

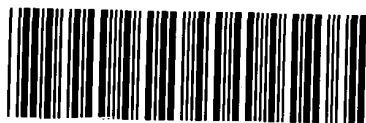
Financial Statements

Beamglow Limited

For the Year Ended 30 April 2017

Registered number: 00889202

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Beamglow Limited

Company Information

Directors

B Griffin
M Griffin
H Roberts
A Brown
W Bellchamber
S Arkley (deceased 23 June 2016)

Company secretary

A Brown

Registered number

00889202

Registered office

Somersham Road
St Ives
Cambridgeshire
PE27 3LP

Independent auditor

Grant Thornton UK LLP
Chartered Accountants & Statutory Auditor
101 Cambridge Science Park
Milton Road
Cambridge
Cambridgeshire
CB4 0FY

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Strategic Report

For the Year Ended 30 April 2017

Business review and future developments

Beamglow, as an independent family business, is dedicated to the manufacture and supply of fine quality printed folding cartons. We are focused on providing to our customers quality and service, but also understanding the markets which we supply through innovation, flexibility and reliability. Investment is a key element and our programme for the coming months in individual skill training and additional plant, equipment and buildings is now underway.

Principal risks and uncertainties

The company recognises that some of the main risks and uncertainties are as follows:

- Global economic conditions, which are mitigated by having a geographically diverse customer base;
- Competitive pressures, which the company addresses by high investment in research and development, improving efficiencies in manufacturing and focused marketing; and
- Currency fluctuations, particularly the Euro and the US Dollar, which are described below.

Financial key performance indicators

The company reports on a number of key performance indicators (KPIs) in its monthly management accounts, the main focus being on turnover, gross profit and cash levels.

In 2017, these KPIs were as follows:

- Turnover of £15,560k (2016: £14,161k);
- Gross profit of £3,096k (2016: £2,834k); and
- Cash reserves of £32k (2016: £297k).

Other key performance indicators

The company aims to minimise financial risk in its operations by the identification and mitigation of key risk areas. The key areas of risk identified by the directors are market risk, price risk, credit risk and currency risk.

The measures used by the directors to manage general financial, market and price risks include the preparation of management accounts and the regular monitoring of actual performance against previous periods.

Credit risk, as identified by the directors, arises from the company's trade debtors. In order to manage credit risk the directors obtain credit checks for new customers and ensure that those customers provided with credit are reviewed on a regular basis in conjunction with debt ageing and collection history.

The directors have identified that the company is exposed to translation and transaction foreign exchange risk. The directors regularly monitor foreign currency gains or losses, to analyse the exposure of the company and identify any necessary actions.

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



A Brown
Secretary

Date: 11 December 2017

Directors' Report

For the Year Ended 30 April 2017

The directors present their report and the financial statements for the year ended 30 April 2017.

Results and dividends

The loss for the year, after taxation, amounted to £19,989 (2016: loss £372,231).

The directors have not recommended a dividend.

Directors

The directors who served during the year were:

B Griffin
M Griffin
H Roberts
A Brown
W Bellchamber
S Arkley (deceased 23 June 2016)

Future developments

The company continues to develop its customer base and quality.

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;
- 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 to 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' Report (continued)

For the Year Ended 30 April 2017

Post balance sheet events

Subsequent to the year end the company purchased plant and machinery for consideration of £662,000. To assist in the purchase the company has taken out a secured loan of £200,000 with the Arkley Family Pension Trust and entered into a finance lease agreement.

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.

Auditor

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

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



A Brown
Secretary

Date: 11 December 2017

Independent Auditor's Report to the Members of Beamglow Limited

We have audited the financial statements of Beamglow Limited for the year ended 30 April 2017, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity, the Statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is the applicable law and the 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'.

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.

Respective responsibilities of Directors and Auditor

As explained more fully in the Directors' responsibilities statement on page 2, 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 Practice Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC Ethical Standards website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2017 and of its 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.

Independent Auditor's Report to the Members of Beamglow Limited (continued)

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matter on which we are required to report under the Companies Act 2006

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.

Matters on which we are required to report by exception

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.



