Registered number: SC239960

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NOLAN SEAFOODS (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2018

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NOLAN SEAFOODS (UK) LIMITED

COMPANY INFORMATION

Directors	A G Brown M W G Clark (appointed 10 October 2017) F Clark (Jnr) (appointed 10 October 2017) G V Nolan J R Rennie (appointed 10 October 2017) S J Calder (resigned 10 October 2017) C G Hanratty (resigned 10 October 2017) S Troup (resigned 10 October 2017)
Company secretary	Burness Paull LLP
Registered number	SC239960
Registered office	Union Plaza (6th Floor) 1 Union Wynd Aberdeen Scotland AB10 1DQ

NOLAN SEAFOODS (UK) LIMITED

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CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018

Introduction

The principal activity of the company is that of fish processors.

Future outlook

We will continue to invest in the business to improve efficiencies and drive down costs, where possible, to achieve a level of profitability that is commensurate with the scale of the business and the investment involved.

Principal risks and uncertainties

The company's activities expose it to a number of financial risks including credit risk and foreign exchange risk.

Key performance indicators

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

This report was approved by the board and signed on its behalf.

....
J R Rennie
Director

Date: 3/12/18

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2018

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

Results and dividends

The profit for the year, after taxation, amounted to £167,189 (2017 - £665,634).

There have been £425,000 of dividends paid in respect of the year ended 31 March 2018 (2017 - £nil)

Directors

The directors who served during the year were:

A G Brown
M W G Clark (appointed 10 October 2017)
F Clark (Jnr) (appointed 10 October 2017)
G V Nolan
J R Rennie (appointed 10 October 2017)
S J Calder (resigned 10 October 2017)
C G Hanratty (resigned 10 October 2017)
S Troup (resigned 10 October 2017)

Disclosure of information to auditor

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

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

Post balance sheet events

There have been no significant events affecting the company since the year end.

Auditor

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

This report was approved by the board and signed on its behalf.

....
J R Rennie
Director

Date: 3/12/18

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018

The directors are responsible for preparing the Strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

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

- select suitable accounting policies for the company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOLAN SEAFOODS (UK) LIMITED

Opinion

We have audited the financial statements of Nolan Seafoods (UK) Limited (the 'company') for the year ended 31 March 2018, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the related notes, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOLAN SEAFOODS (UK) LIMITED (CONTINUED)

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or the Directors' report.

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

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

Responsibilities of directors

As explained more fully in the Directors' responsibilities statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF NOLAN SEAFOODS (UK) LIMITED (CONTINUED)

Use of our 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.

Anderson Anderson & Brown Audit LLP

John Black (Senior statutory auditor)

for and on behalf of
Anderson Anderson & Brown Audit LLP

Statutory Auditor

Kingshill View
Prime Four Business Park
Kingswells
Aberdeen
AB15 8PU
Date: 3 DECEMBER 2018

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

	Note	2018 £	2017 £
Turnover	4	22,165,083	26,849,468
Cost of sales		(19,388,269)	(23,478,887)
Gross profit		2,776,814	3,370,581
Administrative expenses		(2,565,279)	(2,538,001)
Operating profit	5	211,535	832,580
Interest receivable and similar income	9	-	8
Interest payable and expenses	10	(11,382)	(22,050)
Profit before tax		200,153	810,538
Tax on profit	11	(32,964)	(144,904)
Profit for the financial year		167,189	665,634

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

The notes on pages 11 to 27 form part of these financial statements.

NOLAN SEAFOODS (UK) LIMITED

REGISTERED NUMBER:SC239960

BALANCE SHEET
AS AT 31 MARCH 2018

	Note		2018 £		2017 £
Fixed assets					
Tangible assets	13		2,297,915		2,668,084
			2,297,915		2,668,084
Current assets					
Stocks	14	700,398		749,715	
Debtors: amounts falling due within one year	15	2,476,859		2,523,930	
Cash at bank and in hand	16	1,441,482		1,231,281	
		4,618,739		4,504,926	
Creditors: amounts falling due within one year	17	(1,641,566)		(1,385,443)	
Net current assets			2,977,173		3,119,483
Total assets less current liabilities			5,275,088		5,787,567
Creditors: amounts falling due after more than one year	18		-		(202,743)
Provisions for liabilities					
Deferred tax	20	(226,246)		(244,698)	
			(226,246)		(244,698)
Accruals and deferred income	21		(37,018)		(70,491)
Net assets excluding pension asset			5,011,824		5,269,635
Net assets			5,011,824		5,269,635
Capital and reserves					
Called up share capital	22		850		850
Capital redemption reserve			150		150
Profit and loss account			5,010,824		5,268,635
			5,011,824		5,269,635

NOLAN SEAFOODS (UK) LIMITED

REGISTERED NUMBER:SC239960

BALANCE SHEET (CONTINUED)
AS AT 31 MARCH 2018

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

....

