

Registration number: 05264188

The Todd Group Limited

Annual Report and Consolidated Financial Statements

for the Year Ended 31 December 2016

Landmark Audit Limited
Chartered Accountants
Statutory Auditors
Hamilton House
25 High Street
Rickmansworth
Hertfordshire
WD3 1ET

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The Todd Group Limited

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The Todd Group Limited

Company Information

Director	Mr M C Todd
Company secretary	Mrs V Todd
Registered office	Hamilton House 25 High Street Rickmansworth Hertfordshire WD3 1ET
Auditors	Landmark Audit Limited Chartered Accountants Statutory Auditors Hamilton House 25 High Street Rickmansworth Hertfordshire WD3 1ET

The Todd Group Limited

Strategic Report for the Year Ended 31 December 2016

The director presents his strategic report for the year ended 31 December 2016.

Principal activity

The principal activity of the group is the retail and wholesale supply of doors.

Fair review of the business

The group successfully overcame two challenges faced by the U.K.'s decision to leave the E.U. mid-year; an unprecedented and significant loss on foreign currency, and a consequent drop in consumer confidence and spending. These were, in part, off-set by an encouraging first full year of trading at the High Wycombe showroom and cost-saving initiatives including a re-structure of resource. Substantial investment in Advertising continued as planned.

The group's key financial and other performance indicators during the year were as follows:

	Unit	2016	2015
Turnover	£	14,463,533	13,369,012
Turnover growth	%	8	23
Gross profit margin	%	28	30
Profit before tax	£	144,777	489,675

Principal risks and uncertainties

Currency risk

The group operates solely in the UK but makes purchases of raw materials from other countries and therefore has the need to make payments in foreign currencies. The group does not hedge such foreign currency cash flows and as a consequence is exposed through fluctuations in foreign exchange rates.

Interest rate risk

The group pays interest on amounts due on long term bank loans based on market rates which are subject to floating interest rates. It also receives bank interest on deposits held with banks, also based on floating interest rates. The group does not hedge the floating rate to a fixed rate and accordingly the group is subject to interest rate risk through fluctuations in base rates.

Approved by the Board on 9 May 2017 and signed on its behalf by:



Mr M C Todd
Director

The Todd Group Limited

Director's Report for the Year Ended 31 December 2016

The director presents his report and the for the year ended 31 December 2016.

Director of the group

The director who held office during the year was as follows:

Mr M C Todd

Dividends

Interim dividends of £200,000 (2015 - £400,000) were paid during the year. The director recommends no final dividend be paid.

Financial instruments

Objectives and policies

The director is responsible for managing the financial risks the group is exposed to and closely monitors such risks to mitigate them to the greatest possible extent.

Price risk, credit risk, liquidity risk and cash flow risk

The group's principal financial instruments comprise bank balances, trade debtors, trade creditors and loans. The main purpose of these instruments is to finance the business's operations.

In respect of bank balances and borrowings, advice on the financial risks is closely monitored by the group to maintain appropriate balances and to ensure all such risks are mitigated to an acceptable level.

Trade debtors are monitored by the group, managing the credit risks through the appropriate use of financial references, deposits and regular monitoring of amounts outstanding. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

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

Future developments

The group expects to see further growth in its Trade Sales with confidence restored by housebuilders and developers and a wider Retail customer awareness through a sweeping, multi-channel marketing campaign.

The Todd Group Limited

Director's Report for the Year Ended 31 December 2016

Statement of director's responsibilities

The director acknowledges his responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is required to:

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

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

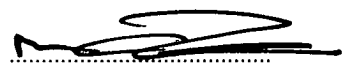
Disclosure of information to the auditor

The director has taken 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. The director confirms that there is no relevant information that he knows of and of which he knows the auditors are unaware.

Reappointment of auditors

The auditors Landmark Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 9 May 2017 and signed on its behalf by:



Mr M C Todd
Director

The Todd Group Limited

Independent Auditor's Report to the Shareholders of The Todd Group Limited

We have audited the financial statements of The Todd Group Limited for the year ended 31 December 2016, set out on pages 7 to 26. 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).

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

Respective responsibilities of directors and auditor

As explained more fully in the statement of director's responsibilities (set out on page 4), the director is 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the company's affairs as at 31 December 2016 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.

Opinion on other matter 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Director's 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 Director's Report.

The Todd Group Limited

Independent Auditor's Report to the Shareholders of The Todd Group 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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.



