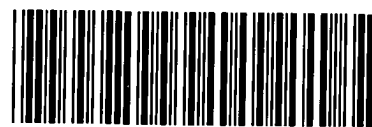


REGISTERED NUMBER: 00419883 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 30 April 2018
for
The Downland Bedding Company Limited

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

THURSDAY



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COMPANIES HOUSE

The Downland Bedding Company Limited

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for the Year Ended 30 April 2018

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The Downland Bedding Company Limited

Company Information

for the Year Ended 30 April 2018

DIRECTORS:

M R Smith
G R Smith
G O Smith
F G Smith

REGISTERED OFFICE:

23 Blackstock Street
Liverpool
L3 6ER

REGISTERED NUMBER:

00419883 (England and Wales)

AUDITORS:

Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

The Downland Bedding Company Limited

Strategic Report
for the Year Ended 30 April 2018

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

REVIEW OF BUSINESS

The company's product range includes traded goods, pillows and duvets. The key performance indicators are product turnover and profit margins. Growth in 2018 has slowed - turnover has increased by 2.4% whilst operating profit decreased to 2.3%. This is in line with the directors' expectations.

The company faces a number of risks and uncertainties and the directors believe that those that are key to the business are in respect of competition from other UK manufacturers and meeting customer expectations for quality, delivery performance and availability. The directors also recognise that there are a number of trading factors outside their control which may affect the future development of the company.

The directors anticipate that the business environment will remain competitive. However, the company is in a good financial position and the directors are confident that, in spite of the current economic conditions, the company has the ability to continue to grow.

Continued investment in plant and machinery and operations is ongoing and will further promote growth.

PRINCIPAL RISKS AND UNCERTAINTIES

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. Bank borrowings are in the form of a secured overdraft facility with variable interest rates.

Liquidity risk

The company manages liquidity risk by the careful monitoring of working capital with particular emphasis on stock management and purchasing. Short term flexibility is, as stated above, managed within the existing bank borrowing facility.

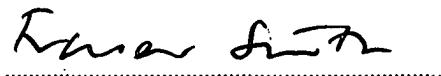
Foreign currency risk

The company buys much of its stock from overseas markets and manages its risk to fluctuating exchange rates by using forward exchange rate contracts, primarily in US dollars and the Chinese yuan. The company's policy is to cover much of its exposure to customer and supplier contractual obligations by fixing the rate for when foreign currency will be required.

RESEARCH & DEVELOPMENT

The company has a continuous programme of research and development to drive production innovation, develop manufacturing techniques and processes and to improve performance ensuring we remain a market leader and remain compliant with the latest technologies and legislation

ON BEHALF OF THE BOARD:



.....
F G Smith - Director

Date: 30th January 2019

The Downland Bedding Company Limited

Report of the Directors
for the Year Ended 30 April 2018

The directors present their report with the financial statements of the company for the year ended 30 April 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of Manufacture and sales of pillows and bedding and the importation of textile products

DIVIDENDS

No dividends will be distributed for the year ended 30 April 2018.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 May 2017 to the date of this report.

M R Smith
G R Smith
G O Smith
F G Smith

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). 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.

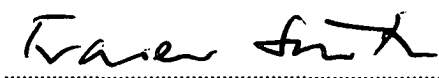
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
F G Smith - Director

Date: 30th January 2019

Report of the Independent Auditors to the Members of
The Downland Bedding Company Limited

Opinion

We have audited the financial statements of The Downland Bedding Company Limited (the 'company') for the year ended 30 April 2018 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 30 April 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.

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 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.

Report of the Independent Auditors to the Members of
The Downland Bedding Company Limited

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 three, 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.

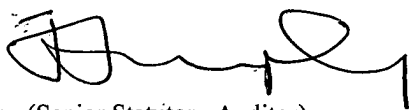
Auditors' responsibilities for the audit of the financial statements

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.