Graham Mummery (Senior statutory auditor)
for and on behalf of

Grant Thornton UK LLP

Chartered Accountants
Statutory Auditor
Cambridge

15 December 2017

Statement of Comprehensive Income

For the Year Ended 30 April 2017

	Note	2017 £	2016 £
Turnover	4	15,560,442	14,161,166
Cost of sales		(12,464,315)	(11,327,394)
Gross profit		3,096,127	2,833,772
Distribution costs		(1,293,940)	(1,309,804)
Administrative expenses		(1,766,931)	(1,970,851)
Operating profit/(loss)	5	35,256	(446,883)
Income from fixed assets investments		340	163
Interest receivable and similar income	10	108	123
Interest payable and expenses	11	(76,937)	(56,353)
Loss before tax		(41,233)	(502,950)
Tax on loss	12	21,244	130,719
Loss for the financial year		(19,989)	(372,231)

There was no other comprehensive income for 2017 (2016: £NIL).

The notes on pages 11 to 28 form part of these financial statements.

Balance Sheet

As at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	14	7,699,447	5,761,885
Investments	15	2,943	2,604
		<u>7,702,390</u>	<u>5,764,489</u>
Current assets			
Stocks	16	2,446,081	2,092,668
Debtors: amounts falling due within one year	17	3,022,461	2,695,263
Cash at bank and in hand	18	32,022	297,366
		<u>5,500,564</u>	<u>5,085,297</u>
Creditors: amounts falling due within one year	19	(5,060,962)	(4,215,634)
Net current assets		<u>439,602</u>	<u>869,663</u>
Total assets less current liabilities		<u>8,141,992</u>	<u>6,634,152</u>
Creditors: amounts falling due after more than one year	20	(2,024,720)	(475,647)
		<u>6,117,272</u>	<u>6,158,505</u>
Provisions for liabilities			
Deferred taxation	24	(330,480)	(351,724)
Net assets		<u><u>5,786,792</u></u>	<u><u>5,806,781</u></u>
Capital and reserves			
Called up share capital	25	10,001	10,001
Capital redemption reserve	26	150,000	150,000
Profit and loss account	26	5,626,791	5,646,780
		<u><u>5,786,792</u></u>	<u><u>5,806,781</u></u>

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



M Griffin
Director

Date: 11 December 2017

The notes on pages 11 to 28 form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 30 April 2017

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2016	10,001	150,000	5,646,780	5,806,781
Comprehensive income for the year				
Loss for the year	-	-	(19,989)	(19,989)
Total comprehensive income for the year	-	-	(19,989)	(19,989)
At 30 April 2017	10,001	150,000	5,626,791	5,786,792

Statement of Changes in Equity

For the Year Ended 30 April 2016

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 May 2015	10,001	150,000	6,019,011	6,179,012
Comprehensive income for the year				
Loss for the year	-	-	(372,231)	(372,231)
Total comprehensive income for the year	-	-	(372,231)	(372,231)
At 30 April 2016	10,001	150,000	5,646,780	5,806,781

The notes on pages 11 to 28 form part of these financial statements.

Statement of Cash Flows

For the Year Ended 30 April 2017

	2017 £	2016 £
Cash flows from operating activities		
Loss for the financial year	(19,989)	(372,231)
Adjustments for:		
Depreciation of tangible assets	710,797	636,647
Profit on disposal of tangible assets	(254,250)	(11,500)
Interest paid	76,937	56,353
Interest received	(448)	(286)
Taxation charge	(21,244)	(130,719)
(Increase) in stocks	(353,413)	(432,321)
(Increase)/decrease in debtors	(327,198)	244,297
(Decrease) in creditors	(436,103)	(464,364)
Corporation tax received/(paid)	-	(33,817)
Net cash generated from operating activities	(624,911)	(507,941)
Cash flows from investing activities		
Purchase of tangible fixed assets	(2,648,359)	(349,220)
Sale of tangible fixed assets	254,250	11,500
Purchase of listed investments	(339)	(163)
Interest received	108	123
Hire purchase interest paid	(51,377)	(43,798)
Income from investments	340	163
Net cash from investing activities	(2,445,377)	(381,395)

Statement of Cash Flows (continued)

For the Year Ended 30 April 2017

	2017 £	2016 £
Cash flows from financing activities		
Repayment of loans	(44,680)	(89,360)
Repayment of/new finance leases	1,533,536	(725,180)
Interest paid	(25,560)	(12,555)
Net cash used in financing activities	1,463,296	(827,095)
Net (decrease) in cash and cash equivalents	(1,606,992)	(1,716,431)
Cash and cash equivalents at beginning of year	297,366	2,013,797
Cash and cash equivalents at the end of year	(1,309,626)	297,366
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	32,022	297,366
Banking facilities	(1,341,648)	-

The notes on pages 11 to 28 form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 30 April 2017

1. General information

Beamglow Limited is a private company limited by shares and registered in England and Wales. Its registered head office is located at Somersham Road, St Ives, Cambridgeshire, PE27 3LP.

