

REGISTERED NUMBER: 01420396 (England and Wales)

**GROUP STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018
FOR
BRITISH HARLEQUIN PLC**

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FOR THE YEAR ENDED 31 DECEMBER 2018**

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BRITISH HARLEQUIN PLC

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2018**

DIRECTORS:

R K Dagger
G F W Dagger
Miss A C Dagger

SECRETARY:

Miss A C Dagger

REGISTERED OFFICE:

Festival House
Chapman Way
Tunbridge Wells
Kent
TN2 3EF

REGISTERED NUMBER:

01420396 (England and Wales)

AUDITORS:

Greenaway Chartered Accountants
and Statutory Auditors
150 High Street
Sevenoaks
Kent
TN13 1XE

BANKERS:

Barclays Bank plc
80 High Street
Sevenoaks
Kent
TN13 1LR

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

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

REVIEW OF BUSINESS

Harlequin is the world leader in advanced technology floors for the performing arts.

Established in the UK over 40 years ago, Harlequin remains the industry choice for the world's most prestigious dance and performing arts companies, theatres, venues and schools, production companies and global events.

Harlequin's experience and reputation are founded on the design, manufacture, supply and installation of a range of high quality portable and permanent sprung and vinyl floors chosen by the world's leading venues - from the Royal Opera House to the Bolshoi Theatre, the Paris Opera Ballet to Sydney Dance Company.

Harlequin is the global leader in its field with offices in Europe, the Americas and Asia Pacific.

Business Strategy

Harlequin is implementing a growth strategy to build on its current market position. The key elements of this strategy are:

- i) Unification - One of Harlequin's strengths is our global reach and capability. By increasing standardisation across the group, we will improve financial performance. To support unification, a common CRM has been adopted across the group.
- ii) Investment for growth - Targeting sales and marketing investment into those areas that offer greatest potential for growth.
- iii) Driving innovation by building on what we know - Innovation is critical from a brand perspective and Harlequin will maintain a healthy product development programme
- iv) Maintaining exceptional levels of service - The exceptional level of service we provide to our customers is a core brand value.
- v) Investing in people - Harlequin will invest in people. Our growth plan will be delivered through having the best people, motivated to deliver on strategic objectives.

Innovation Update

Product development within the areas of our expertise continued in 2018 with Liberty Ballroom and Bespoke in final stages of testing. Harlequin cleaning products were refreshed during the year. An updated website was launched in the UK during the year, which will be rolled out to other regions over the upcoming years.

2019 will continue to see further development in our accessories area, with updates to our tape range and review of ballet barre offering. Our vinyl product offering continues to be developed in a technical capacity.

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

BUSINESS ENVIRONMENT

It is the directors' duty to focus on the principal risks confronting the business such as those relating to commercial, staff resource, liquidity, operation, regulatory risk and business continuity. The material risks and responses currently being managed are:

British exit from the European Union (Brexit)

On 23rd June 2016, the British people elected to leave the European Union. The immediate impact of the vote was the devaluation of the pound, which continues to increase the cost of supplies from Europe and the USA. This risk is largely mitigated by the global nature of Harlequin Floors as we can naturally hedge cash flows around the group.

To ensure the long-term profitability of the group, one stream of our growth strategy is to grow sales in the international education and export markets, helping to insulate Harlequin from currency risk associated with the British pound.

The longer-term impact of Brexit remains uncertain, though may include increased governance and regulation of stock movement between the UK and Continental Europe. To mitigate this possible risk, we are investing in a centralised European warehouse with our current warehousing partner in Luxembourg. This warehouse will allow a greater proportion of purchases made within the European Union to remain within the European Union and thus not be impacted by additional costs associated with stock movement into or out of the UK.

Commercial Risk

The directors remain informed of the competitive landscape by membership of key trade associations, attendance at relevant trade fairs and our close working relationships with key customers. Competitor activity is continually monitored and short and long-term responses managed through senior management forums and the business strategy as appropriate.

Liquidity and business continuity risk

The company seeks to mitigate any liquidity risk by maintaining sufficient levels of funds within the business to meet its forecast working capital requirements. The group policy has consistently been to build up its reserves to enable it to manage its resources and such risks. These risks are managed by management on a regular basis with reference to trading and cashflow forecasts. The group has developed appropriate, reliable IT systems to manage financial performance, stock control and its business services to customers.