Frank Murphy (Senior Statutory Auditor)
for and on behalf of Haines Watts
Statutory Auditor
3rd Floor Pacific Chambers
11-13 Victoria Street
Liverpool
Merseyside
L2 5QQ

Date:

^{to} 30 January 2019

The Downland Bedding Company Limited

Statement of Comprehensive Income
for the Year Ended 30 April 2018

	Notes	30.4.18 £	£	30.4.17 £	£
TURNOVER	3		14,607,811		14,263,846
Cost of sales			11,690,132		11,094,436
GROSS PROFIT			2,917,679		3,169,410
Distribution costs		1,286,796		1,191,058	
Administrative expenses		1,301,498		1,186,869	
			2,588,294		2,377,927
			329,385		791,483
Other operating income			5,542		58,053
OPERATING PROFIT	5		334,927		849,536
Interest receivable and similar income			786		2,584
			335,713		852,120
Interest payable and similar expenses	6		26,154		31,897
PROFIT BEFORE TAXATION			309,559		820,223
Tax on profit	7		(51,038)		162,915
PROFIT FOR THE FINANCIAL YEAR			360,597		657,308
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			360,597		657,308

The notes form part of these financial statements

Balance Sheet
30 April 2018

	Notes	30.4.18 £	£	30.4.17 £	£
FIXED ASSETS					
Tangible assets	8		1,437,562		1,290,895
Investments	9		41,415		41,415
			<u>1,478,977</u>		<u>1,332,310</u>
CURRENT ASSETS					
Stocks	10	1,709,377		1,546,862	
Debtors	11	2,466,622		2,049,334	
Cash at bank and in hand		519,099		1,055,987	
		<u>4,695,098</u>		<u>4,652,183</u>	
CREDITORS					
Amounts falling due within one year	12	2,616,807		2,772,895	
NET CURRENT ASSETS			<u>2,078,291</u>		<u>1,879,288</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>3,557,268</u>		<u>3,211,598</u>
CREDITORS					
Amounts falling due after more than one year	13		(445,598)		(477,996)
PROVISIONS FOR LIABILITIES	16		(107,669)		(89,273)
ACCRUALS AND DEFERRED INCOME	17		(4,310)		(5,235)
NET ASSETS			<u><u>2,999,691</u></u>		<u><u>2,639,094</u></u>
CAPITAL AND RESERVES					
Called up share capital	18		3,100		3,100
Capital redemption reserve	19		1,900		1,900
Retained earnings	19		2,994,691		2,634,094
SHAREHOLDERS' FUNDS			<u><u>2,999,691</u></u>		<u><u>2,639,094</u></u>

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



.....
F G Smith - Director

The Downland Bedding Company Limited

Statement of Changes in Equity
for the Year Ended 30 April 2018

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 May 2016	3,100	1,976,786	1,900	1,981,786
Changes in equity				
Total comprehensive income	-	657,308	-	657,308
Balance at 30 April 2017	3,100	2,634,094	1,900	2,639,094
Changes in equity				
Total comprehensive income	-	360,597	-	360,597
Balance at 30 April 2018	3,100	2,994,691	1,900	2,999,691

The notes form part of these financial statements

The Downland Bedding Company Limited

Cash Flow Statement

for the Year Ended 30 April 2018

	Notes	30.4.18 £	30.4.17 £
Cash flows from operating activities			
Cash generated from operations	1	(231,572)	1,113,978
Interest paid		(26,154)	(31,897)
Tax paid		3,703	(17,586)
Net cash from operating activities		<u>(254,023)</u>	<u>1,064,495</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(267,453)	(240,851)
Proceeds from other investments and loan		-	5,964
Sale of tangible fixed assets		309	3,020
Interest received		786	2,584
Net cash from investing activities		<u>(266,358)</u>	<u>(229,283)</u>
Cash flows from financing activities			
Loan repayments in year		(11,067)	(476,273)
Capital repayments in year		(5,440)	(4,590)
Net cash from financing activities		<u>(16,507)</u>	<u>(480,863)</u>
(Decrease)/increase in cash and cash equivalents		<u>(536,888)</u>	<u>354,349</u>
Cash and cash equivalents at beginning of year	2	1,055,987	701,638
Cash and cash equivalents at end of year	2	<u><u>519,099</u></u>	<u><u>1,055,987</u></u>

