

**CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**

TUESDAY



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COMPANIES HOUSE

# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Mr M D Langley Mr B R Blundell Mr C R Loder Mr D Langley
<b>Secretary</b>	Mr B R Blundell
<b>Company number</b>	00629568
<b>Registered office</b>	34 High Street Aldridge Walsall West Midlands WS9 8LZ
<b>Auditor</b>	Edwards 34 High Street Aldridge Walsall West Midlands WS9 8LZ
<b>Bankers</b>	Barclays Bank plc 116/120 Lichfield Street Walsall West Midlands WS1 1GS
<b>Solicitors</b>	Blake Morgan LLP One Central Square Cardiff CF10 1FS

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# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

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# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present the strategic report for the year ended 31 December 2017.

### **Fair review of the business**

As anticipated by the directors and following the opening of the Bracknell branch in late 2016, along with stable trading conditions within the industry, the company reported an increase in turnover of 2.86%. An improved mix of business has resulted in a gross margin of 27.64%, a 1.26% rise over the prior year. Continued close control over administrative and operating expenses contributed to a profit before taxation figure, excluding exceptional items, of £262,244.

At 31 December 2017 the company had increased both shareholders' funds to £1,481,066 and distributable reserves to £1,478,066. The directors therefore believe the company's position at the year-end to be satisfactory especially as the company's current assets exceeded its current liabilities by £776,320.

### **Principal risks and uncertainties**

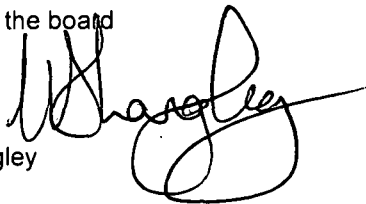
The directors have assessed the main risk facing the company to be continued competitive pressure on volumes and margins. The directors remain committed to mitigating this risk and developing business further through continued investment in people, the efficiency of company operations and by consistently developing innovative customer focused solutions. The policy of the company will continue to be that of providing the very highest standards and best possible service to its customers to develop business in line with that required to support the range of products it provides.

### **Key performance indicators**

Key performance indicators are used to measure and evaluate company performance against targets and monitor various activities throughout the company. The main key performance indicators employed by the company are:

- Turnover levels
- Profit levels (gross and net)
- Staff productivity
- Debtor days
- Stock days and stock turnover
- Cash flows

On behalf of the board



Mr M D Langley

Director

13 April 2018

# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their annual report and financial statements for the year ended 31 December 2017.

### **Principal activities**

The principal activity of the company is the sale of decorating materials to retail and trade customers.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M D Langley  
Mr B R Blundell  
Mr C R Loder  
Mr D Langley

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £74,500. The directors do not recommend payment of a final dividend.

### **Financial risk management objectives and policies**

The company finances its operations through retained profits, bank accounts, bank overdraft facility and bank loans. The directors' objectives are to retain sufficient liquid funds to enable the company to meet its day to day obligations as they fall due and to maximise returns on funds.

The company's principal financial instruments comprise of bank accounts and a bank overdraft facility and bank loans. The main purpose of these financial statements is to provide working capital and funding for the company's ongoing operations. The company has various other financial instruments such as trade debtors and trade creditors that arise directly from its operations. The company's credit risk is therefore attributable to its trade debtors. This risk is minimised by the number of long established customers and emphasis on good credit management.

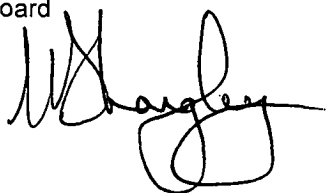
### **Auditor**

The auditor, Edwards, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



Mr M D Langley  
Director  
13 April 2018

# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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The directors are responsible for preparing the Annual 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 United Kingdom Generally Accepted Accounting Practice (Financial Reporting Standard 102). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

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#### **Opinion**

We have audited the financial statements of Cambrian Decorators Supplies (CDS) Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

# **CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED**

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#### **Matters on which we are required to report by exception**