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

BUSINESS PERFORMANCE

The London office has benefitted from originating the group business strategy and fully adopting it. The 2018 year saw sales like for like growth of approximately 10% on prior year as a result of strong performance of the installations business.

The Luxembourg office has also achieved growth of approximately 10% on prior year driven by a strong performance in Northern Europe as a result of additional sales personnel and good adoption of the new CRM system.

The Berlin office has had a difficult year as it continues to establish sales outside of leading venues. The business strategy in the region has been developed to further differentiate ourselves from local competitors and to invest further in the skills and capabilities of the sales team.

The Hong Kong office had the best sales year since its establishment almost ten years ago, with 2018 sales almost double prior year.

The Sydney office has established itself as material contributor to the group with sales improving by over 50% on the prior year. The pipeline of work into 2019 remains strong.

ON BEHALF OF THE BOARD:

G F W Dagger - Director

27 June 2019

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

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

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of dealing in goods and services connected with education, the theatre and entertainment industry.

DIVIDENDS

An interim dividend of 42.857p per share was paid on 16 January 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2018 will be £ 242,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

R K Dagger
G F W Dagger
Miss A C Dagger

DONATIONS

During the year the group made charitable donations amounting to £2,458

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

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

AUDITORS

The auditors, Greenaway Chartered Accountants, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

G F W Dagger - Director

27 June 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRITISH HARLEQUIN PLC

Opinion

We have audited the financial statements of British Harlequin Plc (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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 group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, 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 the audit:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRITISH HARLEQUIN PLC

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit
- have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Robert Lovitt (Senior Statutory Auditor)
for and on behalf of Greenaway Chartered Accountants
and Statutory Auditors
150 High Street
Sevenoaks
Kent
TN13 1XE

27 June 2019

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31/12/18 £	31/12/17 £
TURNOVER	3	16,175,747	13,588,429
Cost of sales		<u>9,182,688</u>	<u>7,457,742</u>
GROSS PROFIT		6,993,059	6,130,687
Administrative expenses		<u>6,904,613</u>	<u>6,071,537</u>
		88,446	59,150
Other operating income		<u>856,968</u>	<u>800,122</u>
OPERATING PROFIT	5	945,414	859,272
Interest receivable and similar income		<u>5,206</u>	<u>3,173</u>
		950,620	862,445
Interest payable and similar expenses	6	<u>31,788</u>	<u>28,355</u>
PROFIT BEFORE TAXATION		918,832	834,090
Tax on profit	7	<u>202,654</u>	<u>245,631</u>
PROFIT FOR THE FINANCIAL YEAR		716,178	588,459
Profit attributable to: Owners of the parent		<u>716,178</u>	<u>588,459</u>

The notes form part of these financial statements

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	31/12/18 £	31/12/17 £
PROFIT FOR THE YEAR		716,178	588,459
OTHER COMPREHENSIVE INCOME			
Exchange differences on conversion		43,575	34,376
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX		<u>43,575</u>	<u>34,376</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>759,753</u>	<u>622,835</u>
Total comprehensive income attributable to: Owners of the parent		<u>759,753</u>	<u>622,835</u>

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2018

	Notes	31/12/18 £	£	31/12/17 £	£
FIXED ASSETS					
Intangible assets	10		(142,432)		(152,961)
Tangible assets	11		2,336,858		2,408,770
Investments	12		-		-
			<u>2,194,426</u>		<u>2,255,809</u>
CURRENT ASSETS					
Stocks	13	3,235,222		2,816,004	
Debtors	14	2,532,711		2,344,912	
Cash at bank and in hand		<u>1,810,159</u>		<u>1,426,521</u>	
		7,578,092		6,587,437	
CREDITORS					
Amounts falling due within one year	15	<u>2,844,109</u>		<u>2,903,577</u>	
NET CURRENT ASSETS			<u>4,733,983</u>		<u>3,683,860</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,928,409</u>		<u>5,939,669</u>
CREDITORS					
Amounts falling due after more than one year	16		(966,814)		(495,239)
PROVISIONS FOR LIABILITIES	20		<u>(37,058)</u>		<u>(37,646)</u>
NET ASSETS			<u>5,924,537</u>		<u>5,406,784</u>
CAPITAL AND RESERVES					
Called up share capital	21		50,000		50,000
Revaluation reserve	22		471,855		471,855
Other reserves	22		144,635		142,780
Retained earnings	22		<u>5,258,047</u>		<u>4,742,149</u>
SHAREHOLDERS' FUNDS			<u>5,924,537</u>		<u>5,406,784</u>