The notes form part of these financial statements

The Downland Bedding Company Limited

Notes to the Cash Flow Statement
for the Year Ended 30 April 2018

1. **RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	30.4.18	30.4.17
	£	£
Profit before taxation	309,559	820,223
Depreciation charges	119,022	92,736
Profit on disposal of fixed assets	(309)	(3,020)
(Decrease) in deferred income	(925)	(925)
Finance costs	26,154	31,897
Finance income	(786)	(2,584)
	<u>452,715</u>	<u>938,327</u>
Increase in stocks	(162,515)	(183,436)
(Increase)/decrease in trade and other debtors	(415,173)	94,601
(Decrease)/increase in trade and other creditors	<u>(106,599)</u>	<u>264,486</u>
Cash generated from operations	<u><u>(231,572)</u></u>	<u><u>1,113,978</u></u>

2. **CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 30 April 2018

	30.4.18	1.5.17
	£	£
Cash and cash equivalents	<u><u>519,099</u></u>	<u><u>1,055,987</u></u>

Year ended 30 April 2017

	30.4.17	1.5.16
	£	£
Cash and cash equivalents	<u><u>1,055,987</u></u>	<u><u>701,638</u></u>

The notes form part of these financial statements

1. **STATUTORY INFORMATION**

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

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company'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.

Turnover

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

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold land and buildings	2% p.a. on cost
Plant and equipment	15% - 25% p.a. on cost
Motor vehicles	25% p.a. on cost

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 credited or charged to the profit or loss.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance the grant conditions will be met and the grants will be received

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability

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.

2. **ACCOUNTING POLICIES - continued**

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.

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.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

2. ACCOUNTING POLICIES - continued

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

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 the 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.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with bank, 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.

Financial instruments

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

Financial instruments are recognised in the company's balance sheet 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.

3. TURNOVER

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

An analysis of turnover by class of business is given below:

	30.4.18	30.4.17
	£	£
Sale of goods	14,607,811	14,263,846
	<u>14,607,811</u>	<u>14,263,846</u>

The Downland Bedding Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

3. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	30.4.18 £	30.4.17 £
United Kingdom	14,563,956	14,202,255
Europe	43,855	61,591
	<u>14,607,811</u>	<u>14,263,846</u>

4. **EMPLOYEES AND DIRECTORS**

	30.4.18 £	30.4.17 £
Wages and salaries	2,742,821	2,391,906
Social security costs	215,918	194,301
Other pension costs	47,009	68,418
	<u>3,005,748</u>	<u>2,654,625</u>

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

	30.4.18	30.4.17
Manufacturing	90	100
Sales	6	6
Administration & Support	19	14
	<u>115</u>	<u>120</u>

	30.4.18 £	30.4.17 £
Directors' remuneration	170,640	170,640
Directors' pension contributions to money purchase schemes	30,000	55,000
	<u>200,640</u>	<u>225,640</u>

5. **OPERATING PROFIT**

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

	30.4.18 £	30.4.17 £
Other operating leases	9,383	4,090
Depreciation - owned assets	119,021	88,547
Depreciation - assets on hire purchase contracts	-	4,192
Profit on disposal of fixed assets	(309)	(3,020)
Auditors' remuneration	13,000	13,000
Foreign exchange differences	(4,617)	(57,128)
Cost of stocks recognised as an expense	9,465,728	9,142,186
	<u>9,582,485</u>	<u>9,269,785</u>

6. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	30.4.18 £	30.4.17 £
Bank interest	26,154	31,897
	<u>26,154</u>	<u>31,897</u>

7. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the profit for the year was as follows:

	30.4.18	30.4.17
	£	£
Current tax:		
UK corporation tax	-	135,642
Under/ over provision of tax	(69,434)	-
Total current tax	(69,434)	135,642
Deferred tax	18,396	27,273
Tax on profit	(51,038)	162,915

Reconciliation of total tax (credit)/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:

	30.4.18	30.4.17
	£	£
Profit before tax	309,559	820,223
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	58,816	164,045
Effects of:		
Expenses not deductible for tax purposes	48	788
Income not taxable for tax purposes	(59)	(185)
Capital allowances in excess of depreciation	(20,525)	(675)
Other Permanent Differences	-	(1,058)
Research & Development enhanced deduction	(53,216)	-
Effect of prior year over provision	(36,102)	-
Total tax (credit)/charge	(51,038)	162,915