2. Accounting policies

2.1 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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The directors have prepared profit and loss forecasts through to April 2019 that show the business has sufficient facilities to continue in operational existence until that point. These forecasts are prepared on the basis that both revenues and costs for the years ended 30 April 2018 and 30 April 2019 are in line with current known projections and investments in fixed assets will be in line with current levels.

2.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods dispatched and supplied during the year, exclusive of Value Added Tax.

2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.5 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.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

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, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 50 years
Motor vehicles	- 4 -5 years
Plant, fixtures and fittings	- 5 - 12 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.6 Valuation of investments

Investments in listed company shares are measured at cost and, where the holding is material, remeasured to market value at each Balance sheet date.

2.7 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 gross profit margin basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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 profit or loss.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.9 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.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.10 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, loans to related parties and investments in non-puttable ordinary shares.

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

2.11 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.

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Operating leases: the Company as lessee

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.

2.15 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 Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.16 Interest income

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

Notes to the Financial Statements

For the Year Ended 30 April 2017

2. Accounting policies (continued)

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

2.18 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 balance sheet 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 Balance sheet 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 balance sheet date.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The company does not have any areas of significant judgements, however, there are areas where a level of judgement is applied and this includes stock provisions and provisions for bad debts.

Notes to the Financial Statements

For the Year Ended 30 April 2017

4. Turnover

	2017 £	2016 £
Sales	15,560,442	14,161,166

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	10,289,420	9,500,808
Rest of Europe	4,331,362	3,524,480
Rest of the world	939,660	1,135,878
	15,560,442	14,161,166

5. Operating loss

The operating loss is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets - owned	301,154	192,082
Depreciation of tangible fixed assets - leased	409,643	444,565
Profit on disposal of tangible fixed assets	(254,250)	-
Exchange differences	(119,179)	(36,302)
Defined contribution pension cost	122,683	128,849
Operating leases - property rent	35,352	34,203
Operating leases - motor vehicles	6,202	6,206

6. Auditor's remuneration

	2017 £	2016 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,400	13,650

Fees payable to the Company's auditor and its associates in respect of:

Taxation compliance services	3,050	3,200
All other services	800	800

Notes to the Financial Statements

For the Year Ended 30 April 2017

7. Employees

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

	2017 £	2016 £
Wages and salaries	4,563,090	4,559,534
Social security costs	476,021	478,028
Cost of defined contribution scheme	122,683	128,849
	<u>5,161,794</u>	<u>5,166,411</u>

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

	2017 No.	2016 No.
Production	106	107
Administration	44	40
Directors	5	7
	<u>155</u>	<u>154</u>

8. Directors' remuneration

	2017 £	2016 £
Directors' emoluments	564,834	511,808
Company contributions to defined contribution pension schemes	-	11,875
	<u>564,834</u>	<u>523,683</u>

During the year retirement benefits were accruing to no directors (2016: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £160,818 (2016: £115,000).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £NIL (2016: £NIL).

9. Income from investments

	2017 £	2016 £
Income from fixed asset investments	<u>340</u>	<u>163</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

10. Interest receivable

	2017 £	2016 £
Other interest receivable	108	123

11. Interest payable and similar charges

	2017 £	2016 £
Bank interest payable	17,713	-
Other loan interest payable	7,847	12,555
Finance leases and hire purchase contracts	51,377	43,798
	<u>76,937</u>	<u>56,353</u>

12. Taxation

	2017 £	2016 £
Corporation tax		
Adjustments in respect of previous periods	-	(33,846)
Total current tax	<u>-</u>	<u>(33,846)</u>
Deferred tax		
Origination and reversal of timing differences	(1,703)	(52,013)
Changes to tax rates	(19,541)	(44,860)
Total deferred tax	<u>(21,244)</u>	<u>(96,873)</u>
Taxation on loss on ordinary activities	<u>(21,244)</u>	<u>(130,719)</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

12. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016: lower than) the standard rate of corporation tax in the UK of 19.92% (2016: 20.00%). The differences are explained below:

	2017 £	2016 £
Loss on ordinary activities before tax	(41,233)	(502,950)
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.92% (2016: 20.00%)	(8,214)	(100,590)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,738	3,387
Capital allowances for year in excess of depreciation	2,477	52,343
Adjustments to tax charge in respect of prior periods	-	(33,846)
Other timing differences leading to a decrease in taxation	-	(52,013)
Change in deferred tax rate	(19,245)	-
Total tax charge for the year	(21,244)	(130,719)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the Financial Statements