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:

G F W Dagger - Director

COMPANY BALANCE SHEET
31 DECEMBER 2018

	Notes	31/12/18 £	£	31/12/17 £	£
FIXED ASSETS					
Intangible assets	10		40,709		46,834
Tangible assets	11		2,180,413		2,212,171
Investments	12		1,634,918		1,623,974
			<u>3,856,040</u>		<u>3,882,979</u>
CURRENT ASSETS					
Stocks	13	1,656,643		1,570,262	
Debtors	14	2,304,331		1,900,243	
Cash at bank and in hand		<u>572,473</u>		<u>559,808</u>	
		<u>4,533,447</u>		<u>4,030,313</u>	
CREDITORS					
Amounts falling due within one year	15	<u>1,575,118</u>		<u>2,181,491</u>	
NET CURRENT ASSETS			<u>2,958,329</u>		<u>1,848,822</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>6,814,369</u>		<u>5,731,801</u>
CREDITORS					
Amounts falling due after more than one year	16		(966,814)		(495,239)
PROVISIONS FOR LIABILITIES	20		<u>(37,058)</u>		<u>(37,646)</u>
NET ASSETS			<u>5,810,497</u>		<u>5,198,916</u>
CAPITAL AND RESERVES					
Called up share capital	21		50,000		50,000
Revaluation reserve	22		471,855		471,855
Retained earnings	22		<u>5,288,642</u>		<u>4,677,061</u>
SHAREHOLDERS' FUNDS			<u>5,810,497</u>		<u>5,198,916</u>
Company's profit for the financial year			<u>853,581</u>		<u>421,263</u>

The financial statements were approved by the Board of Directors on 27 June 2019 and were signed on its behalf by:

G F W Dagger - Director

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Other reserves £	Total equity £
Balance at 1 January 2017	50,000	4,413,041	471,855	111,354	5,046,250
Changes in equity					
Dividends	-	(262,301)	-	-	(262,301)
Total comprehensive income	-	591,409	-	31,426	622,835
Balance at 31 December 2017	<u>50,000</u>	<u>4,742,149</u>	<u>471,855</u>	<u>142,780</u>	<u>5,406,784</u>
Changes in equity					
Dividends	-	(242,000)	-	-	(242,000)
Total comprehensive income	-	757,898	-	1,855	759,753
Balance at 31 December 2018	<u>50,000</u>	<u>5,258,047</u>	<u>471,855</u>	<u>144,635</u>	<u>5,924,537</u>

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

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 January 2017	50,000	4,518,099	471,855	5,039,954
Changes in equity				
Dividends	-	(262,301)	-	(262,301)
Total comprehensive income	-	421,263	-	421,263
Balance at 31 December 2017	<u>50,000</u>	<u>4,677,061</u>	<u>471,855</u>	<u>5,198,916</u>
Changes in equity				
Dividends	-	(242,000)	-	(242,000)
Total comprehensive income	-	853,581	-	853,581
Balance at 31 December 2018	<u>50,000</u>	<u>5,288,642</u>	<u>471,855</u>	<u>5,810,497</u>

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

	Notes	31/12/18 £	31/12/17 £
Cash flows from operating activities			
Cash generated from operations	1	485,160	1,167,360
Interest paid		(31,788)	(28,355)
Tax paid		(136,527)	(295,655)
Net cash from operating activities		<u>316,845</u>	<u>843,350</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(16,385)
Purchase of tangible fixed assets		(97,750)	(309,307)
Sale of tangible fixed assets		4,167	13,961
Interest received		5,206	3,173
Net cash from investing activities		<u>(88,377)</u>	<u>(308,558)</u>
Cash flows from financing activities			
New loans in year		1,146,000	300,000
Loan repayments in year		(748,498)	(274,665)
Amount introduced by directors		28,533	-
Amount withdrawn by directors		(28,865)	(64,537)
Equity dividends paid		(242,000)	(262,301)
Net cash from financing activities		<u>155,170</u>	<u>(301,503)</u>
Increase in cash and cash equivalents		<u>383,638</u>	<u>233,289</u>
Cash and cash equivalents at beginning of year	2	<u>1,426,521</u>	<u>1,193,232</u>
Cash and cash equivalents at end of year	2	<u><u>1,810,159</u></u>	<u><u>1,426,521</u></u>

