

REGISTERED NUMBER: 00467046 (England and Wales)

GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018
FOR
RIPMAX LIMITED

Langdowns DFK Limited
Statutory Auditor
Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

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RIPMAX LIMITED (REGISTERED NUMBER: 00467046)

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FOR THE YEAR ENDED 31 MARCH 2018

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RIPMAX LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MARCH 2018

DIRECTORS:

Mr R A Hales
Mr G J Hales
Mr P A Halman
Mr M Hull
Mr J H Metcalf
Mr N J Moss
Mr C M P Straus
Mr M Wood
Mr M Henley

SECRETARY:

Mr M Henley

REGISTERED OFFICE:

241 Green Street
Enfield
Middlesex
EN3 7SJ

REGISTERED NUMBER:

00467046 (England and Wales)

SENIOR STATUTORY AUDITOR:

Graham Taylor

AUDITORS:

Langdowns DFK Limited
Statutory Auditor
Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2018**

The directors present their strategic report of the company and the group for the year ended 31 March 2018

REVIEW OF BUSINESS

Trading conditions have remained challenging due to market conditions, the economy in general and the uncertainty caused by the ongoing Brexit issues. Since the year end the group has reviewed and reorganised operations to ensure future growth and profitability.

PRINCIPAL RISKS AND UNCERTAINTIES

Since the majority of the group's purchasing is overseas there is a risk to pricing should there be sudden significant currency fluctuations. The group considers itself in a position to react quickly in these circumstances. The Directors consider that there are no other significant group specific risks.

DEVELOPMENT AND PERFORMANCE

Key performance indicators used to monitor development and performance include sales growth, gross margin percentage and net operating profit. These are all reflected in the Statement of Comprehensive Income.

ON BEHALF OF THE BOARD:


.....
Mr N J Moss - Director

Date

19/2/18

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of wholesale and retail of radio controlled models and related equipment.

DIVIDENDS

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

RESEARCH AND DEVELOPMENT

The group incurred costs of £4,650 (2017: £6,499) relating to the development, testing and patenting of new products.

FUTURE DEVELOPMENTS

The Directors continue to look at and consider different ways to expand the business these include, but are not limited to, the inception of new products and by potential acquisition.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements

DIRECTORS

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

Mr R A Hales
Mr G J Hales
Mr P A Halman
Mr M Hull
Mr J H Metcalf
Mr N J Moss
Mr C M P Straus
Mr M Wood
Mr M Henley

FINANCIAL INSTRUMENTS

The group's activities expose it to a variety of financial risks, including the effects of foreign currency exchange rates and interest rates. The group's overall risk management policy focuses on monitoring potential adverse effects where considered material. The group accepts a certain degree of interest rate risk and other market price risks and continues to monitor these on an ongoing basis. Prudent cash management is used to reduce any exposure to liquidity risk. The group has no specific concentration of credit risk.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group 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 the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RIPMAX LIMITED (REGISTERED NUMBER: 00467046)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 MARCH 2018**

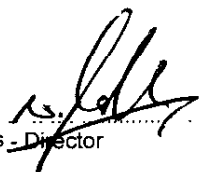
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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 group'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 group's auditors are aware of that information.

AUDITORS

The auditors, Langdowns DFK Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
Mr N J Moss - Director

Date: 19/12/18

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RIPMAX LIMITED**

Opinion

We have audited the financial statements of Ripmax Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2018 which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated 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 group's and of the parent company affairs as at 31 March 2018 and of the group's loss 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 group 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.

Material uncertainty related to going concern

We draw attention to note 3 to the financial statements, which indicates that, despite the recent disappointing trading performances of the Group, its overall net asset position post year-end will improve significantly following the sale of its main freehold property. As stated in Note 3, although the results indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern, the Directors have set out their expectations as to why they believe the Group is a going concern for the foreseeable future. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group 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 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 Group 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 Group 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 group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
RIPMAX LIMITED**

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 group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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.

