

**SIGMA SPORT LIMITED**  
**STRATEGIC REPORT,**  
**REPORT OF THE DIRECTORS AND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MAY 2016**

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FOR THE YEAR ENDED 31 MAY 2016**

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**SIGMA SPORT LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 MAY 2016**

**DIRECTORS:**

C E B Cavell-Taylor  
A H Noel  
I Whittingham  
J B Turner

**SECRETARY:**

Mrs M Wakefield

**REGISTERED OFFICE:**

37-43 High Street  
Hampton Wick  
Kingston Upon Thames  
Surrey  
KT1 4DA

**REGISTERED NUMBER:**

04842265 (England and Wales)

**AUDITORS:**

Duncan & Toplis Limited, Statutory Auditor  
14 All Saints Street  
Stamford  
Lincolnshire  
PE9 2PA

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MAY 2016**

The directors present their strategic report for the year ended 31 May 2016.

**REVIEW OF BUSINESS**

Trading remains highly competitive within the sector. The flagship store which opened in late 2010 continues to mature and web based activity continues to grow. The directors consider that the position at the year end is satisfactory with shareholders funds of £2.8 million.

The board consider that the key performance indicators for the company are those that communicate the financial performance and strength of the company as a whole. The key financial highlights are as follows:

	2016	2015
	£	£
Turnover	12,394,231	8,981,301
Gross profit	3,599,496	2,720,995
(Loss)/Profit on ordinary activities before taxation	(236,176)	(156,484)
Net cash (outflow)/inflow from operating activities	(94,404)	124,838
	%	%
Gross profit percentage	29.04	30.34
Profit on ordinary activities before taxation percentage	(1.91)	(1.26)

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principle risks arising from the company's activities are liquidity and interest rate risk. The Board reviews and agreed policies for managing each of these risks as follows:

Liquidity risk is managed by ensuring sufficient resources are available to meet trading cash flows through appropriate banking facilities.

Interest rate risk is managed by regular review of fixed and variable rate facilities available from the Company's bankers.

**ON BEHALF OF THE BOARD:**

.....  
Mrs M Wakefield - Secretary

Date: 27 February 2017

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MAY 2016**

The directors present their report with the financial statements of the company for the year ended 31 May 2016.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of cycle shops and mail order.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 May 2016.

**EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 June 2015 to the date of this report.

C E B Cavell-Taylor

A H Noel

I Whittingham

J B Turner

**FINANCIAL INSTRUMENTS**

The company's principle financial instruments comprise cash, bank term borrowings and trade creditors.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

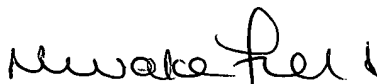
SIGMA SPORT LIMITED (REGISTERED NUMBER: 04842265)

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 MAY 2016**

**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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



Mrs M Wakefield - Secretary

Date:



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF SIGMA SPORT LIMITED**

We have audited the financial statements of Sigma Sport Limited for the year ended 31 May 2016 on pages seven to twenty four. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 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.

### **Respective responsibilities of directors and auditors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **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 31 May 2016 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

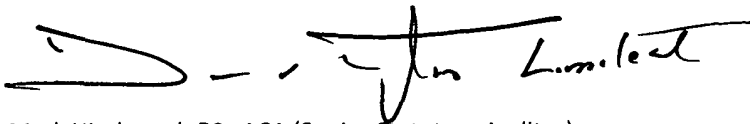
In our opinion the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
SIGMA SPORT LIMITED**

**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.



Mark Hindmarch BSc ACA (Senior Statutory Auditor)  
for and on behalf of Duncan & Toplis Limited, Statutory Auditor  
14 All Saints Street  
Stamford  
Lincolnshire  
PE9 2PA

Date: 27 February 2017



**INCOME STATEMENT  
FOR THE YEAR ENDED 31 MAY 2016**

	Notes	2016 £	2015 £
<b>TURNOVER</b>	3	12,391,231	8,981,301
Cost of sales		<u>(8,794,735)</u>	<u>(6,270,383)</u>
<b>GROSS PROFIT</b>		3,599,496	2,710,918
Distribution costs		(467,320)	(223,351)
Administrative expenses		<u>(3,325,657)</u>	<u>(2,606,440)</u>
		(193,481)	(118,873)
Other operating income		<u>433</u>	<u>5,200</u>
<b>OPERATING LOSS</b>	5	(193,048)	(113,673)
Interest payable and similar charges	6	<u>(43,128)</u>	<u>(42,811)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(236,176)	(156,484)
Tax on loss on ordinary activities	7	<u>27,000</u>	<u>15,689</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>		<u><u>(209,176)</u></u>	<u><u>(140,795)</u></u>