The Downland Bedding Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 May 2017	960,847	1,422,964	15,238	2,399,049
Additions	6,780	260,673	-	267,453
Disposals	-	(27,950)	-	(27,950)
At 30 April 2018	967,627	1,655,687	15,238	2,638,552
DEPRECIATION				
At 1 May 2017	151,715	946,006	10,433	1,108,154
Charge for year	18,128	98,146	2,747	119,021
Eliminated on disposal	-	(26,185)	-	(26,185)
At 30 April 2018	169,843	1,017,967	13,180	1,200,990
NET BOOK VALUE				
At 30 April 2018	797,784	637,720	2,058	1,437,562
At 30 April 2017	809,132	476,958	4,805	1,290,895

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
COST	
At 1 May 2017	6,604
Transfer to ownership	(6,604)
At 30 April 2018	-
DEPRECIATION	
At 1 May 2017	4,192
Transfer to ownership	(4,192)
At 30 April 2018	-
NET BOOK VALUE	
At 30 April 2018	-
At 30 April 2017	2,412

The Downland Bedding Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

9. **FIXED ASSET INVESTMENTS**

	Unlisted investments £
COST	
At 1 May 2017 and 30 April 2018	<u>41,415</u>
NET BOOK VALUE	
At 30 April 2018	<u>41,415</u>
At 30 April 2017	<u>41,415</u>

10. **STOCKS**

	30.4.18 £	30.4.17 £
Stocks	<u>1,709,377</u>	<u>1,546,862</u>

11. **DEBTORS**

	30.4.18 £	30.4.17 £
Amounts falling due within one year:		
Trade debtors	2,270,791	1,903,922
Other debtors	70,820	72,714
Prepayments and accrued income	105,341	43,494
	<u>2,446,952</u>	<u>2,020,130</u>

Amounts falling due after more than one year:
Other debtors

19,670 29,204

Aggregate amounts

2,466,622 2,049,334

12. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	30.4.18 £	30.4.17 £
Bank loans and overdrafts (see note 14)	406,241	422,717
Other loans (see note 14)	-	12,033
Hire purchase contracts (see note 15)	-	1,940
Trade creditors	1,271,570	1,284,381
Tax	-	135,642
Social security and other taxes	57,121	55,372
VAT	224,719	202,548
Other creditors	72,987	106,668
Accrued expenses	583,244	550,669
Deferred government grants	925	925
	<u>2,616,807</u>	<u>2,772,895</u>

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	30.4.18	30.4.17
	£	£
Bank loans (see note 14)	276,810	308,428
Hire purchase contracts (see note 15)	-	780
Trade creditors	3,995	-
Amounts owed to group undertakings	161,093	165,088
Deferred government grants	3,700	3,700
	<u>445,598</u>	<u>477,996</u>

14. LOANS

An analysis of the maturity of loans is given below:

	30.4.18	30.4.17
	£	£
Amounts falling due within one year or on demand:		
Bank loans	406,241	422,717
Other loans	-	12,033
	<u>406,241</u>	<u>434,750</u>

Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>276,810</u>	<u>308,428</u>
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15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	30.4.18	30.4.17
	£	£
Net obligations repayable:		
Within one year	-	1,940
Between one and five years	-	780
	<u>-</u>	<u>2,720</u>

	Non-cancellable operating leases	
	30.4.18	30.4.17
	£	£
Within one year	15,354	19,404
Between one and five years	24,839	39,383
	<u>40,193</u>	<u>58,787</u>

The Downland Bedding Company Limited

Notes to the Financial Statements - continued
for the Year Ended 30 April 2018

16. PROVISIONS FOR LIABILITIES

	30.4.18	30.4.17
	£	£
Deferred tax	107,669	89,273
		Deferred tax
		£
Balance at 1 May 2017		89,273
Provided during year		18,396
Balance at 30 April 2018		107,669

17. ACCRUALS AND DEFERRED INCOME

	30.4.18	30.4.17
	£	£
Deferred government grants	4,310	5,235

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			30.4.18	30.4.17
Number:	Class:	Nominal value:	£	£
3,100	Ordinary	£1	3,100	3,100

19. RESERVES

	Retained earnings	Capital redemption reserve	Totals
	£	£	£
At 1 May 2017	2,634,094	1,900	2,635,994
Profit for the year	360,597		360,597
At 30 April 2018	2,994,691	1,900	2,996,591

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 30 April 2018 and 30 April 2017:

	30.4.18	30.4.17
	£	£
F G Smith		
Balance outstanding at start of year	72,714	72,714
Amounts repaid	(1,894)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	70,820	72,714