Graham Taylor (Senior Statutory Auditor)
for and on behalf of Langdowns DFK Limited
Statutory Auditor
Fleming Court
Leigh Road
Eastleigh
Southampton
Hampshire
SO50 9PD

Date: 20/12/2018

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2018


		2018	2017
	Notes	£	£
TURNOVER	4	9,288,163	10,725,758
Cost of sales		6,129,793	7,561,309
GROSS PROFIT		3,158,370	3,164,449
Distribution costs		349,878	371,080
Administrative expenses		3,354,126	3,998,505
		3,704,004	4,369,585
OPERATING LOSS	6	(545,634)	(1,205,136)
Interest payable and similar expenses	7	90,290	23,032
LOSS BEFORE TAXATION		(635,924)	(1,228,168)
Tax on loss	8	(49,440)	(4,977)
LOSS FOR THE FINANCIAL YEAR		(586,484)	(1,223,191)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(586,484)	(1,223,191)
Loss attributable to: Owners of the parent		(586,484)	(1,223,191)
Total comprehensive income attributable to: Owners of the parent		(586,484)	(1,223,191)

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 MARCH 2018

		2018	2017
	Notes	£	£
FIXED ASSETS			
Intangible assets	10	68,734	82,993
Tangible assets	11	1,433,545	1,269,821
Investments	12	-	-
		<u>1,502,279</u>	<u>1,352,814</u>
CURRENT ASSETS			
Stocks	13	1,089,498	1,909,347
Debtors	14	6,101,625	5,669,284
Cash at bank and in hand		111,525	198,491
		<u>7,302,648</u>	<u>7,777,122</u>
CREDITORS			
Amounts falling due within one year	15	4,635,209	4,255,179
NET CURRENT ASSETS		<u>2,667,439</u>	<u>3,521,943</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,169,718</u>	<u>4,874,757</u>
CREDITORS			
Amounts falling due after more than one year	16	(652,537)	(769,784)
PROVISIONS FOR LIABILITIES	21	-	(1,308)
NET ASSETS		<u><u>3,517,181</u></u>	<u><u>4,103,665</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	50,000	50,000
Retained earnings	23	3,467,181	4,053,665
SHAREHOLDERS' FUNDS		<u><u>3,517,181</u></u>	<u><u>4,103,665</u></u>

The financial statements were approved by the Board of Directors on 19/12/18 and were signed on its behalf by:

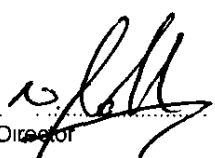

 Mr N J Moss - Director

COMPANY BALANCE SHEET

31 MARCH 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Intangible assets	10	55,376	62,850
Tangible assets	11	1,416,084	1,244,485
Investments	12	101	101
		<u>1,471,561</u>	<u>1,307,436</u>
CURRENT ASSETS			
Stocks	13	1,014,498	1,834,347
Debtors	14	6,274,915	5,787,143
Cash at bank and in hand		111,523	173,853
		<u>7,400,936</u>	<u>7,795,343</u>
CREDITORS			
Amounts falling due within one year	15	<u>4,635,628</u>	<u>4,219,352</u>
NET CURRENT ASSETS		<u>2,765,308</u>	<u>3,575,991</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>4,236,869</u>	<u>4,883,427</u>
CREDITORS			
Amounts falling due after more than one year	16	<u>652,537</u>	<u>769,784</u>
NET ASSETS		<u><u>3,584,332</u></u>	<u><u>4,113,643</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	50,000	50,000
Retained earnings	23	3,534,332	4,063,643
SHAREHOLDERS' FUNDS		<u><u>3,584,332</u></u>	<u><u>4,113,643</u></u>
Company's loss for the financial year		<u><u>(529,311)</u></u>	<u><u>(1,206,740)</u></u>