The notes form part of these financial statements

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

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

	31/12/18	31/12/17
	£	£
Profit before taxation	918,832	834,090
Depreciation charges	155,165	125,491
Loss on disposal of fixed assets	593	42
Exchange difference on conversion	42,783	36,967
Government grants	-	(3,040)
Finance costs	31,788	28,355
Finance income	(5,206)	(3,173)
	<u>1,143,955</u>	<u>1,018,732</u>
(Increase)/decrease in stocks	(419,218)	173,944
Increase in trade and other debtors	(187,340)	(247,123)
(Decrease)/increase in trade and other creditors	(52,237)	221,807
Cash generated from operations	<u>485,160</u>	<u>1,167,360</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2018

	31/12/18	1/1/18
	£	£
Cash and cash equivalents	<u>1,810,159</u>	<u>1,426,521</u>

Year ended 31 December 2017

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>1,426,521</u>	<u>1,193,232</u>

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

1. STATUTORY INFORMATION

British Harlequin Plc is a private company, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings made up to 31 December 2018.

The profits and losses of subsidiary undertakings are consolidated from the date of acquisition. The difference between the cost of shares in subsidiaries and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

Turnover

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

Goodwill

Goodwill, being the full amount paid in connection with the acquisition of the subsidiary companies, is being amortised evenly over its estimated useful life of twenty years.

Intangible assets

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

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 4% on cost
Short leasehold	- 10% on cost
Improvements to property	- 4% on cost
Plant and machinery	- 50% on cost and 33% on cost
Fixtures and fittings	- 50% on cost, 33% on cost, 20% on cost, 15% on reducing balance and at varying rates on cost
Motor vehicles	- 33% on cost and 20% on reducing balance

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

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

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

The Group financial statements are presented in pound sterling.

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Financial statements of overseas subsidiaries are translated at the rate ruling at the balance sheet date.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

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

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	31/12/18	31/12/17
	£	£
United Kingdom	3,998,252	3,580,882
Europe	7,908,183	7,466,952
Rest of the world	4,269,312	2,540,595
	<u>16,175,747</u>	<u>13,588,429</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 20183. **TURNOVER - continued**

An analysis of turnover by geographical origin is given below:

	2018	2017
£		
United Kingdom	5,119,498	4,766,489
Europe	7,044,527	6,536,461
Rest of the World	4,011,722	2,285,479
	<u>16,175,747</u>	<u>13,588,429</u>

4. **EMPLOYEES AND DIRECTORS**

	31/12/18	31/12/17
£	£	£
Wages and salaries	4,004,188	3,454,749
Social security costs	257,829	245,236
Other pension costs	81,471	93,326
	<u>4,343,488</u>	<u>3,793,311</u>

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

	31/12/18	31/12/17
Installation	4	5
Administration	21	19
Selling	42	39
Warehouse	9	9
	<u>76</u>	<u>72</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 32 (2017 - 31) .

	31/12/18	31/12/17
£	£	£
Directors' remuneration	176,763	112,411
Directors' pension contributions to money purchase schemes	<u>8,409</u>	<u>5,189</u>

5. **OPERATING PROFIT**

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

	31/12/18	31/12/17
£	£	£
Hire of plant and machinery	10,179	15,592
Other operating leases	192,014	167,031
Depreciation - owned assets	164,893	137,244
Loss on disposal of fixed assets	593	42
Goodwill amortisation	(16,654)	(16,654)
Patents and licences amortisation	6,125	4,623
Auditors' remuneration	21,507	21,800
Auditors' remuneration for non audit work	2,736	3,489
Foreign exchange differences	(388)	-
Accrued Auditors remuneration	<u>-</u>	<u>15,000</u>

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

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	31/12/18	31/12/17
	£	£
Bank interest	1,155	3,807
Bank loan interest	30,633	21,676
Loan interest	-	685
HMRC Interest	-	2,187
	<u>31,788</u>	<u>28,355</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31/12/18	31/12/17
	£	£
Current tax:		
UK corporation tax	203,242	237,824
Deferred tax	(588)	7,807
Tax on profit	<u>202,654</u>	<u>245,631</u>

UK corporation tax has been charged at 19% (2017 - 19.25%).

