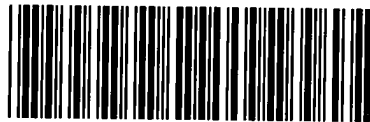


COMPANY REGISTRATION NUMBER: 3205943

FIRED UP CORPORATION LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 2017

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FIRED UP CORPORATION LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

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FIRED UP CORPORATION LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors

Mr R M Kaye
Mr J Bradley

Company secretary

G E Ackroyd

Registered office

Fired Up Buildings
St Thomas Road
Longroyd Bridge
Huddersfield
HD1 3LF

Auditor

Wheawill & Sudworth Limited
Chartered Accountants & statutory auditor
35 Westgate
Huddersfield
HD1 1PA

Bankers

HSBC Bank plc
2 Cloth Hall Street
Huddersfield
West Yorkshire
HD1 2ES

Solicitors

Eaton Smith LLP
14 High Street
Huddersfield
HD1 2HA

FIRED UP CORPORATION LIMITED

STRATEGIC REPORT

YEAR ENDED 31 DECEMBER 2017

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

Principal activity and business review

The principal activity of the company during the year was the manufacture and sale of fire surrounds, trouser presses and hospitality products.

Performance and developments during the year

We are pleased to report another successful year of operations. Profit before tax was £296,758 compared with £675,691 in 2016.

In the 2017 financial year, turnover was £13,985,893, an increase of 17.7% on the previous year.

Increases have been seen across the company's range of products and markets.

Principal risks and uncertainties

The company maintains strong relationships with each of its customers and has established credit control procedures.

Financial instruments

The company's principal financial instruments comprise bank balances, bank overdrafts, sales invoice financing facilities, trade creditors and trade debtors. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no material exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of short term loans secured against imported stock and overdrafts both at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Research and development

The company continues to take advantage of technical advances as they arise and strives to develop new processes that increase efficiency in all aspects of the company's operations.

Financial key performance indicators

The directors use a range of key performance indicators to aid management of the company. These include measures on bank facility headroom, working capital, orders received and outstanding, gross sales, profit margin achieved and stock turnover.

FIRED UP CORPORATION LIMITED

STRATEGIC REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2017

Outlook

The directors continue to examine opportunities for further development of the business and its efficiencies. The directors have considered the results of the current financial year up to the date of this report, and are confident the company will further enhance shareholder value in 2018. Changes to the organisation structure are planned for 2018 which will work to this end.

This report was approved by the board of directors on 4 May 2018 and signed on behalf of the board by:



Mr R M Kaye

Director

FIRED UP CORPORATION LIMITED

DIRECTORS' REPORT

YEAR ENDED 31 DECEMBER 2017

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

Directors

The directors who served the company during the year were as follows:

Mr R M Kaye

Mr J Bradley

Dividends

Particulars of recommended dividends are detailed in note 11 to the financial statements.

Disclosure of information in the strategic report

In accordance with Section 414C(11), Companies Act 2006, the following information required to be contained in this report is set out in the company's Strategic Report on page 2: principal activities, business review, future developments, financial risks and research and development.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 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 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 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

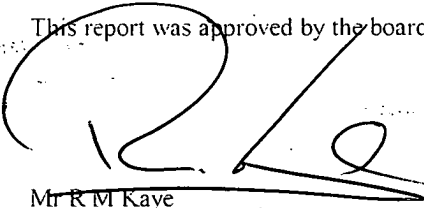
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

FIRED UP CORPORATION LIMITED

DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2017

This report was approved by the board of directors on 4 May 2018 and signed on behalf of the board by:

A handwritten signature in black ink, appearing to be 'R M Kaye', written over a horizontal line.

Mr R M Kaye
Director

FIRED UP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRED UP CORPORATION LIMITED

YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Fired Up Corporation Limited for the year ended 31 December 2017 which comprise the profit and loss account, balance sheet, statement of changes in equity, statement of cash flows and the related notes, 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).

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.

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;
- 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.

FIRED UP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRED UP CORPORATION LIMITED (continued)

YEAR ENDED 31 DECEMBER 2017

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 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.

In the light of our 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

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 or the directors' report.