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

#### **Responsibilities of directors**

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


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

#### **Auditor's responsibilities for the audit of the financial statements**

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

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



**David Webb FCA (Senior Statutory Auditor)**  
for and on behalf of Edwards

13 April 2018

**Chartered Accountants**  
**Statutory Auditor**

34 High Street  
Aldridge  
Walsall  
West Midlands  
WS9 8LZ

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	11,195,300	10,884,387
Cost of sales		(8,101,284)	(8,012,926)
<b>Gross profit</b>		<b>3,094,016</b>	<b>2,871,461</b>
Administrative expenses		(2,770,720)	(2,516,754)
<b>Operating profit</b>	5	<b>323,296</b>	<b>354,707</b>
Interest receivable and similar income	8	63	126
Interest payable and similar expenses	9	(61,115)	(45,971)
Impairment of fixed asset investment		(40,200)	-
<b>Profit before taxation</b>		<b>222,044</b>	<b>308,862</b>
Tax on profit	10	(74,858)	(84,514)
<b>Profit for the financial year</b>		<b>147,186</b>	<b>224,348</b>
Retained earnings brought forward		1,405,380	1,244,682
Dividends	11	(74,500)	(63,650)
<b>Retained earnings carried forward</b>		<b>1,478,066</b>	<b>1,405,380</b>

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

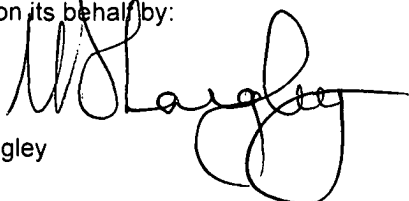
# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,184,863		1,079,205	
Investments	13	-		40,200	
		<u>1,184,863</u>		<u>1,119,405</u>	
<b>Current assets</b>					
Stocks	16	1,020,923		949,616	
Debtors	17	728,919		660,716	
Cash at bank and in hand		102,220		263,574	
		<u>1,852,062</u>		<u>1,873,906</u>	
<b>Creditors: amounts falling due within one year</b>	18	<u>(1,075,742)</u>		<u>(1,063,937)</u>	
<b>Net current assets</b>		<u>776,320</u>		<u>809,969</u>	
<b>Total assets less current liabilities</b>		<u>1,961,183</u>		<u>1,929,374</u>	
<b>Creditors: amounts falling due after more than one year</b>	19	(437,617)		(495,994)	
<b>Provisions for liabilities</b>	22	(42,500)		(25,000)	
<b>Net assets</b>		<u>1,481,066</u>		<u>1,408,380</u>	
<b>Capital and reserves</b>					
Called up share capital	25	1,500		1,500	
Capital redemption reserve		1,500		1,500	
Profit and loss reserves		<u>1,478,066</u>		<u>1,405,380</u>	
<b>Total equity</b>		<u>1,481,066</u>		<u>1,408,380</u>	

The financial statements were approved by the board of directors and authorised for issue on 13 April 2018 and are signed on its behalf by:



Mr M D Langley  
Director

Company Registration No. 00629568

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	32	282,949		451,897	
Interest paid		(61,115)		(45,971)	
Corporation tax paid		(59,514)		(93,456)	
<b>Net cash inflow from operating activities</b>		<b>162,320</b>		<b>312,470</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(48,831)		(161,720)	
Proceeds on disposal of tangible fixed assets		51,800		40,996	
Interest received		63		126	
<b>Net cash generated from/(used in) investing activities</b>			<b>3,032</b>		<b>(120,598)</b>
<b>Financing activities</b>					
Repayment of bank loans		(77,979)		(74,198)	
Payment of finance leases obligations		(174,227)		(97,485)	
Dividends paid		(74,500)		(63,650)	
<b>Net cash used in financing activities</b>		<b>(326,706)</b>		<b>(235,333)</b>	
<b>Net decrease in cash and cash equivalents</b>		<b>(161,354)</b>		<b>(43,461)</b>	
Cash and cash equivalents at beginning of year		263,574		307,035	
<b>Cash and cash equivalents at end of year</b>		<b>102,220</b>		<b>263,574</b>	

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

#### Company information

Cambrian Decorators Supplies (CDS) Limited is a private company limited by shares incorporated in England and Wales. The registered office is 34 High Street, Aldridge, Walsall, West Midlands, WS9 8LZ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statement present information about the company as an individual undertaking and not about its group. The company and its subsidiary undertaking comprise a medium-sized group, however, the company has taken advantage of the exemption provided by section 402 of the Companies Act 2006 not to prepare group accounts on the basis that the subsidiary undertaking is not considered material.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings freehold	2% on cost
Fixtures, fittings and equipment	10% - 25% on cost
Motor vehicles	25% on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.6 Stocks

Stocks are stated at the lower of cost and net realisable value and is calculated using the first in, first out method.

#### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Short term trade 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.

##### **Basic financial liabilities**

Short term trade creditors are measured at 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.