Reconciliation of total tax charge included in profit and loss

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

	31/12/18	31/12/17
	£	£
Profit before tax	<u>918,832</u>	<u>834,090</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19.250%)	174,578	160,562
Effects of:		
Expenses not deductible for tax purposes	5,570	8,575
Capital allowances in excess of depreciation	-	(5,086)
Depreciation in excess of capital allowances	4,930	-
Non taxable overseas income	(126,722)	(81,493)
Overseas Tax	144,886	155,266
Deferred tax movement	(588)	7,807
Total tax charge	<u>202,654</u>	<u>245,631</u>

Tax effects relating to effects of other comprehensive income

	Gross	31/12/18	Net
	£	Tax	£
	£	£	£
Exchange differences on conversion	<u>43,575</u>	<u>-</u>	<u>43,575</u>

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

7. TAXATION - continued

	Gross £	31/12/17 Tax £	Net £
Exchange differences on conversion	<u>34,376</u>	<u>-</u>	<u>34,376</u>

Included in UK Corporation Tax charge is an amount of £144,886 (2017: £155,266) relating to taxation charges from the overseas subsidiaries,

8. INDIVIDUAL INCOME STATEMENT

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

9. DIVIDENDS

	31/12/18 £	31/12/17 £
Interim	<u>242,000</u>	<u>262,301</u>

10. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Patents and licences £	Totals £
COST			
At 1 January 2018 and 31 December 2018	<u>(333,079)</u>	<u>62,692</u>	<u>(270,387)</u>
AMORTISATION			
At 1 January 2018	<u>(133,284)</u>	<u>15,858</u>	<u>(117,426)</u>
Amortisation for year	<u>(16,654)</u>	<u>6,125</u>	<u>(10,529)</u>
At 31 December 2018	<u>(149,938)</u>	<u>21,983</u>	<u>(127,955)</u>
NET BOOK VALUE			
At 31 December 2018	<u>(183,141)</u>	<u>40,709</u>	<u>(142,432)</u>
At 31 December 2017	<u>(199,795)</u>	<u>46,834</u>	<u>(152,961)</u>

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

10. INTANGIBLE FIXED ASSETS - continued

Company

	Patents and licences £
COST	
At 1 January 2018	
and 31 December 2018	<u>62,692</u>
AMORTISATION	
At 1 January 2018	15,858
Amortisation for year	<u>6,125</u>
At 31 December 2018	<u>21,983</u>
NET BOOK VALUE	
At 31 December 2018	<u>40,709</u>
At 31 December 2017	<u>46,834</u>

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 January 2018	1,974,273	3,195	144,009	209,796
Additions	-	-	-	29,024
Disposals	-	-	-	(353)
Exchange differences	-	-	17	(423)
At 31 December 2018	<u>1,974,273</u>	<u>3,195</u>	<u>144,026</u>	<u>238,044</u>
DEPRECIATION				
At 1 January 2018	90,558	1,280	33,282	150,145
Charge for year	15,093	318	7,208	25,601
Eliminated on disposal	-	-	-	(353)
Exchange differences	-	-	1	309
At 31 December 2018	<u>105,651</u>	<u>1,598</u>	<u>40,491</u>	<u>175,702</u>
NET BOOK VALUE				
At 31 December 2018	<u>1,868,622</u>	<u>1,597</u>	<u>103,535</u>	<u>62,342</u>
At 31 December 2017	<u>1,883,715</u>	<u>1,915</u>	<u>110,727</u>	<u>59,651</u>