J R Rennie
Director

Date: 3/12/18.

The notes on pages 11 to 27 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2017	850	150	5,268,635	5,269,635
Profit for the year	-	-	167,189	167,189
Total comprehensive income for the year	-	-	167,189	167,189
Dividends: Equity capital	-	-	(425,000)	(425,000)
At 31 March 2018	850	150	5,010,824	5,011,824

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 April 2016	1,000	-	4,603,001	4,604,001
Profit for the year	-	-	665,634	665,634
Purchase of own shares	-	150	-	150
Shares redeemed during the year	(150)	-	-	(150)
At 31 March 2017	850	150	5,268,635	5,269,635

The notes on pages 11 to 27 form part of these financial statements.

1. General information

Nolan Seafoods (UK) Limited is a private company limited by shares incorporated in Scotland. The registered office is Nolan Seafoods (UK) Limited, Craigshaw Drive, West Tullos Industrial Estate, Aberdeen, AB12 3AN.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

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

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of IFC Holdings Limites as at 31 March 2018 and these financial statements may be obtained from Burness Paull LLP, Union Plaza, 1Union Wynd, Aberdeen, AB10 1DQ.

2. Accounting policies (continued)

2.3 Going concern

The decrease in the profits for the year is disappointing and this downturn in trading has continued into the first half of the current year. Since the year end the directors have undertaken a strategic review of the company and group and following this exercise price increases have been agreed with major customers, group production processes are being improved by the installation of a new packing line and mechanical filleting machine and group revenues from cold storage will be increased following investment in new facilities. Based on the revised forecasts prepared by the directors following the above actions, the profits of the company and group will increase for the second half of the year ending 31 March 2019.

Based on these forecasts together with the continued support of the group's bankers, the directors are of the opinion that the company and group has adequate working capital to execute its operations over the next 12 months. The directors, therefore, have made an informed judgement, at the time of approving the financial statements, that there is reasonable expectation that the company and group has adequate resources to continue in operational existence for the foreseeable future. As a result, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

2.4 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

2. Accounting policies (continued)

2.5 Revenue

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

Sale of goods

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

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

2.6 Interest income

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

2.7 Finance costs

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

2.8 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2. Accounting policies (continued)

2.10 Current and deferred taxation

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

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

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

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

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

2.11 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Plant and machinery	-	20% reducing balance
Motor vehicles	-	20% reducing balance
Fixtures and fittings	-	20% reducing balance
Other fixed assets	-	20% reducing balance

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

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

2. Accounting policies (continued)

2.12 Stocks

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

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

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

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

2.16 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

2. Accounting policies (continued)

2.17 Financial instruments

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

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

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.18 Dividends

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

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Impairment of debtors

The company makes an assessment of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management consider various factors including the ageing profile of debtors and historical experience.

Valuation of stock

The company makes an assessment of any provision necessary for slow-moving and obsolete stock. When assessing impairment of stock, management consider various factors including the ageing of the stock and the physical condition of the stock.

Taxation

The company establishes reasonable provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

4. Turnover

An analysis of turnover by class of business is as follows:

	2018 £	2017 £
Sale of fresh and frozen fish	22,165,083	26,849,468
	22,165,083	26,849,468

Analysis of turnover by country of destination:

	2018 £	2017 £
United Kingdom	5,625,592	9,934,303
Europe	16,539,491	16,646,671
United States of America	-	268,494
	22,165,083	26,849,468

5. Operating profit

The operating profit is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets	403,158	441,482
Gain on disposal of fixed assets	(64,810)	(26,018)
Exchange differences	23,509	(93,146)
Government grants	(33,472)	(55,354)
Defined contribution pension cost	86,966	109,787

6. Auditor's remuneration

	2018 £	2017 £
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	10,000	12,000
All other non-audit services	2,500	8,000
	12,500	20,000

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

7. Employees

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

	2018 £	2017 £
Wages and salaries	3,736,132	4,078,564
Social security costs	285,169	340,169
Cost of defined contribution scheme	86,966	109,787
	4,108,267	4,528,520

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

	2018 No.	2017 No.
Administrative staff	13	12
Factory Staff	155	193
	168	205

8. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	159,744	170,492
	159,744	170,492

9. Interest receivable

	2018 £	2017 £
Other interest receivable	-	8
	-	8

10. Interest payable and similar expenses

	2018 £	2017 £
Bank interest payable	8,060	11,341
Interest on finance leases and hire purchase contracts	3,322	10,709
	11,382	22,050

11. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	51,408	159,703
Adjustments in respect of previous periods	8	-
	51,416	159,703
Total current tax	51,416	159,703
Deferred tax		
Origination and reversal of timing differences	(18,452)	(14,799)
Total deferred tax	(18,452)	(14,799)
Taxation on profit on ordinary activities	32,964	144,904