The financial statements were approved by the Board of Directors on ... 19/12/18 ... and were signed on its behalf by:


 Mr N J Moss - Director

RIPMAX LIMITED (REGISTERED NUMBER: 00467046)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	50,000	5,276,856	5,326,856
Changes in equity			
Total comprehensive income	-	(1,223,191)	(1,223,191)
Balance at 31 March 2017	50,000	4,053,665	4,103,665
Changes in equity			
Total comprehensive income	-	(586,484)	(586,484)
Balance at 31 March 2018	50,000	3,467,181	3,517,181

The notes form part of these financial statements

RIPMAX LIMITED (REGISTERED NUMBER: 00467046)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 April 2016	50,000	5,270,383	5,320,383
Changes in equity			
Total comprehensive income	-	(1,206,740)	(1,206,740)
Balance at 31 March 2017	50,000	4,063,643	4,113,643
Changes in equity			
Total comprehensive income	-	(529,311)	(529,311)
Balance at 31 March 2018	50,000	3,534,332	3,584,332

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

		2018 £	2017 £
Cash flows from operating activities	Notes		
Cash generated from operations	1	(231,563)	561,847
Interest paid		(88,144)	(21,058)
Interest element of hire purchase payments paid		(2,146)	(1,974)
Tax paid		48,132	997
Net cash from operating activities		(273,721)	539,812
Cash flows from investing activities			
Purchase of intangible fixed assets		(5,603)	(30,214)
Purchase of tangible fixed assets		(224,802)	(6,302)
Sale of tangible fixed assets		-	26,780
Net cash from investing activities		(230,405)	(9,736)
Cash flows from financing activities			
Proceeds from new bank borrowings		-	118,000
Repayment of bank borrowings		(98,661)	(57,853)
Proceeds from other loans		1,381,335	-
Capital repayments in year		(20,329)	(27,884)
Net cash from financing activities		1,262,345	32,263
Increase in cash and cash equivalents		758,219	562,339
Cash and cash equivalents at beginning of year	2	(1,833,148)	(2,395,487)
Cash and cash equivalents at end of year	2	(1,074,929)	(1,833,148)

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 MARCH 2018**

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Loss before taxation	(635,924)	(1,228,168)
Depreciation charges	80,940	89,679
Profit on disposal of fixed assets	-	(581)
Finance costs	90,290	23,032
	(464,694)	(1,116,038)
Decrease in stocks	819,849	1,838,865
(Increase)/decrease in trade and other debtors	(432,341)	296,727
Decrease in trade and other creditors	(154,377)	(457,707)
Cash generated from operations	(231,563)	561,847

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 31 March 2018

	31.3.18	1.4.17
	£	£
Cash and cash equivalents	111,525	198,491
Bank overdrafts	(1,186,454)	(2,031,639)
	(1,074,929)	(1,833,148)

Year ended 31 March 2017

	31.3.17	1.4.16
	£	£
Cash and cash equivalents	198,491	44,614
Bank overdrafts	(2,031,639)	(2,440,101)
	(1,833,148)	(2,395,487)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2018**

1. STATUTORY INFORMATION

Ripmax 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

The group's principal place of business is 241 Green Street, Enfield, Middlesex, EN3 7SJ.

The group's principal activity is the wholesale and retail of radio controlled models and related equipment.

The financial statements are presented in Sterling, which is also the functional currency of the group.

2. STATEMENT OF COMPLIANCE

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

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention

Going concern considerations

Subsequent to the year-end the Directors have signed an unconditional sale agreement for their main freehold property for consideration of £6M. This is currently reflected in these accounts at a net book value of £1.1M. This will therefore enable the Group to reorganise its current borrowing arrangements. Coupled with this, the main trading operation has been significantly reorganised internally, which is expected to make a very large reduction in costs without harming the core underlying trade of the business.

