REGISTERED NUMBER: 00380480 (England and Wales)

STRATEGIC REPORT,

REPORT OF THE DIRECTORS AND

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

FOR

NORBAR TORQUE TOOLS LTD

CONTENTS OF THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

NORBAR TORQUE TOOLS LTD

COMPANY INFORMATION
for the year ended 31 December 2018

DIRECTORS:	P A Brodey N A Brodey C L Rohll R Miller J Kostrzewa T L Chambers M Gapinski
SECRETARY:	C L Rohll
REGISTERED OFFICE:	Wildmere Road Banbury Oxfordshire OX16 3JU
REGISTERED NUMBER:	00380480 (England and Wales)
AUDITORS:	Luckmans Duckett Parker Limited Chartered Accountants Statutory Auditors 1110 Elliott Court Herald Avenue Coventry Business Park Coventry West Midlands CV5 6UB
BANKERS:	HSBC plc 17 Market Place Banbury Oxfordshire OX16 5ED

STRATEGIC REPORT
for the year ended 31 December 2018

REVIEW OF BUSINESS
The company's range of products is focused on the torque tool market (torque tools and measuring instruments) with the addition of ultrasonic measurement for measuring bolt length and load. To some extent the company's prosperity is related to the amount of activity in the engineering sectors around the world and any change in the level of activity is likely to affect the results. The company continues to focus on six main industrial sectors or "critical industries" - oil and gas, mining and refining, power generation, transportation, general assembly and aerospace. Continued strengthening of the oil price during 2018 contributed to a better year overall as compared to 2017.

The company continues to have three different routes to market as follows:
1) distribution through Norbar branded companies in its group including those in America, China, Singapore India and Australia;
2) independent distributors of tools and torque products; and
3) catalogue companies selling a wide range of tools, some of which are under the customers' own brand name.

In addition, since mid-2017 the company now has new channels to market available to it as a result of the purchase of the Norbar group of companies by Snap-on Inc (a New York Stock Exchange listed company with operations world-wide). As a result it is now supplying a number of product lines to Snap-on under the Snap-on and Bahco brands as well as finding new routes to market for Norbar branded products.

This multi-tiered approach to market serves the company well however, like all things, it is subject to ongoing review to see if the model needs changing in any particular country or industrial sector. The impact of internet sales is becoming increasingly apparent with both advantages in terms of reaching a wider customer base and disadvantages in the disruptive effect it has on existing supply chains. This may lead to changes to the distribution model in future. The very broad nature of the company's distribution, not just in geographic market terms, but also industrial markets, means that to some extent the company is protected from any specific country risk or industrial sector risk.

During 2018 the company held 3 "rapid continuous improvement" events - week long events aimed at significantly improving three or four of the company's processes or products during the course of the week. These events together with an ongoing programme of continuous improvement projects helped the company to increase its production in line with demand leading to the highest annual turnover in the company's history. More continuous improvement initiatives are planned for 2019.

The key financial highlights are as follows:

	2016 (£)	2017 (£)	2018 (£)
Turnover	25,284,124	28,331,019	31,472,454
Turnover Growth	-0.05%	12%	11.1%
Gross Profit Margin	32.46%	37.30%	37.18%
Profit before tax	103,296	1,218,123	1,768,644

In 2018 the company continued to invest heavily in new products although there were fewer new product launches in 2018. The most notable was the automatic torque wrench calibrator (TWC Auto) which can be used to calibrate torque wrenches to the new ISO 6789-2:2017 standard. Other research and development work carried out in 2018 will lead to exciting new product launches in 2019 which will help to boost performance further in 2019 in terms of turnover and profit.

The number of employees increased during 2018 to an average of 319 as compared with 298 in 2017.

Overall 2018 was a good year with increasing revenue and stable profitability driven by higher sales and efficiencies arising from continuous improvement activities. Although the political situation in the UK surrounding Brexit remains uncertain, the prospects for 2019 remain good.

