

Dennis Williams Limited

Registered number: 00559042

Directors' report and financial statements

For the year ended 31 December 2016

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DENNIS WILLIAMS LIMITED

COMPANY INFORMATION

Directors	P B Lees A R Lees
Company secretary	P B Lees
Registered number	00559042
Registered office	9 Kingsmark Freeway Euroway Trading Estate Bradford BD12 7HW
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor Mazars House Gelderd Road Gildersome Leeds LS27 7JN
Bankers	National Westminster Bank plc 7 Hustlergate Bradford West Yorkshire BD1 1PP

DENNIS WILLIAMS LIMITED

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DENNIS WILLIAMS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for Dennis Williams Limited for the year ended 31 December 2016.

Business review

The company continued its principal activity of the wholesale supplier of hairdressing, beauty sundries and equipment through a number of wholesale outlets.

Development and financial performance during the year

Key performance indicators

Management use a range of performance measures to monitor and manage the business. Some of the key performance measures are set out below.

	31 December 2016	31 December 2015
Turnover	£11,645,070	£10,551,477
Gross Profit	£3,908,141	£3,131,667
Gross Profit Margin	33.6%	29.7%
Operating Profit	£1,194,831	£394,691

The company continues to invest in various new projects for the benefit of the short, medium and long term future of the business. The benefits of these investments are expected to be realised in 2017 and beyond. These investments include the new company catalogue and continuous improvement and development in all areas of the business.

Financial position at the reporting date

The balance sheet shows that the company's net assets have increased from £1.21m to £1.92m. The company achieved a strong trading result as described above and declared a dividend of £200,000 before the year end.

Principal risks and uncertainties

There are risks facing the business from competitors operating in the same geographic locations who principally compete on price. Also the general economic downturn has meant that customers may seek alternative supplies to reduce costs. The directors mitigate these risks by maintaining excellent customer relationships and ensuring the range of products available to customers is appropriate and priced competitively.

Financial risk management

Financial risks are managed through strict internal management controls and accurate and timely management information. Stock levels and margins are also closely monitored by management to identify potential issues and ensure that products are marketed appropriately.

DENNIS WILLIAMS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

This report was approved by the board on 16 August 2017 and signed on its behalf.



P B Lees
Director

DENNIS WILLIAMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors' responsibilities statement

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

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Directors

The directors who served during the year were:

P B Lees
A R Lees

Future developments

The directors are confident that the financial and operational strength of the company will enable further growth within its existing sectors.

Going concern

The use of the going concern basis of accounting is appropriate because, in the opinion of the directors, there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern. The directors have considered a period in excess of twelve months from the date of approval of these financial statements in making their assessment.

DENNIS WILLIAMS LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

Disclosure of information to auditor

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

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

Post balance sheet events

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

Auditor

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

This report was approved by the board on 16 August 2017 and signed on its behalf.



P B Lees
Director

DENNIS WILLIAMS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENNIS WILLIAMS LIMITED

We have audited the financial statements of Dennis Williams Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. This report is made solely to the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 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.

Opinion on the other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

DENNIS WILLIAMS LIMITED

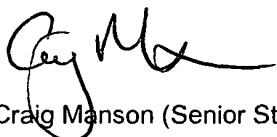
INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DENNIS WILLIAMS LIMITED

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters 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.



Craig Manson (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Mazars House
Gelderd Road
Gildersome
Leeds
LS27 7JN

Date: 31 August 2017.

DENNIS WILLIAMS LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		11,645,070	10,551,477
Cost of sales		(7,736,929)	(7,419,810)
Gross profit		3,908,141	3,131,667
Administrative expenses		(2,938,389)	(2,950,686)
Other operating income		225,079	213,710
Operating profit		1,194,831	394,691
Interest receivable and similar income	9	567	120
Interest payable and expenses	10	(61,255)	(37,647)
Profit before tax		1,134,143	357,164
Tax on profit	11	(231,645)	(70,372)
Profit for the year		902,498	286,792
Total comprehensive income for the year		902,498	286,792

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

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

DENNIS WILLIAMS LIMITED
REGISTERED NUMBER: 00559042

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	13	779,563	818,715
		<u>779,563</u>	<u>818,715</u>
Current assets			
Stocks	14	3,065,329	2,646,009
Debtors: amounts falling due within one year	15	348,817	341,933
Cash at bank and in hand	16	1,057,988	379,186
		<u>4,472,134</u>	<u>3,367,128</u>
Creditors: amounts falling due within one year	17	(2,668,949)	(2,206,208)
Net current assets		<u>1,803,185</u>	<u>1,160,920</u>
Total assets less current liabilities		<u>2,582,748</u>	<u>1,979,635</u>
Creditors: amounts falling due after more than one year	18	(618,953)	(719,988)
Provisions for liabilities			
Deferred tax	21	(46,537)	(44,887)
		<u>(46,537)</u>	<u>(44,887)</u>
Net assets		<u><u>1,917,258</u></u>	<u><u>1,214,760</u></u>
Capital and reserves			
Called up share capital	22	1,800	1,800
Capital redemption reserve	23	200	200
Profit and loss account	23	1,915,258	1,212,760
		<u><u>1,917,258</u></u>	<u><u>1,214,760</u></u>