**SIGMA SPORT LIMITED (REGISTERED NUMBER: 04842265)**

**OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MAY 2016**

	Notes	2016 £	2015 £
LOSS FOR THE YEAR		(209,176)	(140,795)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>(209,176)</u>	<u>(140,795)</u>

The notes form part of these financial statements

BALANCE SHEET  
31 MAY 2016

	Notes	2016 £	2015 £
<b>FIXED ASSETS</b>			
Tangible assets	8	3,201,518	3,229,696
<b>CURRENT ASSETS</b>			
Stocks	9	3,585,613	3,000,911
Debtors	10	303,991	292,966
Cash at bank		416	174,024
		3,890,020	3,467,901
<b>CREDITORS</b>			
Amounts falling due within one year	11	(3,333,321)	(2,692,887)
<b>NET CURRENT ASSETS</b>		556,699	775,014
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		3,758,217	4,004,710
<b>CREDITORS</b>			
Amounts falling due after more than one year	12	(969,533)	(979,850)
<b>PROVISIONS FOR LIABILITIES</b>	17	-	(27,000)
<b>NET ASSETS</b>		2,788,684	2,997,860
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	2,200,008	2,200,008
Retained earnings	19	588,676	797,852
<b>SHAREHOLDERS' FUNDS</b>		2,788,684	2,997,860

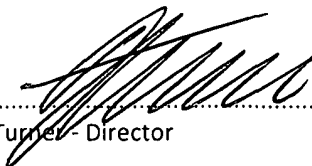
The financial statements were approved by the Board of Directors on  
on its behalf by:

27<sup>th</sup> February 2017

and were signed



I Whittingham - Director



J B Turner - Director

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 June 2014</b>	1,000,008	938,647	1,938,655
<b>Changes in equity</b>			
Issue of share capital	1,200,000	-	1,200,000
Total comprehensive income	-	(140,795)	(140,795)
<b>Balance at 31 May 2015</b>	<u>2,200,008</u>	<u>797,852</u>	<u>2,997,860</u>
<b>Changes in equity</b>			
Total comprehensive income	-	(209,176)	(209,176)
<b>Balance at 31 May 2016</b>	<u>2,200,008</u>	<u>588,676</u>	<u>2,788,684</u>

**CASH FLOW STATEMENT**  
**FOR THE YEAR ENDED 31 MAY 2016**

	Notes	2016 £	2015 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(94,404)	124,838
Interest paid		(43,128)	(5,335)
Tax paid		-	(21,711)
Net cash from operating activities		<u>(137,532)</u>	<u>97,792</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		<u>(304,848)</u>	<u>(218,813)</u>
Net cash from investing activities		<u>(304,848)</u>	<u>(218,813)</u>
<b>Cash flows from financing activities</b>			
New short term loans		-	300,000
Loan repayments in year		(422,692)	(66,142)
New long term loans		500,000	-
Loan interest paid		-	(37,476)
Net cash from financing activities		<u>77,308</u>	<u>196,382</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(365,072)</u>	<u>75,361</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>174,024</u>	<u>98,663</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>(191,048)</u>	<u>174,024</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 MAY 2016**

**1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2016	2015
	£	£
Loss before taxation	(236,176)	(156,484)
Depreciation charges	333,207	298,600
Finance costs	<u>43,128</u>	<u>42,811</u>
	140,159	184,927
Increase in stocks	(584,702)	(138,006)
Increase in trade and other debtors	(25,625)	(102,642)
Increase in trade and other creditors	<u>375,764</u>	<u>180,559</u>
<b>Cash generated from operations</b>	<u><b>(94,404)</b></u>	<u><b>124,838</b></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 May 2016**

	31.5.16	1.6.15
	£	£
Cash and cash equivalents	416	174,024
Bank overdrafts	<u>(191,464)</u>	<u>-</u>
	<u><b>(191,048)</b></u>	<u><b>174,024</b></u>

**Year ended 31 May 2015**

	31.5.15	1.6.14
	£	£
Cash and cash equivalents	<u><b>174,024</b></u>	<u><b>98,663</b></u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MAY 2016**

**1. GENERAL INFORMATION**

Sigma Sport Limited is a limited company incorporated in England and Wales. The address of the registered office is given in the company information on page one of these financial statements. The nature of the company's operations and principal activities are detailed in the report of the directors on page three.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The company adopted Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Ireland' (FRS 102) in the current year and an explanation of how transition to FRS 102 has affected the reported financial position and performance is given in the notes to the financial statements.

