130,832	(30,217)
Expected tax charge/(credit) based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.50%)	24,858	(5,892)
Tax effect of expenses that are not deductible in determining taxable profit	1,310	1,537
Tax effect of utilisation of tax losses not previously recognised	(10,262)	-
Adjustments in respect of prior years	(14,680)	-
Permanent capital allowances in excess of depreciation	29,086	39,097
Additional deduction for R&D expenditure	(35,602)	(27,322)
Deferred tax movement	37,812	(9,144)
Taxation charge/(credit) for the year	32,522	(1,724)

11 INTANGIBLE FIXED ASSETS

GROUP	Goodwill £	Website costs £	Total £
COST			
At 1 October 2017 and 30 September 2018	824,212	75,697	899,909
AMORTISATION AND IMPAIRMENT			
At 1 October 2017	142,640	66,027	208,667
Amortisation charged for the year	82,422	7,111	89,533
At 30 September 2018	225,062	73,138	298,200
CARRYING AMOUNT			
At 30 September 2018	599,150	2,559	601,709
At 30 September 2017	681,572	9,670	691,242

The company had no intangible fixed assets at 30 September 2018 or 30 September 2017.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

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
	£	£	£	£	£	£	£	£
COST OR VALUATION								
At 1 October 2017	3,600,000	2,092,197	1,191,658	42,516	59,111	68,924	191,864	7,246,270
Additions	-	152,509	37,743	-	-	-	6,100	196,352
Disposals	-	(12,350)	-	-	-	-	-	(12,350)
Exchange adjustments	-	7,101	-	-	-	-	-	7,101
At 30 September 2018	3,600,000	2,239,457	1,229,401	42,516	59,111	68,924	197,964	7,437,373
DEPRECIATION AND IMPAIRMENT								
At 1 October 2017	188,000	1,433,440	1,058,898	26,399	43,974	56,483	147,964	2,955,158
Depreciation charged in the year	47,000	126,476	48,573	7,033	3,784	10,529	14,041	257,436
Eliminated in respect of disposals	-	(4,570)	-	-	-	-	-	(4,570)
Exchange adjustments	-	6,146	-	-	-	-	-	6,146
At 30 September 2018	235,000	1,561,492	1,107,471	33,432	47,758	67,012	162,005	3,214,170
CARRYING AMOUNT								
At 30 September 2018	3,365,000	677,965	121,930	9,084	11,353	1,912	35,959	4,223,203
At 30 September 2017	3,412,000	658,754	132,760	16,118	15,138	12,441	43,900	4,291,111

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

12 TANGIBLE FIXED ASSETS

(Continued)

The company had no tangible fixed assets at 30 September 2018 or 30 September 2017.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 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 2018 £	2017 £	Company 2018 £	2017 £
Plant and equipment	462,898	388,552	-	-
Depreciation charge for the year in respect of leased assets	76,700	48,092	-	-

Land and buildings with a carrying amount of £3,365,000 (2017: £3,412,000) 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 2018 £	2017 £	Company 2018 £	2017 £
Cost	1,732,300	1,732,300	-	-
Accumulated depreciation	(420,063)	(373,063)	-	-
Carrying value	1,312,237	1,359,237	-	-

13 INVESTMENT PROPERTY

	Group 2018 £	Company 2018 £
FAIR VALUE		
At 1 October 2017 and 30 September 2018	-	3,553,000

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

14 FIXED ASSET INVESTMENTS

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
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 2017 and 30 September 2018	1,058,741
CARRYING AMOUNT At 30 September 2018	1,058,741
At 30 September 2017	1,058,741

15 SUBSIDIARIES

Details of the company's subsidiaries at 30 September 2018 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 2018

16 FINANCIAL INSTRUMENTS

	Group 2018 £	2017 £	Company 2018 £	2017 £
CARRYING AMOUNT OF FINANCIAL ASSETS				
Debt instruments measured at amortised cost	1,511,222	1,085,579	1,501,696	1,379,527
CARRYING AMOUNT OF FINANCIAL LIABILITIES				
Measured at amortised cost	4,441,171	4,288,055	1,010,720	1,005,913

17 STOCKS

	Group 2018 £	2017 £	Company 2018 £	2017 £
Raw materials and consumables	379,163	363,376	-	-
Work in progress	1,290,705	1,288,935	-	-
Finished goods and goods for resale	615,880	601,637	-	-
Payments received on account	(712,109)	(827,515)	-	-
	1,573,639	1,426,433	-	-

During the year ended 30 September 2018 an amount of £43,900 was transferred from opening stock to fixed assets in respect of showroom display items. There has been no impact on the closing reserves as a result of this adjustment.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