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



16 August 2017

P B Lees
 Director

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

DENNIS WILLIAMS LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	1,800	200	1,212,760	1,214,760
Comprehensive income for the year				
Profit for the year	-	-	902,498	902,498
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	902,498	902,498
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(200,000)	(200,000)
At 31 December 2016	1,800	200	1,915,258	1,917,258

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2015

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2015	1,800	200	1,175,968	1,177,968
Comprehensive income for the year				
Profit for the year	-	-	286,792	286,792
Other comprehensive income for the year	-	-	-	-
Total comprehensive income for the year	-	-	286,792	286,792
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(250,000)	(250,000)
At 31 December 2015	1,800	200	1,212,760	1,214,760

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

DENNIS WILLIAMS LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	902,498	286,792
Adjustments for:		
Depreciation of tangible assets	80,844	83,457
Loss on disposal of tangible assets	5,309	(14,381)
Decrease/(increase) in stocks	(419,320)	14,332
Interest paid	61,255	37,647
Interest received	(567)	(120)
Taxation	231,645	70,372
(Increase)/decrease in debtors	(6,883)	(149,379)
Increase in creditors	228,126	325,967
Corporation tax	(72,383)	(30,571)
Net cash generated from operating activities	1,010,524	624,116
Cash flows from investing activities		
Purchase of tangible fixed assets	(63,301)	(56,666)
Sale of tangible fixed assets	16,300	700
Interest received	567	120
Net cash from investing activities	(46,434)	(55,846)
Cash flows from financing activities		
Repayment of loans	(20,488)	(19,752)
Repayment of finance lease	(3,545)	(7,254)
Dividends paid	(200,000)	(250,000)
Interest paid	(61,255)	(37,647)
Net cash used in financing activities	(285,288)	(314,653)
Net increase / (decrease) in cash and cash equivalents	678,802	253,617
Cash and cash equivalents at beginning of year	379,186	125,569
Cash and cash equivalents at the end of year	1,057,988	379,186
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	1,057,988	379,186
	1,057,988	379,186

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

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies

1.1 General information

Dennis Williams Limited ("the Company") is a limited company (limited by shares) incorporated in the United Kingdom. The address of its registered office and principal place of business is 9 Kingsmark Freeway, Euroway Trading Estate, Bradford, West Yorkshire, BD12 7HW.

The primary economic environment in which the Company operates is governed by Pounds Sterling, and as such, the Company's financial statements have been prepared and presented in this currency.

1.2 Basis of preparation of financial statements

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

1.3 Going concern

The directors have reasonable expectation that the company has adequate resources to continue in operation for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

1.4 Revenue

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

Sale of goods

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

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

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.5 Tangible fixed assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to Statement of Comprehensive Income during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Leasehold improvements	-	15% straight line
Motor vehicles	-	25% reducing balance
Fixtures & fittings	-	15% reducing balance
Office equipment	-	15% reducing balance
Computer equipment	-	33% reducing balance

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.7 Stocks

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of Comprehensive Income.

1.8 Debtors

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

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.9 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

1.10 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

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

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

1.11 Creditors

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

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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

1.13 Finance costs

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

1.14 Dividends

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

1.15 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. Accounting policies (continued)

1.16 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

1.17 Interest income

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

1.18 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

1.19 Current and deferred taxation

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

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

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

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

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

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Judgements in applying accounting policies and key sources of estimation uncertainty

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 revision affects both current and future periods.

Critical judgements in applying the accounting policies

The critical judgements that the directors have made in the process of applying the Company's accounting policies and that have the most effect on the amounts recognised in the financial statements are as follows:

- **Stock provisions**
The directors consider the age and usage of stock when calculating provisions for stock which is considered to be slow moving or obsolete.
- **Assessing indicators of impairment**
In assessing whether there have been any indicators of impairment associated with tangible fixed assets, the directors have considered both external and internal sources of information such as market values, changes in technological, economic and legal environments, evidence of obsolescence or physical damage of assets and declines in economic performance.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

- **Determining residual values and useful economic lives of tangible fixed assets**
The Company depreciates tangible assets over their estimated useful lives. The estimation of the useful lives of assets is based on historic performance as well as expectations about future use and therefore requires estimates and assumptions to be applied by management. The actual lives of these assets can vary depending on a variety of factors, including technological innovation, product life cycles and maintenance programmes.