Forecasts prepared by the Directors for the 12 months subsequent to the date of approval of these financial statements suggest that the Group will be very cash positive over this period, and this coupled with the major reorganisation plus premises move should lead to a far more positive outlook for the foreseeable future.

It is on this basis the Directors believe it is appropriate to prepare these financial statements on a going concern basis.

Basis of consolidation

The financial statements consolidate the accounts of Ripmax Limited and all of its subsidiary undertakings ('subsidiaries').

Significant judgements and estimates

In the application of the group's accounting policies, management is required to make judgements, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and the underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The stock value at the balance sheet date of £1,089,498 is after allowing for a slow moving and obsolete stock provision. The group has a specific policy in place to consider obsolete and slow moving stock. The policy considers the length of time that the stock has been held by the group and based on this analysis, the group then applies a percentage reduction to the value of each stock line that meets the parameters of the policy.

The group have made these policies based on the detailed knowledge and understanding that they have of the industry and the business.

Turnover

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

3 ACCOUNTING POLICIES - continued

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Website and software costs is being amortised evenly over its estimated useful life of three years.

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 property	- 2% straight line
Plant and machinery	- 20% straight line and 15% straight line
Fixtures, fittings & equipment	- 15% - 33% on cost
Motor vehicles	- 25% on reducing balance
Office equipment	- 20% straight line

All fixed assets are initially recorded at cost. Fixed assets are subsequently recorded at cost less depreciation and any impairment

Stocks

Stocks 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 weighted average cost formula

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated 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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

3 ACCOUNTING POLICIES - continued

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

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Fixed asset investments

Fixed asset investments are measured at cost less impairment.

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income

Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost.

Provisions

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

4 TURNOVER

The turnover and loss before taxation are attributable to the one principal activity of the group

An analysis of turnover by class of business is given below

	2018 £	2017 £
Wholesale	9,288,163	10,725,758
	<u>9,288,163</u>	<u>10,725,758</u>

Turnover, consists entirely of revenues arising from sale of goods

5. EMPLOYEES AND DIRECTORS

	2018 £	2017 £
Wages and salaries	1,641,921	1,986,649
Social security costs	168,159	198,256
Other pension costs	21,310	20,543
	<u>1,831,390</u>	<u>2,205,448</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

5. EMPLOYEES AND DIRECTORS - continued

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

	2018	2017
Directors	10	10
Wholesale	43	42
Retail	-	8
	<u>53</u>	<u>60</u>

The average number of employees by undertakings that were proportionately consolidated during the year was NIL (2017 - NIL).

The key management personnel of the group comprise the board of directors for the parent company, Ripmax Limited.

	2018 £	2017 £
Directors' remuneration	551,931	577,918
Directors' pension contributions to money purchase schemes	<u>9,070</u>	<u>8,555</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>5</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows.

	2018 £	2017 £
Emoluments etc	<u>140,183</u>	<u>160,513</u>

£Nil (2017: £28,539) has been paid to third parties for directors services.

6. OPERATING LOSS

The operating loss is stated after charging/(crediting).

	2018 £	2017 £
Other operating leases	27,195	60,771
Depreciation - owned assets	46,882	51,753
Depreciation - assets on hire purchase contracts	14,196	20,381
Profit on disposal of fixed assets	-	(581)
Patents and licences amortisation	7,474	7,474
Website and software costs amortisation	12,388	10,071
Foreign exchange differences	5,764	-
Auditor's remuneration	11,500	11,000
Direct cost exchange variance	(18,933)	(46,634)
Research and development expenditure written off	<u>4,650</u>	<u>6,499</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Loan interest	88,144	21,058
Hire purchase	<u>2,146</u>	<u>1,974</u>
	<u>90,290</u>	<u>23,032</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**8. TAXATION****Analysis of the tax credit**

The tax credit on the loss for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	(48,132)	-
Deferred tax	(1,308)	(4,977)
Tax on loss	<u>(49,440)</u>	<u>(4,977)</u>