**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.

**Significant judgements and estimates**

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

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

There are no critical accounting judgements or estimation uncertainty that, in the opinion of the directors, will have a material effect on the financial statements.

**Turnover**

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

**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	- 2% on cost
Long leasehold	- 2% on cost and over the term of the lease
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost

**Stocks**

Stocks are valued at the lower of cost and fair value less costs to complete and sell, after making due allowance for obsolete and slow moving items. Stocks are accounted for on a first-in-first-out-basis.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**2. ACCOUNTING POLICIES - continued**

**Pension costs and other post-retirement benefits**

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

**Financial instruments**

The company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price.

Such assets are subsequently carried at fair value and the changes in fair value are recognised in the income statement, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Basic financial liabilities, including trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

**3. TURNOVER**

The turnover and loss before taxation are attributable to the one principal activity of the company.

**4. STAFF COSTS**

	2016	2015
	£	£
Wages and salaries	1,705,231	1,327,608
Social security costs	143,467	107,221
Other pension costs	11,246	-
	<u>1,859,944</u>	<u>1,434,829</u>



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**4. STAFF COSTS - continued**

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

	2016	2015
Full time	60	41
Part time	<u>15</u>	<u>25</u>
	<u>75</u>	<u>66</u>

**5. OPERATING LOSS**

The operating loss is stated after charging:

	2016	2015
	£	£
Other operating leases	106,441	99,656
Depreciation - owned assets	333,026	298,600
Auditors' remuneration	<u>9,000</u>	<u>9,000</u>
Directors' remuneration	<u>112,000</u>	<u>87,667</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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**6. INTEREST PAYABLE AND SIMILAR CHARGES**

	2016	2015
	£	£
Bank interest	4,421	5,335
Loan	<u>38,707</u>	<u>37,476</u>
	<u>43,128</u>	<u>42,811</u>

**7. TAXATION**

**Analysis of the tax credit**

The tax credit on the loss on ordinary activities for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	-	(14,600)
Adjustment re previous years	<u>-</u>	<u>(89)</u>
Total current tax	-	(14,689)
Deferred tax	<u>(27,000)</u>	<u>(1,000)</u>
Tax on loss on ordinary activities	<u>(27,000)</u>	<u>(15,689)</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**7. TAXATION - continued**

**Reconciliation of total tax credit 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:

	2016 £	2015 £
Loss on ordinary activities before tax	<u>(236,176)</u>	<u>(156,484)</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	(47,235)	(31,297)
Effects of:		
Depreciation in excess of capital allowances	7,094	15,761
Adjustments to tax charge in respect of previous periods	-	(89)
Marginal relief and other tax adjustments	-	(64)
Tax losses carried forward not recognised	<u>13,141</u>	-
Total tax credit	<u>(27,000)</u>	<u>(15,689)</u>

**8. TANGIBLE FIXED ASSETS**

	Freehold property £	Long leasehold £	Fixtures and fittings £
<b>COST</b>			
At 1 June 2015	2,241,321	1,058,557	114,701
Additions	<u>-</u>	<u>-</u>	<u>4,848</u>
At 31 May 2016	<u>2,241,321</u>	<u>1,058,557</u>	<u>119,549</u>
<b>DEPRECIATION</b>			
At 1 June 2015	201,652	96,833	99,497
Charge for year	<u>44,826</u>	<u>35,322</u>	<u>13,452</u>
At 31 May 2016	<u>246,478</u>	<u>132,155</u>	<u>112,949</u>
<b>NET BOOK VALUE</b>			
At 31 May 2016	<u>1,994,843</u>	<u>926,402</u>	<u>6,600</u>
At 31 May 2015	<u>2,039,669</u>	<u>961,724</u>	<u>15,204</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**8. TANGIBLE FIXED ASSETS - continued**

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 June 2015	25,979	657,117	4,097,675
Additions	-	300,000	304,848
At 31 May 2016	25,979	957,117	4,402,523
<b>DEPRECIATION</b>			
At 1 June 2015	19,479	450,518	867,979
Charge for year	3,250	236,176	333,026
At 31 May 2016	22,729	686,694	1,201,005
<b>NET BOOK VALUE</b>			
At 31 May 2016	3,250	270,423	3,201,518
At 31 May 2015	6,500	206,599	3,229,696

**9. STOCKS**

	2016 £	2015 £
Stocks	3,585,613	3,000,911

Stocks recognised as an expense in the period were £9,177,575 (2015 - £6,339,994).