18 DEBTORS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
AMOUNTS FALLING DUE WITHIN ONE YEAR:				
Trade debtors	1,465,183	1,056,640	-	-
Corporation tax recoverable	11,170	-	20,560	-
Amounts owed by group undertakings	-	-	1,020,587	1,379,527
Other debtors	46,039	28,939	-	-
Prepayments and accrued income	110,400	117,769	500	500
	<u>1,632,792</u>	<u>1,203,348</u>	<u>1,041,647</u>	<u>1,380,027</u>
AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR:				
Amounts owed by group undertakings	-	-	481,109	-
	<u>-</u>	<u>-</u>	<u>481,109</u>	<u>-</u>
TOTAL DEBTORS	<u>1,632,792</u>	<u>1,203,348</u>	<u>1,522,756</u>	<u>1,380,027</u>

19 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

		Group		Company	
		2018	2017	2018	2017
	Notes	£	£	£	£
Bank loans and overdrafts	21	369,978	441,363	22,500	22,500
Obligations under finance leases	22	115,174	96,261	-	-
Trade creditors		840,072	997,423	449	9
Amounts due to group undertakings		-	-	341,171	345,671
Corporation tax payable		-	17,979	-	7,420
Other taxation and social security		173,995	81,239	-	-
Other creditors		1,590,472	1,098,348	71,550	72,270
Accruals and deferred income		213,949	133,215	56,700	25,289
		<u>3,303,640</u>	<u>2,865,828</u>	<u>492,370</u>	<u>473,159</u>

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

20 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Notes	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans and overdrafts	21	727,497	873,621	110,130	131,954
Obligations under finance leases	22	175,809	239,604	-	-
Directors' current accounts		408,220	408,220	408,220	408,220
		<u>1,311,526</u>	<u>1,521,445</u>	<u>518,350</u>	<u>540,174</u>

21 LOANS AND OVERDRAFTS

	Group 2018 £	2017 £	Company 2018 £	2017 £
Bank loans	875,637	1,048,846	132,630	154,454
Bank overdrafts	221,838	266,138	-	-
	<u>1,097,475</u>	<u>1,314,984</u>	<u>132,630</u>	<u>154,454</u>
Payable within one year	369,978	441,363	22,500	22,500
Payable after one year	<u>727,497</u>	<u>873,621</u>	<u>110,130</u>	<u>131,954</u>

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.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

22 FINANCE LEASE OBLIGATIONS

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Future minimum lease payments due under finance leases:				
Within one year	115,174	96,261	-	-
In two to five years	175,809	94,949	-	-
In over five years	-	144,655	-	-
	<u>290,983</u>	<u>335,865</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	Liabilities
	2018	2017
	£	£
GROUP		
Accelerated capital allowances	85,159	45,818
Tax losses	(23,159)	(21,565)
Short term timing differences	-	(65)
	<u>62,000</u>	<u>24,188</u>
	Group	Company
	2018	2018
	£	£
MOVEMENTS IN THE YEAR:		
Liability at 1 October 2017	24,188	-
Charge to profit or loss	37,812	-
	<u>62,000</u>	<u>-</u>
Liability at 30 September 2018		

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

24 RETIREMENT BENEFIT SCHEMES

	2018	2017
DEFINED CONTRIBUTION SCHEMES	£	£
Charge to profit or loss in respect of defined contribution schemes	50,734	50,937
	<u>50,734</u>	<u>50,937</u>

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 CAPITAL

	Group and company	
	2018	2017
ORDINARY SHARE CAPITAL ISSUED AND FULLY PAID	£	£
Ordinary shares of £1 each	250	250
	<u>250</u>	<u>250</u>

26 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	
	2018	2017	2018	2017
	£	£	£	£
Within one year	13,626	15,108	-	-
	<u>13,626</u>	<u>15,108</u>	<u>-</u>	<u>-</u>
	<u>13,626</u>	<u>15,108</u>	<u>-</u>	<u>-</u>

27 RELATED PARTY TRANSACTIONS

S Clode

During the year ended 30 September 2018, dividends of £nil (2017: £45,500) were paid to S Clode.

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.

WESTLEY RICHARDS (HOLDINGS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2018

28 DIRECTORS' TRANSACTIONS

S Clode

During the year ended 30 September 2018, 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 2018, H E Sheikh S B J Al-Thani charged the company no interest on his directors' loan account.

29 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.

30 CASH GENERATED FROM GROUP OPERATIONS

	2018	2017
	£	£
Profit/(loss) for the year after tax	98,310	(28,493)
Adjustments for:		
Taxation charged/(credited)	32,522	(1,724)
Finance costs	53,160	32,980
Investment income	(26)	(4,090)
Loss on disposal of tangible fixed assets	6,280	-
Amortisation and impairment of intangible assets	90,421	58,021
Depreciation and impairment of tangible fixed assets	263,582	292,831
Movements in working capital:		
(Increase) in stocks	(147,206)	(150,381)
(Increase)/decrease in debtors	(418,274)	165,232
Increase in creditors	508,263	322,185
Non cash effect of foreign currency translation	(3,758)	11,776
CASH GENERATED FROM OPERATIONS	483,274	698,337