UK corporation tax has been charged at 19% (2017 - 20%)

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Loss before tax	<u>(635,924)</u>	<u>(1,228,168)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	(120,826)	(245,634)
Effects of:		
Expenses not deductible for tax purposes	1,447	-
Capital allowances in excess of depreciation	(28,315)	-
Depreciation in excess of capital allowances	-	11,477
Other timing differences	518	(324)
Tax losses carried forward	147,176	234,481
Deferred tax	(1,308)	(4,977)
Receipt from loss carry back	(48,132)	-
Total tax credit	<u>(49,440)</u>	<u>(4,977)</u>

9. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

10. INTANGIBLE FIXED ASSETS

Group

	Patents and licences £	Website and software costs £	Totals £
COST			
At 1 April 2017	74,741	30,214	104,955
Additions	-	5,603	5,603
At 31 March 2018	74,741	35,817	110,558
AMORTISATION			
At 1 April 2017	11,891	10,071	21,962
Amortisation for year	7,474	12,388	19,862
At 31 March 2018	19,365	22,459	41,824
NET BOOK VALUE			
At 31 March 2018	55,376	13,358	68,734
At 31 March 2017	62,850	20,143	82,993

Amortisation of patents and licences is included in the Statement of Comprehensive Income under administrative expenses.

Amortisation of website and software costs is included in the Statement of Comprehensive Income under administrative expenses.

Company

	Patents and licences £
COST	
At 1 April 2017 and 31 March 2018	74,741
AMORTISATION	
At 1 April 2017	11,891
Amortisation for year	7,474
At 31 March 2018	19,365
NET BOOK VALUE	
At 31 March 2018	55,376
At 31 March 2017	62,850

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

11 TANGIBLE FIXED ASSETS**Group**

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £
COST			
At 1 April 2017	1,429,976	447,092	1,264,946
Additions	-	4,150	220,217
At 31 March 2018	1,429,976	451,242	1,485,163
DEPRECIATION			
At 1 April 2017	284,476	433,853	1,252,720
Charge for year	28,600	4,212	3,145
At 31 March 2018	313,076	438,065	1,255,865
NET BOOK VALUE			
At 31 March 2018	1,116,900	13,177	229,298
At 31 March 2017	1,145,500	13,239	12,226
	Motor vehicles £	Office equipment £	Totals £
COST			
At 1 April 2017	197,287	27,968	3,367,269
Additions	-	435	224,802
At 31 March 2018	197,287	28,403	3,592,071
DEPRECIATION			
At 1 April 2017	116,505	9,894	2,097,448
Charge for year	19,191	5,930	61,078
At 31 March 2018	135,696	15,824	2,158,526
NET BOOK VALUE			
At 31 March 2018	61,591	12,579	1,433,545
At 31 March 2017	80,782	18,074	1,269,821

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

11. TANGIBLE FIXED ASSETS - continued

Group

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

	Motor vehicles £
COST	
At 1 April 2017	94,591
Transfer to ownership	(15,000)
At 31 March 2018	<u>79,591</u>
DEPRECIATION	
At 1 April 2017	37,807
Charge for year	14,196
Transfer to ownership	(11,045)
At 31 March 2018	<u>40,958</u>
NET BOOK VALUE	
At 31 March 2018	<u>38,633</u>
At 31 March 2017	<u>56,784</u>

Company

	Freehold property £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Totals £
COST					
At 1 April 2017	1,429,976	435,698	1,264,946	197,287	3,327,907
Additions	-	4,150	220,217	-	224,367
At 31 March 2018	<u>1,429,976</u>	<u>439,848</u>	<u>1,485,163</u>	<u>197,287</u>	<u>3,552,274</u>
DEPRECIATION					
At 1 April 2017	284,476	429,721	1,252,720	116,505	2,083,422
Charge for year	28,600	1,832	3,145	19,191	52,768
At 31 March 2018	<u>313,076</u>	<u>431,553</u>	<u>1,255,865</u>	<u>135,696</u>	<u>2,136,190</u>
NET BOOK VALUE					
At 31 March 2018	<u>1,116,900</u>	<u>8,295</u>	<u>229,298</u>	<u>61,591</u>	<u>1,416,084</u>
At 31 March 2017	<u>1,145,500</u>	<u>5,977</u>	<u>12,226</u>	<u>80,782</u>	<u>1,244,485</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