**10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Trade debtors	244,558	241,320
Other debtors	26,171	12,905
Tax	-	14,600
Prepayments and accrued income	33,262	24,141
	303,991	292,966

**11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Bank loans and overdrafts (see note 13)	647,089	68,000
Trade creditors	2,141,376	1,789,177
Taxation	(14,600)	-
Other taxes and social security	131,613	165,959
Other creditors	217,258	467,768
Directors' current accounts	78,675	101,350
Accruals and deferred income	131,910	100,633
	3,333,321	2,692,887

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016	2015
	£	£
Bank loans (see note 13)	<u>969,533</u>	<u>979,850</u>

**13. LOANS**

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	191,464	-
Bank loans	<u>455,625</u>	<u>68,000</u>
	<u>647,089</u>	<u>68,000</u>

Amounts falling due between two and five years:

Bank loans - 2-5 years	<u>517,380</u>	<u>292,000</u>
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Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>452,153</u>	<u>687,850</u>

The £875,000 Base Rate Term loan commenced on 10 March 2010, with a term of 25 years. Interest on the loan is charged at 2.50% per annum over the Bank's Sterling Base Rate.

The £486,500 Base Rate Term loan commenced on 4 May 2010, with a term of 15 years. Interest on the loan is charged at 2.65% per annum over the Bank's Sterling Base Rate.

The £500,000 Base Rate Term loan commenced on 6 October 2015, with a term of 5 years. Interest on the loan is charged at 2.45% per annum over the Bank's Sterling Base Rate.

**14. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2016	2015
	£	£
Within one year	79,000	79,000
Between one and five years	316,000	316,000
In more than five years	<u>213,300</u>	<u>292,300</u>
	<u>608,300</u>	<u>687,300</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**15. SECURED DEBTS**

The following secured debts are included within creditors:

	2016 £	2015 £
Bank loans	<u>1,425,158</u>	<u>1,047,850</u>

The bank loans are secured by a fixed charge over the company's properties.

**16. FINANCIAL INSTRUMENTS**

The company has the following financial instruments:

	2016 £	2015 £
<b>Financial assets that are debt instruments measured at amortised cost</b>		
Trade debtors	244,558	241,320
Other debtors	26,171	12,905
<b>Financial liabilities measured at amortised cost</b>		
Bank loans	1,616,622	1,047,850
Trade creditors	2,141,376	1,789,177
Other creditors	217,258	467,768
Directors' current accounts	78,675	101,350

The total interest income and interest expense for financial assets and financial liabilities that are not measured at fair value through profit or loss was £nil (2015 - £nil) and £38,707 ((2015 - £37,476) respectively.

**17. PROVISIONS FOR LIABILITIES**

	2016 £	2015 £
Deferred tax		
Accelerated capital allowances	<u>-</u>	<u>27,000</u>

	Deferred tax £
Balance at 1 June 2015	27,000
Credit to Income Statement during year	<u>(27,000)</u>
Balance at 31 May 2016	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
2,200,004	Ordinary	£1	2,200,004	2,200,004
2	Ordinary A	£1	2	2
2	Ordinary B	£1	2	2
			<u>2,200,008</u>	<u>2,200,008</u>

**19. RESERVES**

	Retained earnings £
At 1 June 2015	797,852
Deficit for the year	<u>(209,176)</u>
At 31 May 2016	<u>588,676</u>

**20. PENSION COMMITMENTS**

	2016 £	2015 £
Defined contribution		
Contributions payable by the company for the year	31,752	20,266

**21. RELATED PARTY DISCLOSURES****Key management personnel of the entity or its parent (in the aggregate)**

In the previous year, two of the directors converted loans amounting to £600,000 into share capital.

**Key management personnel compensation**

Key management personnel compensation is considered to be the same as reported under directors' remuneration disclosed in note 5.