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

FIRED UP CORPORATION LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FIRED UP CORPORATION LIMITED (continued)

YEAR ENDED 31 DECEMBER 2017

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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

David Butterworth
David Butterworth (Senior Statutory Auditor)

For and on behalf of
Wheawill & Sudworth Limited
Chartered Accountants & statutory auditor
35 Westgate
Huddersfield
HD1 1PA

4 May 2018

FIRED UP CORPORATION LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	4	13,985,893	11,887,357
Cost of sales		<u>(9,293,812)</u>	<u>(7,614,553)</u>
Gross profit		4,692,081	4,272,804
Distribution costs		(998,050)	(905,951)
Administrative expenses		<u>(3,331,810)</u>	<u>(2,633,315)</u>
Operating profit	5	362,221	733,538
Interest payable and similar expenses	9	<u>(65,463)</u>	<u>(57,847)</u>
Profit before taxation		296,758	675,691
Tax on profit	10	<u>(56,455)</u>	<u>(132,079)</u>
Profit for the financial year and total comprehensive income		<u>240,303</u>	<u>543,612</u>

All the activities of the company are from continuing operations.

The notes on pages 13 to 22 form part of these financial statements.

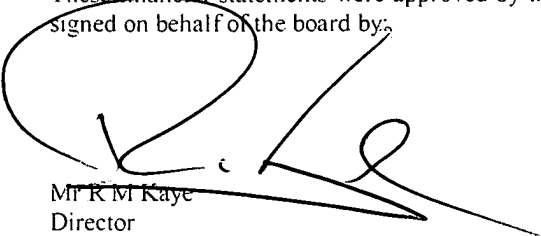
FIRED UP CORPORATION LIMITED

BALANCE SHEET

31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	210,595	138,786
Current assets			
Stocks	14	3,150,629	2,363,473
Debtors	15	2,096,810	1,719,239
Cash at bank and in hand		194,070	98,126
		<u>5,441,509</u>	<u>4,180,838</u>
Creditors: amounts falling due within one year	16	<u>(3,245,579)</u>	<u>(2,130,682)</u>
Net current assets		<u>2,195,930</u>	<u>2,050,156</u>
Total assets less current liabilities		<u>2,406,525</u>	<u>2,188,942</u>
Provisions			
Taxation including deferred tax	17	<u>(30,429)</u>	<u>(18,149)</u>
Net assets		<u>2,376,096</u>	<u>2,170,793</u>
Capital and reserves			
Called up share capital	20	25,000	25,000
Profit and loss account	21	2,351,096	2,145,793
Members funds		<u>2,376,096</u>	<u>2,170,793</u>

These financial statements were approved by the board of directors and authorised for issue on 4 May 2018, and are signed on behalf of the board by:


Mr R M Kaye
Director

Company registration number: 3205943

The notes on pages 13 to 22 form part of these financial statements.

FIRED UP CORPORATION LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED 31 DECEMBER 2017

		Called up share capital £	Profit and loss account £	Total £
At 1 January 2016		25,000	1,632,181	1,657,181
Profit for the year			543,612	543,612
Total comprehensive income for the year		—	543,612	543,612
Dividends paid and payable	11	—	(30,000)	(30,000)
Total investments by and distributions to owners		—	(30,000)	(30,000)
At 31 December 2016		25,000	2,145,793	2,170,793
Profit for the year			240,303	240,303
Total comprehensive income for the year		—	240,303	240,303
Dividends paid and payable	11	—	(35,000)	(35,000)
Total investments by and distributions to owners		—	(35,000)	(35,000)
At 31 December 2017		25,000	2,351,096	2,376,096

The notes on pages 13 to 22 form part of these financial statements.

FIRED UP CORPORATION LIMITED

STATEMENT OF CASH FLOWS

YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	240,303	543,612
<i>Adjustments for:</i>		
Depreciation of tangible assets	42,325	30,226
Interest payable and similar expenses	65,463	57,847
(Gains)/loss on disposal of tangible assets	(2,941)	1,210
Tax on profit	56,455	132,079
<i>Changes in:</i>		
Stocks	(787,156)	(76,778)
Trade and other debtors	(377,571)	120,313
Trade and other creditors	739,264	(44,280)
Cash generated from operations	(23,858)	764,229
Interest paid	(65,463)	(57,847)
Tax paid	(123,927)	(71,303)
Net cash (used in)/from operating activities	<u>(213,248)</u>	<u>635,079</u>
Cash flows from investing activities		
Purchase of tangible assets	(114,193)	(68,635)
Proceeds from sale of tangible assets	3,000	4,500
Net cash used in investing activities	<u>(111,193)</u>	<u>(64,135)</u>
Cash flows from financing activities		
Proceeds from borrowings	455,385	(455,061)
Payments of finance lease liabilities	—	(4,712)
Dividends paid	(35,000)	(30,000)
Net cash from/(used in) financing activities	<u>420,385</u>	<u>(489,773)</u>
Net increase in cash and cash equivalents	95,944	81,171
Cash and cash equivalents at beginning of year	98,126	16,955
Cash and cash equivalents at end of year	<u>194,070</u>	<u>98,126</u>

The notes on pages 13 to 22 form part of these financial statements.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Fired Up Buildings, St Thomas Road, Longroyd Bridge, Huddersfield, HD1 3LF.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Debtors and creditors receivable/payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

Research and development

Research and development expenditure is written off in the year in which it is incurred.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents amounts invoiced during the year, exclusive of discounts and Value Added Tax.