STRATEGIC REPORT
for the year ended 31 December 2018

PRINCIPAL RISKS AND UNCERTAINTIES

In common with all trading businesses, the company is exposed to a variety of risks in the conduct of its normal business operations. The company maintains a range of insurance policies against major identified insurable risks including (but not limited to) those related to business interruption, damage to property and equipment, product and employee liability. While it is not possible to completely record or quantify every material risk, below is summary of those risks that the directors believe are most significant to the company's business:

Operational and commercial risks

The company's revenues are principally derived from the sales of torque tightening and measuring tools and instruments. The markets for these products (and therefore revenues) are subject to variations in patterns of demand and economic growth. The wide range of markets and geographic territories serviced by the group mitigates this risk, although high exposure to the oil industry means that significant drops in the oil price do have a knock on effect on the company's revenue.

Market competition

Competition within the torque tool industry remains strong with competitors at both the high quality and lower quality/lower price ends of the market which puts pressure on selling prices. The company has also become aware of copies of its products entering the market which pose risks to both sales and reputation as the copies may be incorrectly associated with the company. The company will continue to develop and sell high quality products and the directors believe that in this market it remains competitive. The company is also investing in registered intellectual property protection to help mitigate this risk.

Foreign exchange risk

The company continues to sell mainly in pounds and so the continuing political uncertainty in the UK around the Brexit decision provides an ongoing currency risk. However, currency risk is now mitigated through hedging. The company's strategy is to focus on continuous improvement and increasing its efficiency to help counteract the impact of increased prices and salaries.

Suppliers

Although the company takes care to ensure alternative sources of supply are available for goods on which the company's business is critically dependent, this is not always possible. The company follows a policy of local supply where possible and has strong relationships with its key suppliers. It is actively looking to reshore the supply of some components which are currently sourced from outside of the UK. In addition, the company can now leverage the greater buying power of its parent company to help source goods at a better price.

IT and systems reliability

The company is dependent on its information technology systems to operate its business efficiently, without failure or interruption. While data within key systems is regularly backed up and the system is subject to virus and fire wall protection, any failure of back up systems or other major interruption to the information technology system could have a disruptive effect on the company's business.

Skilled employees

In order to remain competitive the company needs to remain at the forefront of the development of new products. To do this it needs to be able to recruit suitably skilled employees, particularly engineers and skilled CNC machine operators. The company is working closely with local schools and universities to promote engineering as a career and to attract suitably skilled individuals to the company at all levels including apprenticeships.

Political change

The company sells worldwide including into regions that are politically unstable and sales can be impacted by sanctions or other export controls that may be imposed by the UK government. An increasing move towards protectionism in major markets including Russia, China and India also pose risks to the business. The company has started to investigate the possibility of local assembly in some markets to counteract this risk.

STRATEGIC REPORT
for the year ended 31 December 2018

Brexit
It is unclear what the UK's trading relationship with the EU will be once it has left the EU and also what impact this will have on its relationships with other countries outside the EU with which the UK currently enjoys a preferential trade agreement by virtue of being in the EU. The possibility of the imposition of tariffs on exports to the EU and increased difficulty in recruiting from the EU are both potential risks to the company. Work on continuous improvement and efficiency savings has been stepped up to try to counteract the impact of tariffs and the company continues to recruit apprentices and engage with schools and colleges to raise its profile when recruiting.

ON ORDER OF THE BOARD:

P A Brodey - Director

19 June 2019

REPORT OF THE DIRECTORS
for the year ended 31 December 2018

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

DIVIDENDS
No dividends will be distributed for the year ended 31 December 2018.

RESEARCH AND DEVELOPMENT
The company continues with its research and development activities. The purpose of this is to develop new concepts to improve the technology used in torque tools and to continue to bring new products to market to enable the company to maintain its product range as being a worldwide market leading torque tool manufacturer.