Judgement is applied by management when determining the residual values for tangible fixed assets. When determining the residual value management aim to assess the amount that the Company would currently obtain for the disposal of the asset, if it were already of the condition expected at the end of its useful economic life. Where possible this is done with reference to external market prices.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

3. Turnover

	2016 £	2015 £
United Kingdom	11,343,853	10,551,477
Rest of Europe	301,217	-
	<u>11,645,070</u>	<u>10,551,477</u>

4. Other operating income

	2016 £	2015 £
Retrospective rebates and other income received	225,079	213,710
	<u>225,079</u>	<u>213,710</u>

5. Operating profit

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible assets - owned assets	80,844	78,409
Depreciation of assets held under finance lease	-	5,048
Operating lease expenses	279,951	252,614
Loss/(profit) on disposal of tangible assets	5,309	(14,381)
	<u>366,104</u>	<u>321,690</u>

6. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	8,500	8,400
	<u>8,500</u>	<u>8,400</u>
Fees payable to the Company's auditor in respect of:		
Other services relating to taxation	1,900	1,850
All other services	1,710	4,640
	<u>3,610</u>	<u>6,490</u>

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

7. Employees

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

	2016 £	2015 £
Wages and salaries	1,712,255	1,669,184
Social security costs	128,471	121,704
Cost of defined contribution scheme	13,594	11,684
	<u>1,854,320</u>	<u>1,802,572</u>

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

	2016 No.	2015 No.
Management	10	11
Administrative	13	10
Sales	62	64
	<u>85</u>	<u>85</u>

8. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	91,056	84,476
Company contributions to defined contribution pension schemes	82	80
	<u>91,138</u>	<u>84,556</u>

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

The directors are considered to be key management personnel.

9. Interest receivable

	2016 £	2015 £
Other interest receivable	567	120
	<u>567</u>	<u>120</u>

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

10. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	11,691	12,427
Other loan interest payable	49,419	24,314
Finance leases and hire purchase contracts	145	906
	<u>61,255</u>	<u>37,647</u>

11. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	229,995	72,384
Adjustments in respect of previous periods	-	188
Total current tax	<u>229,995</u>	<u>72,572</u>
Deferred tax		
Origination and reversal of timing differences	1,650	(2,200)
Total deferred tax	<u>1,650</u>	<u>(2,200)</u>
Taxation on profit on ordinary activities	<u>231,645</u>	<u>70,372</u>

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2015 - lower than) the standard rate of corporation tax in the UK of 20% (2015 - 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	1,134,143	357,164
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.25%)	226,829	72,326
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,363	(2,608)
Capital allowances for year (in excess of)/less than depreciation	(197)	4,589
Adjustments to tax charge in respect of prior periods	-	188
Short term timing difference leading to an increase/(decrease) in taxation	1,650	(2,200)
Changes in provisions leading to a decrease in the tax charge	-	(1,682)
Marginal relief	-	(241)
Total tax charge for the year	231,645	70,372

The Finance Act 2015 enacted a main rate of tax from 1 April 2015 of 20% and 19% from 1 April 2017.

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2016 £	2015 £
Dividends declared on 'Ordinary A' shares	200,000	250,000
	200,000	250,000

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

13. Tangible fixed assets

	Freehold property £	Leasehold additions £	Other fixed assets £	Total £
Cost or valuation				
At 1 January 2016	533,443	198,100	542,655	1,274,198
Additions	-	-	63,301	63,301
Disposals	-	-	(78,514)	(78,514)
At 31 December 2016	533,443	198,100	527,442	1,258,985
Depreciation				
At 1 January 2016	17,500	171,869	266,114	455,483
Charge for the period on owned assets	8,718	10,876	61,250	80,844
Disposals	-	-	(56,905)	(56,905)
At 31 December 2016	26,218	182,745	270,459	479,422
Net book value				
At 31 December 2016	507,225	15,355	256,983	779,563
At 31 December 2015	515,943	26,231	276,541	818,715

Land value of £80,000 (2015: £80,000) included within Freehold property is not depreciated.

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

	2016 £	2015 £
Other fixed assets	-	15,143
	-	15,143

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

14. Stocks

	2016 £	2015 £
Finished goods and goods for resale	3,065,329	2,646,009
	<u>3,065,329</u>	<u>2,646,009</u>

Stocks recognised as an expense in the period were £7,736,929 (2015: £7,419,811).

Impairment losses in relation to slow moving or obsolete stock recognised in the income statement as an expense during the year amounts to £1,245 (2015: credit of £4,124).