Revenue is recognised at the date of invoicing to the customers.

NOTES TO THE FINANCIAL STATEMENTS (continued)

3. Accounting policies (continued)

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity.

Deferred tax represents the future tax consequences of transactions and events recognised in the financial statements of current and previous periods. It is recognised in respect of all timing differences with certain exemptions. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expense in tax assessments in periods different from those in which they are recognised in the financial statements. 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

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Tangible assets *(continued)*

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	- 25% reducing balance / 33% straight line
Computer equipment	- 33% straight line
Motor vehicles	- 25% reducing balance
Office equipment	- 25% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

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

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

3. Accounting policies *(continued)*

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Defined contribution plans

The company operates a defined contribution pension scheme. The amount charged to the profit and loss account in respect of pension costs is the contributions payable in the year.

4. Turnover

Turnover arises from:

	2017	2016
	£	£
Sale of goods	<u>13,985,893</u>	<u>11,887,357</u>

The turnover and profit before taxation are attributable to the company's principal activity.

Analysis of turnover by geographical destination:

	2017	2016
	£	£
United Kingdom	11,399,410	9,523,448
Other Europe	1,374,353	936,994
Japan	669,264	800,042
United States	185,107	202,856
Rest of the world	357,759	424,017
	<u>13,985,893</u>	<u>11,887,357</u>

5. Operating profit

Operating profit or loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible assets	42,325	30,226
(Gains)/loss on disposal of tangible assets	(2,941)	1,210
Impairment of trade debtors	(3,215)	11,035
Operating lease rentals	217,047	241,103
Foreign exchange differences	<u>(13,421)</u>	<u>(29,186)</u>

6. Auditor's remuneration

	2017	2016
	£	£
Fees payable for the audit of the financial statements	<u>11,263</u>	<u>11,055</u>

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

7. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2017 No.	2016 No.
Production staff	58	47
Administrative staff	42	40
Management staff	2	2
	<u>102</u>	<u>89</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2017 £	2016 £
Wages and salaries	2,542,989	2,099,740
Social security costs	223,478	178,006
Other pension costs	328,173	17,488
	<u>3,094,640</u>	<u>2,295,234</u>

8. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2017 £	2016 £
Remuneration	172,816	185,414
Company contributions to defined contribution pension plans	156,258	1,261
	<u>329,074</u>	<u>186,675</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2017 No.	2016 No.
Defined contribution plans	<u>2</u>	<u>2</u>

9. Interest payable and similar expenses

	2017 £	2016 £
Interest on banks loans and overdrafts	30,115	27,764
Other interest payable and similar charges	35,348	30,083
	<u>65,463</u>	<u>57,847</u>

10. Tax on profit

Major components of tax expense

	2017 £	2016 £
Current tax:		
UK current tax expense	44,175	123,930

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

10. Tax on profit *(continued)*

	2017 £	2016 £
Deferred tax:		
Origination and reversal of timing differences	12,280	8,149
Tax on profit	56,455	132,079

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2016: lower than) the standard rate of corporation tax in the UK of 19% (2016: 20%).

	2017 £	2016 £
Profit on ordinary activities before taxation	296,758	675,691
Profit on ordinary activities by rate of tax	56,384	135,138
Adjustment to tax charge in respect of prior periods	—	3
Effect of expenses not deductible for tax purposes	54	9
Effect of capital allowances and depreciation	358	173
Effect of different UK tax rates on some earnings	(341)	1,076
Additional deduction for R&D expenditure	—	(4,320)
Tax on profit	56,455	132,079

11. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2017 £	2016 £
Equity dividends on ordinary shares	35,000	30,000

12. Intangible assets

	Goodwill £
Cost	
At 1 January 2017 and 31 December 2017	70,749
Amortisation	
At 1 January 2017 and 31 December 2017	70,749
Carrying amount	
At 31 December 2017	—