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

11. TANGIBLE FIXED ASSETS - continued

Group

	Fixtures and fittings £	Motor vehicles £	Integral Features £	Totals £
COST OR VALUATION				
At 1 January 2018	589,647	159,086	22,675	3,102,681
Additions	58,848	7,123	2,755	97,750
Disposals	(42,066)	(16,234)	-	(58,653)
Exchange differences	1,940	(876)	(351)	307
At 31 December 2018	<u>608,369</u>	<u>149,099</u>	<u>25,079</u>	<u>3,142,085</u>
DEPRECIATION				
At 1 January 2018	314,697	96,230	7,719	693,911
Charge for year	100,203	15,747	723	164,893
Eliminated on disposal	(41,419)	(12,121)	-	(53,893)
Exchange differences	720	(409)	(305)	316
At 31 December 2018	<u>374,201</u>	<u>99,447</u>	<u>8,137</u>	<u>805,227</u>
NET BOOK VALUE				
At 31 December 2018	<u>234,168</u>	<u>49,652</u>	<u>16,942</u>	<u>2,336,858</u>
At 31 December 2017	<u>274,950</u>	<u>62,856</u>	<u>14,956</u>	<u>2,408,770</u>

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
Valuation in 2009	342,488	-	-	-
Valuation in 2011	50,000	-	-	-
Cost	<u>1,581,785</u>	<u>3,195</u>	<u>144,026</u>	<u>238,044</u>
	<u>1,974,273</u>	<u>3,195</u>	<u>144,026</u>	<u>238,044</u>
	Fixtures and fittings £	Motor vehicles £	Integral Features £	Totals £
Valuation in 2009	-	-	-	342,488
Valuation in 2011	-	-	-	50,000
Cost	<u>608,369</u>	<u>149,099</u>	<u>25,079</u>	<u>2,749,597</u>
	<u>608,369</u>	<u>149,099</u>	<u>25,079</u>	<u>3,142,085</u>

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

11. TANGIBLE FIXED ASSETS - continued

Company

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
COST OR VALUATION				
At 1 January 2018	1,974,273	3,195	140,876	90,206
Additions	-	-	-	2,344
At 31 December 2018	<u>1,974,273</u>	<u>3,195</u>	<u>140,876</u>	<u>92,550</u>
DEPRECIATION				
At 1 January 2018	90,558	1,280	32,716	60,184
Charge for year	15,093	318	6,864	7,761
Eliminated on disposal	-	-	-	-
At 31 December 2018	<u>105,651</u>	<u>1,598</u>	<u>39,580</u>	<u>67,945</u>
NET BOOK VALUE				
At 31 December 2018	<u>1,868,622</u>	<u>1,597</u>	<u>101,296</u>	<u>24,605</u>
At 31 December 2017	<u>1,883,715</u>	<u>1,915</u>	<u>108,160</u>	<u>30,022</u>
	Fixtures and fittings £	Motor vehicles £	Integral Features £	Totals £
COST OR VALUATION				
At 1 January 2018	337,508	138,557	14,450	2,699,065
Additions	55,132	-	-	57,476
Disposals	(42,066)	(16,234)	-	(58,300)
At 31 December 2018	<u>350,574</u>	<u>122,323</u>	<u>14,450</u>	<u>2,698,241</u>
DEPRECIATION				
At 1 January 2018	214,942	86,652	562	486,894
Charge for year	41,998	11,717	723	84,474
Eliminated on disposal	(41,419)	(12,121)	-	(53,540)
At 31 December 2018	<u>215,521</u>	<u>86,248</u>	<u>1,285</u>	<u>517,828</u>
NET BOOK VALUE				
At 31 December 2018	<u>135,053</u>	<u>36,075</u>	<u>13,165</u>	<u>2,180,413</u>
At 31 December 2017	<u>122,566</u>	<u>51,905</u>	<u>13,888</u>	<u>2,212,171</u>

Included in cost or valuation of land and buildings is freehold land of £ 896,298 (2017 - £ 896,298) which is not depreciated.