.....
Mr Philip Cole (Senior Statutory Auditor)
For and on behalf of Landmark Audit Limited
Chartered Accountants
Statutory Auditors
Hamilton House
25 High Street
Rickmansworth
Hertfordshire
WD3 1ET

9 May 2017

The Todd Group Limited

Consolidated Statement of Income and Retained Earnings for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	14,463,533	13,369,012
Cost of sales		<u>(10,360,076)</u>	<u>(9,418,697)</u>
Gross profit		4,103,457	3,950,315
Administrative expenses		<u>(3,924,623)</u>	<u>(3,422,153)</u>
Operating profit	4	<u>178,834</u>	<u>528,162</u>
Other interest receivable and similar income	5	-	369
Interest payable and similar charges	6	<u>(34,057)</u>	<u>(38,856)</u>
		<u>(34,057)</u>	<u>(38,487)</u>
Profit before tax		144,777	489,675
Taxation	10	<u>(39,669)</u>	<u>(107,236)</u>
Profit for the financial year		<u>105,108</u>	<u>382,439</u>
Profit/(loss) attributable to:			
Owners of the company		105,108	382,439
Retained earnings brought forward		677,009	694,570
Dividends paid		<u>(200,000)</u>	<u>(400,000)</u>
Retained earnings carried forward		<u>582,117</u>	<u>677,009</u>

Turnover and operating profit derive wholly from continuing operations.

The group has no recognised gains or losses for the year other than the results above.

The notes on pages 11 to 26 form an integral part of these financial statements.

The Todd Group Limited

(Registration number: 05264188)

Consolidated Balance Sheet as at 31 December 2016

	Note	2016	2015
		£	£
Fixed assets			
Intangible assets	11	159,249	179,155
Tangible assets	12	<u>767,343</u>	<u>914,029</u>
		926,592	1,093,184
Current assets			
Stocks	14	3,773,023	2,831,943
Debtors	15	984,727	940,190
Cash at bank and in hand		<u>201,678</u>	<u>70,181</u>
		4,959,428	3,842,314
Creditors: Amounts falling due within one year	17	<u>(4,990,193)</u>	<u>(3,644,209)</u>
Net current (liabilities)/assets		<u>(30,765)</u>	<u>198,105</u>
Total assets less current liabilities		895,827	1,291,289
Creditors: Amounts falling due after more than one year	17	(163,710)	(438,580)
Provisions for liabilities	18	<u>(80,000)</u>	<u>(105,700)</u>
Net assets		<u>652,117</u>	<u>747,009</u>
Capital and reserves			
Called up share capital	20	70,000	70,000
Profit and loss account		<u>582,117</u>	<u>677,009</u>
Equity attributable to owners of the company		<u>652,117</u>	<u>747,009</u>
Total equity		<u>652,117</u>	<u>747,009</u>

Approved and authorised by the director on 9 May 2017



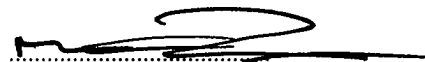
Mr M C Todd
Director

The Todd Group Limited
(Registration number: 05264188)
Balance Sheet as at 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investments	13	774,646	774,646
Creditors: Amounts falling due within one year	17	<u>(20,057)</u>	<u>(20,057)</u>
Net assets		<u>754,589</u>	<u>754,589</u>
Capital and reserves			
Called up share capital		70,000	70,000
Profit and loss account		<u>684,589</u>	<u>684,589</u>
Total equity		<u>754,589</u>	<u>754,589</u>

The company made a profit after tax for the financial year of £200,000 (2015 - profit of £398,148).

Approved and authorised by the director on 9 May 2017



Mr M C Todd
Director

The Todd Group Limited

Consolidated Statement of Cash Flows for the Year Ended 31 December 2016

	Note	2016 £	2015 £
Cash flows from operating activities			
Profit for the year		105,108	382,439
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	232,508	210,243
Loss/(profit) on disposal of tangible assets		6,993	(9,572)
Finance income	5	-	(369)
Finance costs	6	34,057	38,856
Income tax expense	10	39,669	107,236
		<u>418,335</u>	<u>728,833</u>
Working capital adjustments			
(Increase)/decrease in stocks	14	(941,080)	253,472
Increase in trade debtors	15	(44,537)	(198,242)
Increase/(decrease) in trade creditors	17	1,272,910	(377,535)
Cash generated from operations		705,628	406,528
Income taxes paid	10	(68,759)	(100,223)
Net cash flow from operating activities		<u>636,869</u>	<u>306,305</u>
Cash flows from investing activities			
Interest received		-	369
Acquisitions of tangible assets		(89,009)	(586,371)
Proceeds from sale of tangible assets		16,100	25,515
Net cash flows from investing activities		<u>(72,909)</u>	<u>(560,487)</u>
Cash flows from financing activities			
Interest paid	6	(34,057)	(38,856)
Proceeds from bank borrowing draw downs		-	796,680
Repayment of bank borrowing		(358,285)	(220,472)
Payments to finance lease creditors		(5,901)	(9,911)
Dividends paid		(200,000)	(400,000)
Net cash flows from financing activities		<u>(598,243)</u>	<u>127,441</u>
Net decrease in cash and cash equivalents		(34,283)	(126,741)
Cash and cash equivalents at 1 January		<u>(357,418)</u>	<u>(230,677)</u>
Cash and cash equivalents at 31 December		<u><u>(391,701)</u></u>	<u><u>(357,418)</u></u>