For the Year Ended 30 April 2017

13. Intangible assets

	Development costs £
Cost	
At 1 May 2016	11,865
At 30 April 2017	11,865
Amortisation	
At 1 May 2016	11,865
At 30 April 2017	11,865
Net book value	
At 30 April 2017	-
At 30 April 2016	-

Notes to the Financial Statements

For the Year Ended 30 April 2017

14. Tangible fixed assets

	Freehold property £	Motor vehicles £	Plant, fixtures & fittings £	Total £
Cost				
At 1 May 2016 (as previously stated)	2,077,561	655,367	9,695,355	12,428,283
Prior Year Adjustment	690,602	-	-	690,602
At 1 May 2016 (as restated)	2,768,163	655,367	9,695,355	13,118,885
Additions	-	64,369	2,583,990	2,648,359
Disposals	-	(49,188)	(1,785,090)	(1,834,278)
At 30 April 2017	2,768,163	670,548	10,494,255	13,932,966
Depreciation				
At 1 May 2016 (as previously stated)	32,239	473,647	6,160,512	6,666,398
Prior Year Adjustment	690,602	-	-	690,602
At 1 May 2016 (as restated)	722,841	473,647	6,160,512	7,357,000
Charge for the year on owned assets	32,117	77,837	600,843	710,797
Disposals	-	(49,188)	(1,785,090)	(1,834,278)
At 30 April 2017	754,958	502,296	4,976,265	6,233,519
Net book value				
At 30 April 2017	2,013,205	168,252	5,517,990	7,699,447
At 30 April 2016 (as restated)	2,045,322	181,720	3,534,843	5,761,885

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

	2017 £	2016 £
Plant, fixtures & fittings	4,476,130	2,644,634
Motor vehicles	143,996	70,914
	<u>4,620,126</u>	<u>2,715,548</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

15. Fixed asset investments

	Listed investments £
Cost	
At 1 May 2016	2,604
Additions	339
At 30 April 2017	<u>2,943</u>
Net book value	
At 30 April 2017	<u>2,943</u>
At 30 April 2016	<u>2,604</u>

The market value of the listed investments at 30 April 2017 was £10,446 (2016: £7,850).

16. Stocks

	2017 £	2016 £
Raw materials and consumables	184,702	122,538
Work in progress	592,844	697,757
Finished goods and goods for resale	1,668,535	1,272,373
	<u>2,446,081</u>	<u>2,092,668</u>

Stock recognised in cost of sales during the year as an expense was £7,229,705 (2016: £6,604,238).

An impairment loss of £nil (2016: £7,319) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

Notes to the Financial Statements

For the Year Ended 30 April 2017

17. Debtors

	2017 £	2016 £
Trade debtors	2,856,468	2,508,912
Prepayments and accrued income	132,147	152,505
Tax recoverable	33,846	33,846
	<u>3,022,461</u>	<u>2,695,263</u>

An impairment loss of £42,000 (2016: £42,000) is recognised against trade debtors.

18. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	32,022	297,366
Less: banking facilities	<u>(1,341,648)</u>	<u>-</u>

19. Creditors: Amounts falling due within one year

	2017 £	2016 £
Banking facilities	1,341,648	-
Loan	-	44,680
Trade creditors	2,240,258	2,590,380
Taxation and social security	307,494	281,240
Obligations under finance lease and hire purchase contracts	779,914	795,451
Other creditors	344,282	422,869
Accruals and deferred income	47,366	81,014
	<u>5,060,962</u>	<u>4,215,634</u>

Secured loan and banking facilities

The banking facilities are secured by way of a fixed and floating charge over all assets of the Company.

Amounts due under finance leases and hire purchase agreements are secured on the related assets acquired.

The loan, which was from the Beamglow Senior Pension Fund, was secured with a first legal charge on the freehold property held by Beamglow Limited. The loan attracted interest of 4% per annum and was repaid in September 2016.

Notes to the Financial Statements

For the Year Ended 30 April 2017

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

	2017 £	2016 £
Net obligations under finance leases and hire purchase contracts	<u>2,024,720</u>	<u>475,647</u>

Amounts due under finance leases and hire purchase agreements are secured on the related assets acquired.

21. Loans

Analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year		
Loan	-	44,680
	<u>-</u>	<u>44,680</u>

22. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2017 £	2016 £
Within one year	779,914	795,451
Between 2-5 years	1,500,396	475,647
Over 5 years	524,325	-
	<u>2,804,635</u>	<u>1,271,098</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

23. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at amortised cost	<u>2,888,490</u>	<u>2,806,278</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>(6,778,188)</u>	<u>(4,410,041)</u>

Financial assets measured at amortised cost comprise cash and trade debtors.

