

REGISTERED NUMBER: 03094490 (England and Wales)

Financial Statements

For The Year Ended 31 December 2018

for

Acorn Thorn Limited

Contents of the Financial Statements
For The Year Ended 31 December 2018

	Page
Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3

Acorn Thorn Limited
Company Information
For The Year Ended 31 December 2018

DIRECTORS:

Mrs K E Kahle
D E Morris
P D Thorn

REGISTERED OFFICE:

5 Brearley Court Baird Road
Waterwells Business Park
Quedgeley
Gloucester
GL2 2AF

REGISTERED NUMBER:

03094490 (England and Wales)

AUDITORS:

Kingscott Dix Limited
Chartered Accountants
and Statutory Auditor
Goodridge Court
Goodridge Avenue
Gloucester
Gloucestershire
GL2 5EN

Acorn Thorn Limited (Registered number: 03094490)

Balance Sheet
31 December 2018

	Notes	31.12.18 £	£	31.12.17 £	£
FIXED ASSETS					
Tangible assets	4		25,827		31,005
Investments	5		<u>447,215</u>		<u>447,215</u>
			473,042		478,220
CURRENT ASSETS					
Stocks		393,066		312,495	
Debtors	6	418,474		246,554	
Cash at bank and in hand		<u>208,559</u>		<u>153,971</u>	
		1,020,099		713,020	
CREDITORS					
Amounts falling due within one year	7	<u>957,814</u>		<u>699,978</u>	
NET CURRENT ASSETS			<u>62,285</u>		<u>13,042</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>535,327</u>		<u>491,262</u>
CAPITAL AND RESERVES					
Called up share capital	9		597		597
Capital redemption reserve			592		592
Merger Reserve			442,811		442,811
Retained earnings			<u>91,327</u>		<u>47,262</u>
SHAREHOLDERS' FUNDS			<u>535,327</u>		<u>491,262</u>

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 30 April 2019 and were signed on its behalf by:

P D Thorn - Director

Notes to the Financial Statements
For The Year Ended 31 December 2018

1. STATUTORY INFORMATION

Acorn Thorn Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Preparation of consolidated financial statements

The financial statements contain information about Acorn Thorn Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Acorn Engineering Inc., 15125 Proctor Avenue, City of Industry, CA 91746 USA.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

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.

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.

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:

Land and buildings - Freehold - 2% straight line.

Plant and machinery - 25%, 20% and varying rates straight line.

At each reporting date, the company 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 assets belongs.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Investments in subsidiaries

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

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

The company makes full provision for any anticipated profits/losses arising on forward exchange contracts entered into within the year but not settled until after the year end.

Pension costs and other post-retirement benefits

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

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

The company 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 company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 trade and other receivables 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.

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.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. The impairment loss 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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow Group companies and preference shares that are classified as debt, are initially recognised at transaction price.

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

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

2. ACCOUNTING POLICIES - continued

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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 they are included in a hedging arrangement.

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 company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 10 (2017 - 8) .

4. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2018	135,850
Additions	5,997
At 31 December 2018	<u>141,847</u>
DEPRECIATION	
At 1 January 2018	104,845
Charge for year	11,175
At 31 December 2018	<u>116,020</u>
NET BOOK VALUE	
At 31 December 2018	<u>25,827</u>
At 31 December 2017	<u>31,005</u>

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

5. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST	
At 1 January 2018 and 31 December 2018	<u>447,215</u>
NET BOOK VALUE	
At 31 December 2018	<u>447,215</u>
At 31 December 2017	<u>447,215</u>

During the year Acorn Powell Limited acquired a 100% shareholding in Washware Essentials Limited.

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Trade debtors	82,022	81,769
Amounts owed by group undertakings	312,682	132,868
Other debtors	23,770	31,917
	<u>418,474</u>	<u>246,554</u>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.18 £	31.12.17 £
Trade creditors	79,332	102,169
Amounts owed to group undertakings	385,159	383,054
Amounts owed to participating interests	170,500	48,399
Taxation and social security	23,998	22,602
Other creditors	298,825	143,754
	<u>957,814</u>	<u>699,978</u>

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	31.12.18 £	31.12.17 £
Within one year	61,372	58,250
Between one and five years	142,311	204,194
	<u>203,683</u>	<u>262,444</u>

Leasing commitments include a 5 year break clause on the trading premises on a seven year lease to April 2025.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2018

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.18 £	31.12.17 £
304	Ordinary A	£1	304	304
293	Ordinary B	£1	293	293
			<u>597</u>	<u>597</u>

10. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Peter Morgan ACA (Senior Statutory Auditor)
for and on behalf of Kingscott Dix Limited

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