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

11. TANGIBLE FIXED ASSETS - continued

Company

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Short leasehold £	Improvements to property £	Plant and machinery £
Valuation in 2009	342,488	-	-	-
Valuation in 2011	50,000	-	-	-
Cost	1,581,785	3,195	140,876	92,550
	<u>1,974,273</u>	<u>3,195</u>	<u>140,876</u>	<u>92,550</u>
	Fixtures and fittings £	Motor vehicles £	Integral Features £	Totals £
Valuation in 2009	-	-	-	342,488
Valuation in 2011	-	-	-	50,000
Cost	350,574	122,323	14,450	2,305,753
	<u>350,574</u>	<u>122,323</u>	<u>14,450</u>	<u>2,698,241</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	31/12/18 £	31/12/17 £
Cost	1,107,512	1,107,512
Aggregate depreciation	<u>157,500</u>	<u>157,500</u>
Value of land in freehold land and buildings	<u>950,012</u>	<u>950,012</u>

Freehold land and buildings were valued on an open market basis on 19 July 2011 by Jones Lang Lasalle

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

12. FIXED ASSET INVESTMENTS

Company

	Shares in group undertakings £
COST	
At 1 January 2018	1,623,974
Additions	10,944
At 31 December 2018	<u>1,634,918</u>
NET BOOK VALUE	
At 31 December 2018	<u>1,634,918</u>
At 31 December 2017	<u>1,623,974</u>

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

Subsidiaries

Theatre Flooring Company

Registered office: Festival House, Chapman Way, Tunbridge Wells, Kent, TN2 3EF, United Kingdom

Nature of business: Dormant Company

	% holding	31/3/18 £	31/3/17 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>3</u>	<u>3</u>

Harlequin Europe S.A.

Registered office: 29 Rue Notre Dame, Luxembourg, L-2240, Luxembourg

Nature of business: Theatre and Entertainment Industry

	% holding	31/12/18 £	31/12/17 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>1,836,093</u>	<u>1,791,392</u>
Profit for the year		<u>382,434</u>	<u>300,785</u>

Harlequin Asia Limited

Registered office: 2/F The Strand, 49 Bonham Strand, Sheung Wan, Hong Kong

Nature of business: Theatre and Entertainment Industry

	% holding	31/12/18 £	31/12/17 £
Class of shares:			
Ordinary	100.00		
Aggregate capital and reserves		<u>265,683</u>	<u>189,463</u>
Profit for the year		<u>374,828</u>	<u>59,068</u>

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

12. FIXED ASSET INVESTMENTS - continued

Harlequin Deutschland GmbH

Registered office: Melanchthonstraße 16, D-10557 Berlin, Germany

Nature of business: Theatre and Entertainment Industry

Class of shares:	%
Ordinary	holding 100.00

	31/12/18	31/12/17
	£	£
Aggregate capital and reserves	(31,389)	(1,374)
Loss for the year	<u>(29,999)</u>	<u>(16,908)</u>

Australian Harlequin Pty Limited

Registered office: 1/47 Prime Drive, Seven Hills, NSW 2147, Australia

Nature of business: Theatre and Entertainment Industry

Class of shares:	%
Ordinary	holding 100.00

	31/12/18	31/12/17
	£	£
Aggregate capital and reserves	(182,651)	(88,040)
Loss for the year	<u>(98,369)</u>	<u>(153,863)</u>

Harlequin Central Services

Registered office: 29 Rue Notre Dame, Luxembourg, L-2240, Luxembourg

Nature of business: Theatre and Entertainment Industry

Class of shares:	%
Ordinary	holding 100.00

	31/12/18	31/12/17
	£	£
Aggregate capital and reserves	6	4,244
Loss for the year	<u>(3,481)</u>	<u>(7,652)</u>

Harlequin Central Operations

Registered office: 3 Rue de Benister, Aywaille, 4920, Belgium

Nature of business: Theatre and Entertainment Industry

Class of shares:	%
Ordinary	holding 100.00

	31/12/18
	£
Aggregate capital and reserves	9,620
Loss for the year	<u>(1,324)</u>