11. TANGIBLE FIXED ASSETS - continued**Company**

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

	Motor vehicles £
COST	
At 1 April 2017	94,591
Transfer to ownership	(15,000)
	<hr/>
At 31 March 2018	79,591
	<hr/>
DEPRECIATION	
At 1 April 2017	37,807
Charge for year	14,196
Transfer to ownership	(11,045)
	<hr/>
At 31 March 2018	40,958
	<hr/>
NET BOOK VALUE	
At 31 March 2018	38,633
	<hr/>
At 31 March 2017	56,784
	<hr/>

12. FIXED ASSET INVESTMENTS**Company**

	Shares in group undertakings £
COST	
At 1 April 2017 and 31 March 2018	101
	<hr/>
NET BOOK VALUE	
At 31 March 2018	101
	<hr/>
At 31 March 2017	101
	<hr/>

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries**Hobbystores Limited**

Registered office: 241 Green Street, Enfield, Middlesex, EN3 7SJ.

Nature of business. Dormant

	%
Class of shares.	holding
Ordinary shares	100.00

	2018 £	2017 £
Aggregate capital and reserves	100	100
	<hr/>	<hr/>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018**

12. FIXED ASSET INVESTMENTS - continued

R/C Service & Support Limited

Registered office: 241 Green Street, Enfield, Middlesex, EN3 7SJ

Nature of business: Radio Control Models

Class of shares.	% holding	2018 £	2017 £
Ordinary shares	100.00		
Aggregate capital and reserves		(67,150)	(9,977)
Loss for the year		(57,173)	(16,452)

All subsidiaries are included in the consolidated accounts

The subsidiary R/C Service & Support Limited, Registered Number 09626748 has taken advantage of exemption from audit under section 479A of the Companies Act 2006 in its individual accounts as a result of Ripmax Limited providing a statutory guarantee under section 479C in respect of R/C Service & Support Limited's outstanding liabilities as at 31st March 2018.

13. STOCKS

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Stocks	1,089,498	1,909,347	1,014,498	1,834,347

Stocks comprise of finished goods

Stocks with a net book value of £500,000 (2017: £1,350,832) have been pledged as security for liabilities of the group

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018 £	2017 £	2018 £	2017 £
Trade debtors	1,417,107	1,441,065	1,612,310	1,564,908
Amounts owed by group undertakings	4,425,247	4,054,979	4,409,763	4,054,979
Other debtors	6,429	5,984	-	-
Prepayments and accrued income	252,842	167,256	252,842	167,256
	6,101,625	5,669,284	6,274,915	5,787,143

Group trade debtors includes amounts assigned under an invoice finance facility to the sum of £912,036 (2017: £875,140).

Included in group trade debtors is £343,500 (2017: £376,850) in relation to amounts owed by group undertakings.

Included in company trade debtors is £538,733 (2017: £506,610) in relation to amounts owed by group undertakings

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 17)	1,295,972	2,137,928	1,295,972	2,137,928
Other loans (see note 17)	1,381,335	-	1,381,335	-
Hire purchase contracts (see note 18)	15,357	20,329	15,357	20,329
Trade creditors	1,203,388	1,207,351	1,203,388	1,170,272
Amounts owed to group undertakings	639,786	691,403	650,701	697,379
Social security and other taxes	35,158	92,167	35,158	85,434
VAT	18,703	27,573	18,770	39,766
Other creditors	7,285	3,313	7,285	3,313
Accruals and deferred income	38,225	75,115	27,662	64,931
	<u>4,635,209</u>	<u>4,255,179</u>	<u>4,635,628</u>	<u>4,219,352</u>