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31 DECEMBER 2017

13. Tangible assets

	Plant and machinery £	Computer Equipment £	Motor vehicles £	Office Equipment £	Total £
Cost					
At 1 January 2017	511,748	120,566	50,204	167,664	850,182
Additions	85,865	—	28,328	—	114,193
Disposals	(951)	—	—	—	(951)
At 31 December 2017	596,662	120,566	78,532	167,664	963,424
Depreciation					
At 1 January 2017	423,643	118,381	9,682	159,690	711,396
Charge for the year	25,857	1,844	12,619	2,005	42,325
Disposals	(892)	—	—	—	(892)
At 31 December 2017	448,608	120,225	22,301	161,695	752,829
Carrying amount					
At 31 December 2017	148,054	341	56,231	5,969	210,595
At 31 December 2016	88,105	2,185	40,522	7,974	138,786

14. Stocks

	2017 £	2016 £
Raw materials and consumables	562,865	398,521
Work in progress	63,754	25,941
Finished goods and goods for resale	2,524,010	1,939,011
	3,150,629	2,363,473

15. Debtors

	2017 £	2016 £
Trade debtors	1,489,885	1,499,266
Prepayments and accrued income	101,475	95,166
Directors loan account	85,798	—
Amounts owed by related undertakings (note 25)	419,602	124,807
Other debtors	50	—
	2,096,810	1,719,239

Part of the amounts owed by related undertakings is recoverable more than one year after the balance sheet date.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

16. Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	975,839	520,454
Trade creditors	1,251,458	716,018
Accruals and deferred income	245,002	251,949
Corporation tax	44,175	123,927
Social security and other taxes	338,217	266,471
Other creditors	1,293	25,449
Invoice financing facility	389,595	226,414
	<u>3,245,579</u>	<u>2,130,682</u>

The invoice financing facility is secured by a fixed charge on book debts and a floating charge over all assets of the company. The bank loans and overdrafts are secured by a debenture over the company's assets.

17. Provisions

	Deferred tax (note 18)
	£
At 1 January 2017	18,149
Charge against provision	12,280
At 31 December 2017	<u>30,429</u>

18. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2017	2016
	£	£
Included in provisions (note 17)	<u>30,429</u>	<u>18,149</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	30,511	18,291
Other timing differences	(82)	(142)
	<u>30,429</u>	<u>18,149</u>

19. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution pension plans was £328,173 (2016: £17,488).

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

20. Called up share capital

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>	<u>25,000</u>

21. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

22. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017	2016
	£	£
Not later than 1 year	244,229	78,864
Later than 1 year and not later than 5 years	805,918	142,659
Later than 5 years	142,500	—
	<u>1,192,647</u>	<u>221,523</u>

23. Contingencies

The company has given an unlimited multilateral guarantee against the bank borrowings of certain related companies. These amounted to £nil as at 31 December 2017 (2016: £nil). The company has also indemnified its bank in relation to a £40,000 (2016: £40,000) VAT deferment guarantee given by the bank to H M Revenue & Customs.

24. Directors' advances, credits and guarantees

Included in debtors at note 15 above is an amount of £85,798 (2016: £nil) due from R M Kaye. The advance is unsecured, repayable on demand and currently interest free. It is scheduled to be settled in full before 30 September 2018.

FIRED UP CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *(continued)*

YEAR ENDED 31 DECEMBER 2017

25. Related party transactions

R M Kaye acted during the year as director of Fireplace World (UK) Limited, Adam Fire Surrounds Limited, John Corby Limited, Fired Up Group Limited, Fired Up Group Limited (Hong Kong) and Fired Up Corporation (USA). R M Kaye also traded as a sole trader under the name Armco Security.

During the year the company traded with certain of these related entities. Transactions were carried out on an arm's length basis.

The value of transactions between Fired Up Corporation Limited and the related entities were as follows:

Salary and rent recharges to R Kaye T/A Armco Security were £76,563 (2016: £80,223). Purchase of goods and services from R Kaye T/A Armco Security were £7,021 (2016: £13,860). Purchase of goods from Fired Up Group Limited (Hong Kong) were £1,837,212 (2016: £3,777,423). Management charges receivable from Fired Up Corporation (USA) were £20,039 (2016: £19,492). Sale of goods and services to Fired Up Corporation (USA) were £138,579 (2016: £130,634).

Included in amounts owed by related undertakings at note 15 above are debts due from Fired Up Group Limited (Hong Kong) of £371,668 (2016: £11,446 credit).

Included in amounts owed by related undertakings at note 15 above are debts due from Fired Up Corporation (USA) of £28,126 (2016: £124,298).

Included in amounts owed by related undertakings at note 15 above are debts due from R Kaye T/A Armco Security of £19,808 (2016: £11,955).

Included in other creditors at note 16 above is an amount of £nil (2016: £24,126) due to R M Kaye. The amount is unsecured, repayable on demand and currently interest free.

R M Kaye has provided a supported personal guarantee of up to £300,000 as security for the company's bank facilities.

26. Control

The company is controlled by R M Kaye.