DIRECTORS
The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

P A Brodey
N A Brodey
C L Rohll
R Miller
J Kostrzewa
T L Chambers
M Gapinski

EMPLOYEES
The company shares information with employees through cascade briefings or "Team Briefs". The directors continue to meet regularly with the senior managers to discuss the core aspects of the business and to consider trading trends and marketing policies that are applicable to an ever-changing global sales environment.

The company has monthly gatherings to communicate general news and has an elected representative body which complies with the European Information and Consultation Directive requirements.

DISABLED EMPLOYEES
The company has policies and procedures in place to encourage employees with disabilities. Managers receive education in the requirements of the Disability Discrimination Act 1995 and the Equality Act 2010.

To remove any possible discrimination our application form for recruitment does not ask if a potential applicant has a disability. After selection of candidates, in our invite, for interview letter we ask what reasonable adjustments can be made to enable that applicant to attend.

We work closely with our Occupational Health team to make the necessary reasonable adjustments for those who become disabled to allow them to continue to carry out their job roles.

Our Equal Opportunities policy commits that we treat all our employees equally for recruitment, selection, training and development and promotion.

REPORT OF THE DIRECTORS
for the year ended 31 December 2018

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON ORDER OF THE BOARD:

P A Brodey - Director

19 June 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NORBAR TORQUE TOOLS LTD

Opinion

We have audited the financial statements of Norbar Torque Tools Ltd (the 'company') for the year ended 31 December 2018 which comprise the Statement of Income and Retained Earnings, Balance Sheet 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 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 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 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 in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 Report of the Directors.

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, 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 Statement of Directors' Responsibilities set out on page six, 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 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.

Auditors' 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 a Report of the Auditors 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 Report of the Auditors.

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 a Report of the Auditors 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.

Mark Spafford FCCA ACA (Senior Statutory Auditor)
for and on behalf of Luckmans Duckett Parker Limited
Chartered Accountants
Statutory Auditors
1110 Elliott Court
Herald Avenue
Coventry Business Park
Coventry
West Midlands
CV5 6UB

21 June 2019

STATEMENT OF INCOME AND RETAINED EARNINGS
for the year ended 31 December 2018

	Notes	2018 £	2018 £	2017 £	2017 £
TURNOVER	3		31,472,454		28,331,019
Cost of sales			19,770,573		17,769,666
GROSS PROFIT			11,701,881		10,561,353
Administrative expenses			10,045,210		9,421,488
			1,656,671		1,139,865
Other operating income			108,381		82,072
OPERATING PROFIT	5		1,765,052		1,221,937
Income from fixed asset investments		-		130	
Interest receivable and similar income		5,306		597	
			5,306		727
			1,770,358		1,222,664
Interest payable and similar expenses	6		1,714		4,541
PROFIT BEFORE TAXATION			1,768,644		1,218,123
Tax on profit	7		129,450		87,013
PROFIT FOR THE FINANCIAL YEAR			1,639,194		1,131,110
Retained earnings at beginning of year			16,822,013		15,690,907
RETAINED EARNINGS AT END OF YEAR			18,461,207		16,822,017

The notes form part of these financial statements

BALANCE SHEET
31 December 2018

		2018		2017	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	8		104,579		145,270
Tangible assets	9		9,231,721		9,637,598
			9,336,300		9,782,868
CURRENT ASSETS					
Stocks	10	3,417,947		3,723,348	
Debtors	11	6,298,076		5,940,817	
Cash at bank and in hand		4,342,213		1,296,888	
		14,058,236		10,961,053	
CREDITORS					
Amounts falling due within one year	12	4,105,186		3,431,770	
NET CURRENT ASSETS			9,953,050		7,529,283
TOTAL ASSETS LESS CURRENT LIABILITIES			19,289,350		17,312,151
PROVISIONS FOR LIABILITIES	15		765,373		427,364
NET ASSETS			18,523,977		16,884,787
CAPITAL AND RESERVES					
Called up share capital	16		62,770		62,770
Retained earnings	17		18,461,207		16,822,017
SHAREHOLDERS' FUNDS			18,523,977		16,884,787

The financial statements were approved by the Board of Directors on 19 June 2019 and were signed on its behalf by:

C L Rohll - Director

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2018

1. STATUTORY INFORMATION

Norbar Torque Tools Ltd 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.