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

13. STOCKS

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Stocks	3,205,106	2,816,004	1,626,527	1,570,262
Work-in-progress	30,116	-	30,116	-
	<u>3,235,222</u>	<u>2,816,004</u>	<u>1,656,643</u>	<u>1,570,262</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Trade debtors	1,818,573	1,745,507	352,928	492,922
Amounts due from associate undertakings	75,910	36,523	1,760,426	1,254,824
Other debtors	345,483	57,356	17,955	15,764
Directors' current accounts	28,715	28,256	28,715	4,096
VAT	43,111	311,227	-	-
Prepayments and accrued income	220,919	166,043	144,307	132,637
	<u>2,532,711</u>	<u>2,344,912</u>	<u>2,304,331</u>	<u>1,900,243</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Bank loans and overdrafts (see note 17)	96,153	170,226	96,153	373,605
Trade creditors	1,427,614	1,769,431	730,478	1,144,901
Amounts due to associated undertakings	-	-	440	70,066
Tax	194,618	127,903	59,503	84,745
Social security and other taxes	83,421	82,618	52,789	54,229
VAT	-	-	29,465	21,493
Other creditors	696,134	488,599	480,473	293,718
Directors' current accounts	17,873	17,746	17,596	17,746
Accruals and deferred income	328,296	247,054	108,221	120,988
	<u>2,844,109</u>	<u>2,903,577</u>	<u>1,575,118</u>	<u>2,181,491</u>

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

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Bank loans (see note 17)	<u>966,814</u>	<u>495,239</u>	<u>966,814</u>	<u>495,239</u>

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

17. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	-	-	-	203,379
Bank loans	<u>96,153</u>	<u>170,226</u>	<u>96,153</u>	<u>170,226</u>
	<u>96,153</u>	<u>170,226</u>	<u>96,153</u>	<u>373,605</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>96,157</u>	<u>160,615</u>	<u>96,157</u>	<u>160,615</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>870,657</u>	<u>272,922</u>	<u>870,657</u>	<u>272,922</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 years	<u>-</u>	<u>61,702</u>	<u>-</u>	<u>61,702</u>

The mortgage loan is secured by a first legal charge over the freehold land and buildings.

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31/12/18	31/12/17
	£	£
Within one year	23,107	251,750
Between one and five years	1,040,762	322,007
	<u>1,063,869</u>	<u>573,757</u>

Company

	Non-cancellable operating leases	
	31/12/18	31/12/17
	£	£
Within one year	-	51,002
Between one and five years	118,764	83,025
	<u>118,764</u>	<u>134,027</u>

In addition to the above, the company rents a property from the Dagger Executive Pension Scheme. The rent is £40,000 per annum, there is not a defined term on the lease. However, the company must give three months notice if they wish to terminate it.

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

19. SECURED DEBTS

The following secured debts are included within creditors:

	Company	
	31/12/18	31/12/17
	£	£
Bank overdraft	-	203,379
Bank loans	1,062,967	665,465
	<u>1,062,967</u>	<u>868,844</u>

The bank overdrafts are secured by a debenture dated 10 September 2010.

20. PROVISIONS FOR LIABILITIES

	Group		Company	
	31/12/18	31/12/17	31/12/18	31/12/17
	£	£	£	£
Deferred tax	<u>37,058</u>	<u>37,646</u>	<u>37,058</u>	<u>37,646</u>
Group				
				Deferred tax
				£
Balance at 1 January 2018				37,646
Credit to Income Statement during year				(588)
Balance at 31 December 2018				<u>37,058</u>
Company				
				Deferred tax
				£
Balance at 1 January 2018				37,646
Provided during year				(588)
Balance at 31 December 2018				<u>37,058</u>

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31/12/18	31/12/17
			£	£
50,000	Ordinary	£1	<u>50,000</u>	<u>50,000</u>

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

22. RESERVES

Group

	Retained earnings £	Revaluation reserve £	Other reserves £	Totals £
At 1 January 2018	4,742,149	471,855	142,780	5,356,784
Profit for the year	716,178			716,178
Dividends	(242,000)			(242,000)
Exchange differences	41,720	-	1,855	43,575
At 31 December 2018	<u>5,258,047</u>	<u>471,855</u>	<u>144,635</u>	<u>5,874,537</u>

Company

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2018	4,677,061	471,855	5,148,916
Profit for the year	853,581		853,581
Dividends	(242,000)		(242,000)
At 31 December 2018	<u>5,288,642</u>	<u>471,855</u>	<u>5,760,497</u>

23. ULTIMATE PARENT COMPANY

Harlequin Holdings International Limited is regarded by the directors as being the company's ultimate parent company.

24. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is G F W Dagger.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.