Included in group trade creditors is £229,077 (2017: £171,443) in relation to amounts owed to group undertakings

Included in company trade creditors is £229,077 (2017: £171,443) in relation to amounts owed to group undertakings

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

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 17)	651,577	753,467	651,577	753,467
Hire purchase contracts (see note 18)	960	16,317	960	16,317
	<u>652,537</u>	<u>769,784</u>	<u>652,537</u>	<u>769,784</u>

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,186,454	2,031,639	1,186,454	2,031,639
Bank loans	109,518	106,289	109,518	106,289
Other loans	1,381,335	-	1,381,335	-
	<u>2,677,307</u>	<u>2,137,928</u>	<u>2,677,307</u>	<u>2,137,928</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	90,949	108,605	90,949	108,605
Amounts falling due between two and five years:				
Bank loans - 2-5 years	196,212	212,013	196,212	212,013
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans - over 5 years	364,416	432,849	364,416	432,849

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

17 LOANS - continued

The bank loans are repayable by way of monthly instalments of £6,576 and £4,539, with interest charged at a rate of 2.38% and 4% above bank base rate, which is deemed to be a reasonable market rate. The other loan is repayable within 12 months of the first utilisation date, with total interest for the 12 month loan amounting to £153,328 which is spread over the term of the loan.

18 LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	15,357	20,329
Between one and five years	960	16,317
	16,317	36,646

Company

	Hire purchase contracts	
	2018	2017
	£	£
Net obligations repayable:		
Within one year	15,357	20,329
Between one and five years	960	16,317
	16,317	36,646

Group

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	9,000	55,795
Between one and five years	-	17,549
	9,000	73,344

Company

	Non-cancellable operating leases	
	2018	2017
	£	£
Within one year	9,000	21,600
Between one and five years	-	9,000
	9,000	30,600

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

19. SECURED DEBTS

The following secured debts are included within creditors.

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank overdrafts	1,186,454	2,031,639	1,186,454	2,031,639
Bank loans	761,095	859,756	761,095	859,756
Other loans	1,381,335	-	1,381,335	-
Hire purchase contracts	16,317	36,646	16,317	36,646
	<u>3,345,201</u>	<u>2,928,041</u>	<u>3,345,201</u>	<u>2,928,041</u>

Bank loans and overdrafts with financial institutions are secured by way of first legal charges over the freehold property owned by the group, fixed and floating charges over all other assets of the group and cross guarantees with other group companies. £500,000 (2017: £1,350,832) of the overdraft is also secured over group stock

Finance leases and hire purchase commitments are secured on the assets to which they relate.

Other loans are secured by a debenture including a fixed and floating charge over the assets of the company.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

20 FINANCIAL INSTRUMENTS

The carrying amounts of the group's financial instruments are as follows.

	2018 £	2017 £
Financial assets		
Debt instruments measured at amortised cost or transaction price		
- Trade debtors	1,417,107	1,441,065
- Amounts owed by group undertakings	4,425,247	4,054,979
- Other debtors (including amounts relating to taxation and prepayments and accrued income)	259,271	173,240
	6,101,625	5,669,284
Financial liabilities		
Measured at amortised cost or transaction price:		
- Bank loans and overdraft	1,947,549	2,891,395
- Other loans	1,381,335	-
- Amounts owed to group undertakings	639,786	691,403
- Trade creditors	1,203,388	1,207,351
- Hire purchase contracts	16,317	36,646
- Other creditors (including amounts relating to taxation and social security and accruals and deferred income)	99,371	198,168
	5,287,746	5,024,963

The carrying amounts of the company's financial instruments are as follows:

	2018 £	2017 £
Financial assets		
Debt instruments measured at amortised cost or transaction price:		
- Trade debtors	1,612,310	1,564,908
- Amounts owed by group undertakings	4,409,763	4,054,979
- Other debtors (including amounts relating to taxation and prepayments and accrued income)	252,842	167,256
	6,274,915	5,787,143
Equity instruments measured at cost less impairment		
- Fixed asset investments	101	101
Financial liabilities		
Measured at amortised cost or transaction price:		
- Bank loans and overdraft	1,947,549	2,891,395
- Other loans	1,381,335	-
- Trade creditors	1,203,388	1,170,272
- Amounts owed to group undertakings	650,701	697,379
- Hire purchase contracts	16,317	36,646
- Other creditors (including amounts relating to other loans, taxation and social security and accruals and deferred income)	88,875	193,444
	5,288,165	4,989,136

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

21. PROVISIONS FOR LIABILITIES

	Group	
	2018	2017
	£	£
Deferred tax	<u>-</u>	<u>1,308</u>
Group		
		Deferred tax
		£
Balance at 1 April 2017		1,308
Movement in year		(1,308)
Balance at 31 March 2018		<u>-</u>

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number	Class:	Nominal value.	2018	2017
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

The Ordinary Shares all rank equally. Each share is entitled to one vote per share and is entitled pari passu to dividend payments or any other distributions.

23. RESERVES

Group		Retained earnings
		£
At 1 April 2017		4,053,665
Deficit for the year		(586,484)
At 31 March 2018		<u>3,467,181</u>
Company		
		Retained earnings
		£
At 1 April 2017		4,063,643
Deficit for the year		(529,311)
At 31 March 2018		<u>3,534,332</u>

24. PENSION COMMITMENTS

The group operates a grouped personal pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the group to the funds and amounted to £21,310 (2017: £20,543). Contributions totalling £7,285 (2017: £3,313) were payable to the fund at the year end and are included in creditors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 MARCH 2018

25 ULTIMATE PARENT COMPANY

Ultimate Model Corporation Limited is regarded by the directors as being the company's ultimate parent company.

The parent company's director, Mr N Moss is the ultimate controlling party.

The largest group which includes the company and for which group financial statements are prepared, is Ultimate Model Corporation Limited. The address for Ultimate Model Corporation Limited is 241 Green Street, Enfield, Middlesex, EN3 7SJ.

26 OTHER FINANCIAL COMMITMENTS

The company has given cross guarantees to individuals, banks and other financial institutions in connection with debts of the parent company and fellow subsidiaries of the group. At the year end the company's expected liability in respect of these arrangements is £nil. The debts guaranteed at 31 March 2018 amounted to £438,814 (2017: £1,597,668).

27. 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 group companies where any subsidiary that is a party to the transaction is wholly owned within the group.

The company had the following related party balances and transactions, which are not covered by the above mentioned exemption:

Entities with control, joint control or significant influence over the entity

	2018 £	2017 £
Amount due from related party	<u>4,409,763</u>	<u>4,054,979</u>

Entities over which the entity has control, joint control or significant influence

	2018 £	2017 £
Amount due from related party	195,203	129,760
Amount due to related party	<u>10,915</u>	<u>5,976</u>

Key management personnel of the entity or its parent (in the aggregate)

	2018 £	2017 £
Services acquired from connected entity of key management personnel	-	28,539
Amount due to related party	<u>-</u>	<u>45,038</u>

Other related parties

	2018 £	2017 £
Sales	1,720	-
Purchases	127,372	-
Amount due from related party	345,594	376,850
Amount due to related party	<u>940,342</u>	<u>862,846</u>

28 POST BALANCE SHEET EVENTS

Subsequent to the year end, the company entered into a contractual agreement to sell freehold property for a total consideration of £6,000,000 (exclusive of VAT). The net book value of the freehold property at 31 March 2018 was £1,116,900.