The presentation currency of the financial statements is the Pound Sterling (£).

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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

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

- the requirements of Section 7 Statement of Cash Flows.

Turnover
Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover from the sale of goods are recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is either on an ex-works basis for international sales or a CIP basis for domestic sales.

Intellectual property
Amortisation is provided to write off intellectual property over its estimated useful life of 5 years from the acquisition date of the intellectual property.

Computer software
Amortisation is provided to write off computer software over its estimated useful life of 5 years from when the asset comes into use by the company.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 4% on cost
Plant and machinery	- Over 10 years
Fixtures and fittings	- Straight line over 15 years
Motor vehicles	- 25% on reducing balance

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

continued...

2. ACCOUNTING POLICIES - continued

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

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Stocks are valued on a First In First Out basis using a standard costing pricing model.

Stock recognised in cost of sales during the year as an expense was £NIL.

Taxation
Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

Research and development
Expenditure on research and development is written off in the year in which it is incurred.

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.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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.

continued...

2. ACCOUNTING POLICIES - continued

Government grants
Revenue grants are charged to the profit and loss account when the expenditure is incurred. Capital grants are deducted from the acquisition cost of fixed assets acquired under the terms of the grant.

Changes in accounting estimates
Bad Debt Provision

Bad debts are assessed according to how long the customer is over their terms by:

100% for customers with known trading issues
90%- 180 days or more over their terms
50% - between 121-179 days over their terms
20% - between 90-120 days over their terms

Stock Provision

Stock provision is assessed on usage over the past 12 months compared to the relative stock holdings,

Quantity over 12 mths usage - 5%
Quantity over 24 mths usage - 20%
Quantity over 36 mths usage - 30%
No usage in last 12 mths - 100%

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	7,341,283	7,282,906
Overseas	24,131,171	21,048,113
	31,472,454	28,331,019

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	11,012,296	10,356,952
Social security costs	1,128,936	1,012,560
Other pension costs	528,475	493,861
	12,669,707	11,863,373

The average number of employees during the year was as follows:

	2018	2017
Production	238	226
Management and administration	81	72
	319	298

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4. EMPLOYEES AND DIRECTORS - continued

	2018	2017
	£	£
Directors' remuneration	465,993	433,554

Information regarding the highest paid director is as follows:

	2018	2017
	£	£
Emoluments etc	163,082	152,988

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Depreciation - owned assets	879,131	816,951
Depreciation - assets on hire purchase contracts or finance leases	-	27,778
Loss on disposal of fixed assets	-	8,175
Intellectual property amortisation	12,100	12,100
Computer software amortisation	33,391	32,992
Auditors' remuneration	20,000	9,750
Foreign exchange differences	(30,807)	(23,971)
Research and development expenditure	74,650	166,110

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank interest	1,714	3,747
Hire purchase	-	794
	1,714	4,541

7. TAXATION

Analysis of the tax charge
The tax charge on the profit for the year was as follows:

	2018	2017
	£	£
Current tax:		
UK corporation tax	1,008	115
Research & Developments Expenditure Credit	(209,567)	(147,799)
Total current tax	(208,559)	(147,684)
Deferred tax provision movement	338,009	234,697
Tax on profit	129,450	87,013

continued...

7. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss
The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018	2017
	£	£
Profit before tax	1,768,644	1,218,123
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	336,042	231,443
Effects of:		
Expenses not deductible for tax purposes	2,085	3,394
Income not taxable for tax purposes	-	(25)
Depreciation in excess of capital allowances	4,734	-
Utilisation of tax losses	(3,844)	-
enhanced expenditure		
Research & development expenditure credit	(209,567)	(147,799)
Total tax charge	129,450	87,013

8. **INTANGIBLE FIXED ASSETS**

	Intellectual property	Computer software	Totals
	£	£	£
COST			
At 1 January 2018	60,500	363,853	424,353
Additions	-	4,800	4,800
At 31 December 2018	60,500	368,653	429,153
AMORTISATION			
At 1 January 2018	48,400	230,683	279,083
Amortisation for year	12,100	33,391	45,491
At 31 December 2018	60,500	264,074	324,574
NET BOOK VALUE			
At 31 December 2018	-	104,579	104,579
At 31 December 2017	12,100	133,170	145,270

continued...

9. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
COST			
At 1 January 2018	3,292,920	10,160,500	409,645
Additions	-	449,129	-
At 31 December 2018	3,292,920	10,609,629	409,645
DEPRECIATION			
At 1 January 2018	415,582	3,445,993	363,892
Charge for year	146,905	713,447	11,742
At 31 December 2018	562,487	4,159,440	375,634
NET BOOK VALUE			
At 31 December 2018	2,730,433	6,450,189	34,011
At 31 December 2017	2,877,338	6,714,507	45,753

	Motor vehicles £	Computer equipment £	Totals £
COST			
At 1 January 2018	37,964	-	13,901,029
Additions	-	24,125	473,254
At 31 December 2018	37,964	24,125	14,374,283
DEPRECIATION			
At 1 January 2018	37,964	-	4,263,431
Charge for year	-	7,037	879,131
At 31 December 2018	37,964	7,037	5,142,562
NET BOOK VALUE			
At 31 December 2018	-	17,088	9,231,721
At 31 December 2017	-	-	9,637,598

10. STOCKS

	2018 £	2017 £
Raw materials and loose tools	169,781	54,014
Work-in-progress	273,312	269,732
Finished goods	2,974,854	3,399,602
	3,417,947	3,723,348

continued...

11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade debtors	4,014,452	4,016,929
Amounts owed by group undertakings	1,759,715	1,472,660
Other debtors	193,189	112,885
Tax	209,567	147,799
Prepayments	121,153	190,544
	6,298,076	5,940,817

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018	2017
	£	£
Trade creditors	1,001,418	1,100,353
Amounts owed to group undertakings	1,636,120	850,877
Tax	4,224	3,216
Social security and other taxes	357,174	321,253
Other creditors	588,881	543,801
Accrued expenses	517,369	612,270
	4,105,186	3,431,770

13. LEASING AGREEMENTS

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

	2018	2017
	£	£
Within one year	764,407	763,911
Between one and five years	2,839,425	2,920,255
In more than five years	2,270,000	2,951,000
	5,873,832	6,635,166

14. SECURED DEBTS

The bank overdraft facility is secured by Letter of Negative Pledge.

15. PROVISIONS FOR LIABILITIES

	2018	2017
	£	£
Deferred tax	765,373	427,364

	Deferred tax	Accrued pension provision
	£	£
Balance at 1 January 2018	427,364	-
Provided during year	338,009	-
Balance at 31 December 2018	765,373	-

continued...

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2018 £	2017 £
60,390	Ordinary	£1	60,390	60,390
2,380	'A' Ordinary	£1	2,380	2,380
			62,770	62,770

17. RESERVES

	Retained earnings £
At 1 January 2018	16,822,013
Profit for the year	1,639,194
At 31 December 2018	18,461,207

18. PENSION COMMITMENTS

The company operates a defined contribution scheme. Contributions payable for the year are charged to the profit and loss account as incurred. Employer contributions made in the year were £528,475 (2017: £493,860). There were no outstanding company contributions at the year end.

19. ULTIMATE PARENT COMPANY

The ultimate parent company is Snap-on Inc. A copy of the Snap-on Inc annual report can be obtained from www.snapon.com or at the company's offices at 2801 80th Street, Kenosha, Wisconsin, 53143, USA.

20. RELATED PARTY DISCLOSURES

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.

During the year, a total of key management personnel compensation of £ 539,833 (2017 - £ 489,687) was paid.