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.9 Taxation

The tax expense represents the sum of the tax currently payable.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.13 Rebates

Rebates received from suppliers mainly comprise volume related rebates on the purchase of inventories. Contractual volume related rebates are accrued as units are purchased based on the percentage rebate applicable to forecast total purchases over the rebate period, where it is probable the rebates will be received and the amounts can be estimated reliably. Discretionary rebates are not anticipated and only recognised once earned. Other rebates received, such as those related to advertising and marketing, are recognised in the income statement when the relevant conditions have been fulfilled.

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Stock

As stock is carried at the lower of cost and net realisable value this requires the estimation of the eventual sales price of goods to customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of stock of factors such as slow moving items, shrinkage, damage and obsolescence. The quantity, age and condition of inventories are regularly measured and assessed as part of range reviews and inventory counts undertaken throughout the year.

#### Rebates

Rebate income received from suppliers represents a material element of gross profit, with a number of agreements with varying terms. Volume-based rebates represent the majority of these rebates and are based volumes purchased. Other types of rebates, such as contributions towards marketing and advertising activities, represent a smaller element of the company's overall rebate income. These require judgement on the timing of recognition, in particular assessing when any corresponding conditions have been fulfilled. Judgement is also required over the recoverability of receivables relating to rebates.

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 3 Turnover and other revenue

Turnover is wholly attributable to the company's principal activity.

### 4 Exceptional costs

	2017 £	2016 £
Impairment of fixed asset investment	40,200	-

During the year, the company impaired the carrying value of its investment in Newport Glass Company Limited.

### 5 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	10,800	10,800
Depreciation of owned tangible fixed assets	70,070	73,980
Depreciation of tangible fixed assets held under finance leases	125,030	97,011
Profit on disposal of tangible fixed assets	(11,528)	(23,179)
Cost of stocks recognised as an expense	8,101,284	8,012,926
Operating lease charges	107,067	78,000

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Administration and management	21	25
Warehouse and sales	45	37
	66	62

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,391,146	1,343,846
Social security costs	134,393	135,703
Pension costs	9,271	8,617
	<u>1,534,810</u>	<u>1,488,166</u>

### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	348,387	355,354
Company pension contributions to defined contribution schemes	1,158	1,110
	<u>349,545</u>	<u>356,464</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2016 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	127,497	126,545
Company pension contributions to defined contribution schemes	386	370
	<u>127,883</u>	<u>126,915</u>

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	63	126
	<u>63</u>	<u>126</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	63	126
	<u>63</u>	<u>126</u>

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 9 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	17,317	21,101
Interest on finance leases and hire purchase contracts	34,080	13,956
	<u>51,397</u>	<u>35,057</u>
<b>Other finance costs:</b>		
Other interest	9,718	10,914
	<u>61,115</u>	<u>45,971</u>

### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	57,358	59,514
	<u>57,358</u>	<u>59,514</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	17,500	25,000
	<u>17,500</u>	<u>25,000</u>
<b>Total tax charge</b>	<u>74,858</u>	<u>84,514</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	222,044	308,862
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	42,743	61,772
Tax effect of expenses that are not deductible in determining taxable profit	26,390	11,471
Deferred tax	17,500	25,000
Capital allowances in excess of depreciation	(11,775)	(13,729)
<b>Taxation charge for the year</b>	<u>74,858</u>	<u>84,514</u>

Factors that may affect future tax charges:

The Finance Act 2016, which was passed on 15 September 2016, provided that the main UK corporation tax rate was reduced to 19% from 1 April 2017 and will be reduced to 17% from 1 April 2020.

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 11 Dividends

	2017 £	2016 £
Interim paid	74,500	63,650

### 12 Tangible fixed assets

	Land and buildings freehold £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
<b>Cost</b>				
At 1 January 2017	900,163	1,020,498	444,236	2,364,897
Additions	-	234,911	106,119	341,030
Disposals	-	-	(112,531)	(112,531)
At 31 December 2017	900,163	1,255,409	437,824	2,593,396
<b>Depreciation and impairment</b>				
At 1 January 2017	244,263	818,268	223,161	1,285,692
Depreciation charged in the year	17,899	71,959	105,242	195,100
Eliminated in respect of disposals	-	-	(72,259)	(72,259)
At 31 December 2017	262,162	890,227	256,144	1,408,533
<b>Carrying amount</b>				
At 31 December 2017	638,001	365,182	181,680	1,184,863
At 31 December 2016	655,900	202,230	221,075	1,079,205

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Fixtures, fittings and equipment	179,985	8,701
Motor vehicles	151,769	199,748
	331,754	208,449
Depreciation charge for the year in respect of leased assets	125,030	97,011