Financial liabilities measured at amortised cost comprise bank loans and overdrafts, hire purchase and finance leases, trade creditors, other creditors and accruals.

Financial risk management

The company has exposures to three main areas of risk - foreign exchange currency exposure, liquidity risk and customer credit exposure.

Foreign exchange transactional currency exposure

The company is exposed to currency exchange rate risk due to a significant proportion of its receivables being denominated in non-Sterling currencies. The net exposure of each currency is monitored and managed by seeking to match currency inflows and outflows; no hedging or forward exchange contracts are in place.

Liquidity risk

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows and the use of its invoice discounting facility.

Customer credit exposure

The company may offer credit terms to its customers which allow payment of the debt after delivery of the goods. The company is at risk to the extent that a customer may be unable to pay the debt on the specified due date. This risk is mitigated by the strong on-going customer relationships.

24. Deferred taxation

	2017 £	2016 £
At beginning of year	(351,724)	(448,597)
Charged to profit or loss	21,244	96,873
At end of year	<u>(330,480)</u>	<u>(351,724)</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

24. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(472,415)	(425,628)
Tax losses carried forward	141,935	73,904
	<u>(330,480)</u>	<u>(351,724)</u>

25. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 Ordinary A shares of £1 each	10,000	10,000
1 Golden share of £1	1	1
	<u>10,001</u>	<u>10,001</u>

During 2003, 1 Golden share of £1 was issued at par. The holder of this share, after the death of the majority shareholder, must approve share transfers, issue of new shares and any decisions relating to disposal of all or part of the undertaking. The holder may attend and vote at any general meeting, but has no right to surplus assets on winding up of the company. The Golden share carries no rights to the payment of dividends.

The called up share capital represents the nominal value of shares that have been issued.

26. Reserves

Capital redemption reserve

Capital redemption reserve represents the nominal value of the shares repurchased by the company.

Profit & loss account

The profit and loss account includes all current and prior period retained profits and losses.

27. Prior year adjustment

The cost of freehold property in the prior year was reported net of accumulated depreciation. The correction has resulted in the cost of freehold property and accumulated depreciation brought forward increasing by £690,602.

Notes to the Financial Statements

For the Year Ended 30 April 2017

28. Pension commitments

The company operates a defined contribution 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 Company to the fund and amounted to £122,683 (2016: £128,849). Contributions totalling £20,028 (2016: £16,595) were payable to the fund at 30 April 2017 and are included in creditors.

29. Commitments under operating leases

At 30 April 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Land and buildings		
Not later than 1 year	19,500	20,388
Later than 1 year and not later than 5 years	26,605	46,105
	<u>46,105</u>	<u>66,493</u>
	2017 £	2016 £
Other assets		
Not later than 1 year	5,242	6,169
Later than 1 year and not later than 5 years	-	5,242
	<u>5,242</u>	<u>11,411</u>

Notes to the Financial Statements

For the Year Ended 30 April 2017

30. Related party transactions

Each director operates a current account into which amounts are paid from which personal payments are made; the following balances existed at the year end and are included in other creditors:

	2017 £	2016 £
S Arkley	16,487	28,276
B Griffin	5,862	8,576
M Griffin	160,858	210,840
H Roberts	5,360	5,314
A Brown	9,218	10,354
W Bellchamber	5,360	5,314
	<u>203,145</u>	<u>268,674</u>

During the year ended 30 April 2012 a loan was taken out with Beamglow Senior Pension Fund for £460,000, during the year the loan was repaid (at 30 April 2016: £44,680 was outstanding). Interest charged on the loan during the year was £4,039 (2016: £9,678).

During the year K Jeffs, a close family member of the late S Arkley, provided a loan to the company. The loan carries no interest and has no fixed repayment date. The balance outstanding at the year end was £120,515 (2016: £136,547) and is included in other creditors.

The estate of A Arkley is the controlling party by virtue of a majority shareholding. However, the rights of the controlling party are restricted by the holder of the Golden share. The Golden share is held by M Griffin, a director and ordinary shareholder of the company; Note 25 details the rights associated with this share.

The directors are considered to be the company's key management and their remuneration is £620,986 (2016: £583,124).

31. Post balance sheet events

Subsequent to the year end the company purchased plant and machinery for consideration of £662,000. To assist in the purchase the company has taken out a secured loan of £200,000 with the Arkley Family Pension Trust and entered into a finance lease agreement.