**Other related parties**

	2016 £	2015 £
Purchases	12,389	15,801
Recharge of administrative costs	72,910	44,389
Amount due to related party	<u>-</u>	<u>300,000</u>

**22. POST BALANCE SHEET EVENTS**

In September 2016 a leasehold property was sold for £925,000, some £118,000 in excess of its book value. A bank loan of £313,000 was repaid and remaining funds utilised to support continued trading growth.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 MAY 2016**

**23. ULTIMATE CONTROLLING PARTY**

The ultimate controlling parties are the directors I Whittingham and J B Turner who each own 25% of the ordinary shares and Bradshaw Taylor Limited which owns 50% of the ordinary shares. C E B Cavell-Taylor and A H Noel are directors of Bradshaw Taylor Limited.

## RECONCILIATION OF EQUITY

1 JUNE 2014

(DATE OF TRANSITION TO FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>3,309,483</u>	-	<u>3,309,483</u>
<b>CURRENT ASSETS</b>				
Stocks		2,862,905	-	2,862,905
Debtors		175,724	-	175,724
Cash at bank		<u>98,663</u>	-	<u>98,663</u>
		<u>3,137,292</u>	-	<u>3,137,292</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(2,232,128)</u>	-	<u>(2,232,128)</u>
<b>NET CURRENT ASSETS</b>		<u>905,164</u>	-	<u>905,164</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,214,647	-	4,214,647
<b>CREDITORS</b>				
Amounts falling due after more than one year		(2,247,992)	-	(2,247,992)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(28,000)</u>	-	<u>(28,000)</u>
<b>NET ASSETS</b>		<u>1,938,655</u>	-	<u>1,938,655</u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		1,000,008	-	1,000,008
Retained earnings		<u>938,647</u>	-	<u>938,647</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>1,938,655</u>	-	<u>1,938,655</u>



RECONCILIATION OF EQUITY - continued  
31 MAY 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
<b>FIXED ASSETS</b>				
Tangible assets		<u>3,229,696</u>	-	<u>3,229,696</u>
<b>CURRENT ASSETS</b>				
Stocks		3,000,911	-	3,000,911
Debtors		292,966	-	292,966
Cash at bank		<u>174,024</u>	-	<u>174,024</u>
		<u>3,467,901</u>	-	<u>3,467,901</u>
<b>CREDITORS</b>				
Amounts falling due within one year		<u>(2,692,887)</u>	-	<u>(2,692,887)</u>
<b>NET CURRENT ASSETS</b>		<u>775,014</u>	-	<u>775,014</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,004,710	-	4,004,710
<b>CREDITORS</b>				
Amounts falling due after more than one year		(979,850)	-	(979,850)
<b>PROVISIONS FOR LIABILITIES</b>		<u>(27,000)</u>	-	<u>(27,000)</u>
<b>NET ASSETS</b>		<u><u>2,997,860</u></u>	-	<u><u>2,997,860</u></u>
<b>CAPITAL AND RESERVES</b>				
Called up share capital		2,200,008	-	2,200,008
Retained earnings		<u>797,852</u>	-	<u>797,852</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><u>2,997,860</u></u>	-	<u><u>2,997,860</u></u>

The notes form part of these financial statements

**RECONCILIATION OF LOSS  
FOR THE YEAR ENDED 31 MAY 2015**

	<b>UK GAAP £</b>	<b>Effect of transition to FRS 102 £</b>	<b>FRS 102 £</b>
<b>TURNOVER</b>	8,981,301	-	8,981,301
Cost of sales	<u>(6,260,306)</u>	<u>(10,077)</u>	<u>(6,270,383)</u>
<b>GROSS PROFIT</b>	2,720,995	(10,077)	2,710,918
Distribution costs	(223,351)	-	(223,351)
Administrative expenses	(2,616,517)	10,077	(2,606,440)
Other operating income	<u>5,200</u>	<u>-</u>	<u>5,200</u>
<b>OPERATING LOSS</b>	(113,673)	-	(113,673)
Interest payable and similar charges	<u>(42,811)</u>	<u>-</u>	<u>(42,811)</u>
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	(156,484)	-	(156,484)
Tax on loss on ordinary activities	<u>15,689</u>	<u>-</u>	<u>15,689</u>
<b>LOSS FOR THE FINANCIAL YEAR</b>	<u><u>(140,795)</u></u>	<u><u>-</u></u>	<u><u>(140,795)</u></u>