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 13 Fixed asset investments

	Notes	2017 £	2016 £
Investments in subsidiaries	14	-	40,200

#### Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2017 & 31 December 2017	40,200
<b>Impairment</b>	
At 1 January 2017	-
Impairment losses	40,200
At 31 December 2017	40,200
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	40,200

### 14 Subsidiaries

Details of the company's subsidiaries at 31 December 2017 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Newport Glass Company	England and Wales	Dormant	Ordinary	100.00 -

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Newport Glass Company	-	39,917

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 15 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	648,732	586,107
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,260,494	1,378,424

### 16 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,020,923	949,616

### 17 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	639,506	562,638
Other debtors	9,226	23,469
Prepayments and accrued income	80,187	74,609
	728,919	660,716

### 18 Creditors: amounts falling due within one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	20	81,752	78,196
Obligations under finance leases	21	172,052	77,238
Trade creditors		222,064	300,840
Corporation tax		57,358	59,514
Other taxation and social security		195,507	121,993
Other creditors		116,003	158,447
Accruals and deferred income		231,006	267,709
		1,075,742	1,063,937

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 19 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	20	265,404	346,939
Obligations under finance leases	21	172,213	149,055
		<u>437,617</u>	<u>495,994</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	-	50,858
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### 20 Loans and overdrafts

	2017 £	2016 £
Bank loans	347,156	425,135
Payable within one year	81,752	78,196
Payable after one year	265,404	346,939

The bank loans are secured by fixed charges over the freehold property of the company, are repayable in monthly instalments and carry interest at a rate between 4.35% and 4.51%.

### 21 Finance lease obligations

	2017 £	2016 £
Future minimum lease payments due under finance leases:		
Within one year	172,052	77,238
In two to five years	172,213	149,055
	<u>344,265</u>	<u>226,293</u>

Net obligations under finance lease contracts are secured on the assets to which they relate.

### 22 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	23	42,500	25,000

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	42,500	25,000
<b>Movements in the year:</b>		2017 £
Liability at 1 January 2017		25,000
Charge to profit or loss		17,500
Liability at 31 December 2017		42,500

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

### 24 Retirement benefit schemes

	2017 £	2016 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	9,271	8,617

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 25 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
1,500 Ordinary shares of £1 each	1,500	1,500
	1,500	1,500

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 26 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	119,558	98,328
Between two and five years	312,193	259,380
In over five years	110,199	144,107
	<u>541,950</u>	<u>501,815</u>

### 27 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017 £	2016 £
Acquisition of tangible fixed assets	-	141,513
	<u>-</u>	<u>141,513</u>

### 28 Events after the reporting date

Subsequent to the year end, as part of a company restructure, the entire ordinary share capital of the company was transferred to Cambrian SW Limited. The ultimate controlling party remains unchanged.

As part of the above restructure, the company's freehold land and building of £655,900 were transferred by a dividend in specie to Langley Group Investments Limited a company controlled by Mr M D Langley.

### 29 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>349,545</u>	<u>356,464</u>

# CAMBRIAN DECORATORS SUPPLIES (CDS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 30 Directors' transactions

During the year, a loan payable to the mother of Mr M D Langley, director, was transferred to Mr M D Langley.

At the 31 December 2017, included within other creditors is a loan of £Nil (2016 - £150,000) payable to the mother of Mr M D Langley. During the year, the company was charged interest at a commercial rate on this loan amounting to £5,469 (2016 - £9,375).

Included within other creditors at 31 December 2017 is a balance of £115,233 (2016 - £8,306) payable to Mr M D Langley, director, in respect of a loan advanced to the company. During the year, the company was charged interest at a commercial rate on this loan amounting to £2,733 (2016 - £1,348). The loan is repayable on demand.

#### 31 Controlling party

Mr M D Langley is the majority shareholder and ultimate controlling party.

#### 32 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	147,186	224,348
<b>Adjustments for:</b>		
Taxation charged	74,858	84,514
Finance costs	61,115	45,971
Investment income	(63)	(126)
Gain on disposal of tangible fixed assets	(11,528)	(23,179)
Loss on impairment of fixed asset investment	40,200	-
Depreciation and impairment of tangible fixed assets	195,100	170,991
<b>Movements in working capital:</b>		
(Increase) in stocks	(71,307)	(190,101)
(Increase)/decrease in debtors	(68,203)	19,132
(Decrease)/increase in creditors	(84,409)	120,347
<b>Cash generated from operations</b>	<b>282,949</b>	<b>451,897</b>