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the standard rate of corporation tax in the UK of 19% (2017 - 20%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	200,153	810,538
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 20%)	38,029	162,108
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	7,254	7,019
Capital allowances for year in excess of depreciation	(17,431)	325
Adjustments to tax charge in respect of prior periods	8	-
Non-taxable income	-	(11,071)
Chargeable gains	2,933	872
Change in deferred tax rates	2,171	(14,349)
Total tax charge for the year	32,964	144,904

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12. Dividends

	2018 £	2017 £
Dividends	425,000	-
	425,000	-

13. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Tenants improvements £	Total £
Cost or valuation				
At 1 April 2017	5,109,845	234,215	147,021	5,491,081
Additions	154,930	-	-	154,930
Disposals	(177,779)	(78,500)	-	(256,279)
At 31 March 2018	5,086,996	155,715	147,021	5,389,732
Depreciation				
At 1 April 2017	2,667,660	78,283	77,054	2,822,997
Charge for the year on owned assets	372,302	23,859	6,997	403,158
Disposals	(121,779)	(12,560)	-	(134,339)
At 31 March 2018	2,918,183	89,582	84,051	3,091,816
Net book value				
At 31 March 2018	2,168,813	66,133	62,970	2,297,916
At 31 March 2017	2,442,185	155,932	69,967	2,668,084

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

	2018 £	2017 £
Plant and machinery	-	85,246
	-	85,246

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14. Stocks

	2018 £	2017 £
Finished goods and goods for resale	700,398	749,715
	700,398	749,715

15. Debtors

	2018 £	2017 £
Trade debtors	2,098,289	2,221,382
Amounts owed by group undertakings	20,002	-
Other debtors	281,324	269,076
Prepayments and accrued income	77,244	33,472
	2,476,859	2,523,930

16. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	1,441,482	1,231,281
	1,441,482	1,231,281

17. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loans	-	110,780
Trade creditors	967,458	608,100
Amounts owed to group undertakings	44,378	57,760
Corporation tax	(28,592)	159,695
Other taxation and social security	73,890	92,119
Obligations under finance lease and hire purchase contracts	-	45,048
Working capital facility	290,591	-
Other creditors	161,521	27,639
Accruals and deferred income	132,320	284,302
	1,641,566	1,385,443

The company is part of a group facility secured by cross guarantees, standard and floating securities. The total group debt at 31 March 2018 is £6,152,174.

Included within creditors is a working capital facility balance of £290,591 (2017 - £nil) which is secured over the trade debtors of the company.

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

	2018 £	2017 £
Bank loans	-	202,743
	-	202,743

19. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year		
Bank loans	-	110,780
	-	110,780
Amounts falling due 1-2 years		
Bank loans	-	202,743
	-	202,743
	-	313,523

20. Deferred taxation

	2018 £	2017 £
At beginning of year	(244,698)	(259,497)
Credit to profit or loss	18,452	14,799
At end of year	(226,246)	(244,698)

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(227,574)	(246,915)
Short term timing differences	1,328	2,217
	(226,246)	(244,698)

21. Accruals and deferred income

	2018 £	2017 £
Grants at beginning of year	(70,491)	(125,845)
Released during the year	(33,473)	(55,354)
	(37,018)	(70,491)

22. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
850 (2017 - 850) Ordinary shares of £1.00 each	850	850

23. Capital commitments

At 31 March 2018 the company had capital commitments as follows:

	2018 £	2017 £
Contracted for but not provided in these financial statements	-	110,000
	-	110,000

24. Pension commitments

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

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25. Commitments under operating leases

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

	2018 £	2017 £
Not later than 1 year	163,020	163,020
	163,020	163,020

	2018 £	2017 £
Not later than 1 year	112,561	107,396
Later than 1 year and not later than 5 years	32,719	101,654
	145,280	209,050

26. Related party transactions

Control

Throughout the year the company was controlled by the directors.

Transactions

The company has taken advantage of the exemption contained in section 33 of FRS 102 not to disclose transactions or balances with entities which form part of the group.

The transactions in the year were as follows:

Related Party	Transaction	£	Balance at the year end £
Director	Director's loan	(2,789)	-
Director	Director's loan	(24,850)	-
Director	Director's loan	(50,000)	-
Company under common control	Sales	123,792	20,002
Company under common control	Purchases	(33,333)	(318)
Company under common control	Sales Purchases	561 (633,455)	(44,060)

27. Controlling party

The company's ultimate parent undertaking is IFC Holdings Limited, a company registered in Scotland. Copies of group financial statements are available from its registered office: Burness Paull LLP, Union Plaza, 1 Union Wynd, Aberdeen, AB10 1DQ.