15. Debtors

	2016 £	2015 £
Trade debtors	281,581	251,500
Prepayments and other debtors	67,236	90,433
	<u>348,817</u>	<u>341,933</u>

16. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	1,057,988	379,186
	<u>1,057,988</u>	<u>379,186</u>

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

17. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	20,890	20,342
Obligations under hire purchase contracts	-	3,545
Trade creditors	1,540,749	1,364,256
Corporation tax	229,995	72,384
Taxation and social security	184,280	146,506
Other creditors	693,035	599,174
	<u>2,668,949</u>	<u>2,206,207</u>

A debenture dated 8 February 2001 is in place which is secured over all assets of the company in favour of National Westminster Bank Plc.

The bank loan is repayable by monthly instalments and is due to mature in December 2033.

The bank loan is secured by way of a first legal charge dated 20 December 2013 over the company's freehold property.

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

	2016 £	2015 £
Bank loans	418,953	439,988
Other creditors	200,000	280,000
	<u>618,953</u>	<u>719,988</u>

Secured loans

A debenture dated 8 February 2001 is in place which is secured over all assets of the company in favour of National Westminster Bank Plc.

The bank loan is repayable by monthly instalments and is due to mature in December 2033.

The bank loan is secured by way of a first legal charge dated 20 December 2013 over the company's freehold property.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

19. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	20,890	20,342
Amounts falling due 1-2 years		
Bank loans	21,448	20,886
Amounts falling due 2-5 years		
Bank loans	67,844	66,066
Amounts falling due after more than 5 years		
Bank loans	329,661	353,037
	<u>329,661</u>	<u>353,037</u>

20. Financial instruments

	2016 £	2015 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	281,581	251,500
	<u>281,581</u>	<u>251,500</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(2,873,627)	(2,707,305)
	<u>(2,873,627)</u>	<u>(2,707,305)</u>

Financial assets measured at amortised cost comprise of trade debtors.

Financial liabilities measured at amortised cost comprise of bank loans, trade creditors, obligations under hire purchase contracts and other creditors.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

21. Deferred taxation

	2016 £
At beginning of year	(44,887)
Utilised in year	(1,650)
At end of year	(46,537)

The provision for deferred taxation is made up as follows:

	2016 £
Accelerated capital allowances	(46,537)
	(46,537)

22. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
1,400 Ordinary A shares of £1 each	1,400	1,400
400 Ordinary C shares of £1 each	400	400
	1,800	1,800

Ordinary A shares and Ordinary C shares have full voting and dividend rights.

23. Reserves

Capital redemption reserve

This reserve represents the nominal value of shares repurchased by the company.

Profit & loss account

This reserve represents cumulative profits and losses, less dividends paid.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

24. Pension commitments

The company contributes to money purchase schemes on behalf of certain employees. The assets of the schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £13,594 (2015: £11,683). Contributions totalling £Nil (2015: £Nil) were payable to the fund at the Statement of Financial Position date and are included in creditors.

25. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Land and buildings		
Not later than 1 year	248,392	163,738
Later than 1 year and not later than 5 years	532,584	180,236
Other		
Not later than 1 year	8,951	8,951
Later than 1 year and not later than 5 years	8,205	17,157

A total of £268,704 was recognised as an operating lease expense in the period (2015: £252,614).

26. Directors' personal guarantees

Mrs P B Lees has provided a personal guarantee for £175,000 as security on the company's bank loan which has been used to purchase freehold property for the company during the year. The guarantee is supported by a second legal charge on assets owned by Mrs P B Lees.

DENNIS WILLIAMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

27. Related party transactions

The company paid rent of £90,525 (2015: 89,100) to Mrs P B Lees (director and controlling shareholder) during the year for the use of the company's head office premises. The rent was charged at a commercial market rate.

Interest of £38,127 (2015: £19,632) was payable in respect of a loan from Mrs P B Lees for the year to 31 December 2016.

Mrs P B Lees and Mr L Williams are beneficiaries of the Majorie Williams Discretionary Trust (as shareholder in the business).

Interest of £3,731 (2015: £3,612) was payable in respect of a loan from the Marjorie Williams Discretionary Trust (a shareholder in the business), for the year to 31 December 2016.

Interest of £7,560 (2015: £1,070) was payable on a loan from Mr L Williams.

During the year, the company generated sales of £1,627,818 (2015: £780,777) to Richdomar Limited a company under the common control of Mrs P B Lees.

The company declared dividends of £200,000 (2015: £250,000) to Mrs P B Lees during the year.

The balance (owed to)/from related parties at the year end are listed below:

	2016 £	2015 £
Mrs P B Lees	(550,501)	(444,227)
The Marjorie Williams Discretionary Trust	(54,205)	(50,594)
L Williams	(108,293)	(107,223)
Richdomar Limited	135,917	33,612
	<hr/>	<hr/>

28. Post balance sheet events

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

29. Controlling party

The ultimate controlling party is Mrs P B Lees (director) due to her majority shareholding.