The notes on pages 11 to 26 form an integral part of these financial statements.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Hamilton House
25 High Street
Rickmansworth
Hertfordshire
WD3 1ET

The principal place of business is:

Viking House
Unit 6 Northolt Trading Estate
Belvue Road
Northolt
Middlesex
UB5 5QS

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

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

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared under the going concern basis and using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The functional and presentational currency used in these financial statements is £ sterling.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 December 2016.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Accounting policies (continued)

The results of subsidiaries acquired or disposed of during the year are included in the Profit and Loss Account from the effective date of acquisition or up to the effective date of disposal, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group.

The purchase method of accounting is used to account for business combinations that result in the acquisition of subsidiaries by the Group. The cost of a business combination is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the business combination. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognised is recorded as goodwill.

Inter-company transactions, balances and unrealised gains on transactions between the Company and its subsidiaries, which are related parties, are eliminated in full.

As permitted by Section 408 of the Companies Act 2006, the Profit and Loss Account of the parent company is not presented as part of these financial statements.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Group's activities. Turnover is shown net of value added tax, returns, rebates and discounts.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. This is usually at the point that the customer has taken delivery of the goods.

Foreign currency transactions and balances

Transactions in currencies other than the functional currency are recognised at the spot rate at the dates of the transactions, or at an average rate where this rate approximates the actual rate at the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Accounting policies (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements and on unused tax losses or tax credits in the group. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	Over term of the lease
Plant and machinery	25% reducing balance method
Motor vehicles	25% reducing balance method

Business combinations

Business combinations are accounted for using the purchase method. The consideration for each acquisition is measured at the aggregate of the fair values at acquisition date of assets given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquired, plus any costs directly attributable to the business combination. When a business combination agreement provides for an adjustment to the cost of the combination contingent on future events, the group includes the estimated amount of that adjustment in the cost of the combination at the acquisition date if the adjustment is probable and can be measured reliably.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life.

Goodwill was formerly amortised on a straight line basis over 20 years, transitioning to the current rate from 1st January 2015. The remaining useful life of intangible assets held at that date was taken as the shorter of the existing useful life, or 10 years.

Asset class	Amortisation method and rate
Goodwill	Straight line over 10 years

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Accounting policies (continued)

Investments

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Dividends on equity securities are recognised in income when receivable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are recognised initially at the transaction price less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Short term trade creditors are recognised at the transaction price. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, creditors are presented as non-current liabilities.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the group has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

2 Accounting policies (continued)

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

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

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. Assets held under finance leases are included in tangible fixed assets and depreciated and assessed for impairment losses in the same way as owned assets. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity.

Dividends

Dividend distributions to the company's shareholders are recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

Contributions to defined contribution plans are recognised as an employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Financial instruments

Classification

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

Recognition and measurement

Where shares are issued, any component that creates a financial liability of the group is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

3 Revenue

The analysis of the group's revenue for the year from continuing operations is as follows:

	2016	2015
	£	£
Sale of goods	<u>14,463,533</u>	<u>13,369,012</u>

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Operating profit

Arrived at after charging/(crediting)

	2016 £	2015 £
Depreciation expense	212,602	190,337
Amortisation expense	19,906	19,906
Foreign exchange losses	238,821	50,106
Operating lease expense - property	692,707	636,485
Operating lease expense - plant and machinery	73,582	43,072
Operating lease expense - other	34,220	22,103
Loss/(profit) on disposal of property, plant and equipment	<u>6,993</u>	<u>(9,572)</u>

5 Other interest receivable and similar income

	2016 £	2015 £
Interest income on bank deposits	<u>-</u>	<u>369</u>

6 Interest payable and similar expenses

	2016 £	2015 £
Interest on bank overdrafts and borrowings	33,014	37,059
Interest on obligations under finance leases and hire purchase contracts	<u>1,043</u>	<u>1,797</u>
	<u>34,057</u>	<u>38,856</u>

7 Staff costs

The aggregate payroll costs (including director's remuneration) were as follows:

	2016 £	2015 £
Wages and salaries	2,330,590	2,116,787
Social security costs	223,994	203,065
Pension costs, defined contribution scheme	27,470	13,795
Other employee expense	<u>96,838</u>	<u>89,530</u>
	<u>2,678,892</u>	<u>2,423,177</u>

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

7 Staff costs (continued)

The average number of persons employed by the group (including the director) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Sales	55	53
Administration and support	28	25
	<u>83</u>	<u>78</u>

8 Director's remuneration

The director's remuneration for the year was as follows:

	2016 £	2015 £
Remuneration	12,286	14,427
Contributions paid to money purchase schemes	6,000	6,000
	<u>18,286</u>	<u>20,427</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2016 No.	2015 No.
Accruing benefits under money purchase pension scheme	<u>1</u>	<u>1</u>

9 Auditors' remuneration

	2016 £	2015 £
Audit of these financial statements	2,925	2,925
Audit of the financial statements of subsidiaries of the company pursuant to legislation	12,500	10,500
	<u>15,425</u>	<u>13,425</u>
Other fees to auditors		
Taxation compliance services	2,250	4,900
All other non-audit services	6,252	5,039
	<u>8,502</u>	<u>9,939</u>

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

10 Taxation

Tax charged/(credited) in the income statement

	2016 £	2015 £
Current taxation		
UK corporation tax	65,110	68,500
UK corporation tax adjustment to prior periods	<u>259</u>	<u>1,036</u>
	65,369	69,536
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(25,700)</u>	<u>37,700</u>
Tax expense in the income statement	<u><u>39,669</u></u>	<u><u>107,236</u></u>

The tax on profit before tax for the year is higher than the standard rate of corporation tax in the UK (2015 - higher than the standard rate of corporation tax in the UK) of 20% (2015 - 20.25%).

The differences are reconciled below:

	2016 £	2015 £
Profit before tax	<u>144,777</u>	<u>489,675</u>
Corporation tax at standard rate	28,955	99,159
Effect of expense not deductible in determining taxable profit (tax loss)	1,335	13,835
Increase in UK and foreign current tax from adjustment for prior periods	259	1,036
Tax increase/(decrease) from effect of capital allowances and depreciation	9,120	(5,811)
Tax decrease from other short-term timing differences	<u>-</u>	<u>(983)</u>
Total tax charge	<u><u>39,669</u></u>	<u><u>107,236</u></u>

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
2016	
Accelerated capital allowances	<u>80,000</u>
2015	
Accelerated capital allowances	<u>105,700</u>

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

11 Intangible assets

Group

	Goodwill £	Total £
Cost or valuation		
At 1 January 2016	408,333	408,333
At 31 December 2016	408,333	408,333
Amortisation		
At 1 January 2016	229,178	229,178
Amortisation charge	19,906	19,906
At 31 December 2016	249,084	249,084
Carrying amount		
At 31 December 2016	159,249	159,249
At 31 December 2015	179,155	179,155

12 Tangible assets

Group

	Land and buildings £	Motor vehicles £	Other property, plant and equipment £	Total £
Cost or valuation				
At 1 January 2016	791,666	148,373	1,353,095	2,293,134
Additions	30,501	14,747	43,761	89,009
Disposals	-	(59,020)	-	(59,020)
At 31 December 2016	822,167	104,100	1,396,856	2,323,123
Depreciation				
At 1 January 2016	433,764	82,994	862,347	1,379,105
Charge for the year	72,834	13,971	125,797	212,602
Eliminated on disposal	-	(35,927)	-	(35,927)
At 31 December 2016	506,598	61,038	988,144	1,555,780
Carrying amount				
At 31 December 2016	315,569	43,062	408,712	767,343
At 31 December 2015	357,902	65,379	490,748	914,029

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

12 Tangible assets (continued)

Included within the net book value of land and buildings above is £315,569 (2015 - £357,902) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2016 £	2015 £
Motor vehicles	-	18,947

Restriction on title and pledged as security

Tangible fixed assets with a carrying amount of £767,343 (2015 - £914,029) have been pledged as security for the group's bank loans.

13 Investments

Company

	2016 £	2015 £
Investments in subsidiaries	774,646	774,646

Subsidiaries

Cost or valuation

At 1 January 2016	774,646
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At 31 December 2016	774,646
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Carrying amount

At 31 December 2016	774,646
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At 31 December 2015	774,646
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The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

13 Investments (continued)

Details of undertakings

Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Country of incorporation	Holding	Proportion of voting rights and shares held	
			2016	2015

Subsidiary undertakings

Todd Doors Limited	England and Wales	Ordinary shares	100%	100%
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The principal activity of Todd Doors Limited is the retail and wholesale supply of doors.

The profit for the financial period of Todd Doors Limited was £125,014 and the aggregate amount of capital and reserves at the end of the period was £512,925.

14 Stocks

	Group	
	2016 £	2015 £
Finished goods and goods for resale	3,773,023	2,831,943

Group

The carrying amount of stocks pledged as security for liabilities amounted to £3,773,023 (2015 - £2,831,943).

15 Debtors

	Group	
	2016 £	2015 £
Trade debtors	786,704	589,254
Other debtors	1,000	106,791
Prepayments	197,023	244,145
	984,727	940,190
Less non-current portion	-	(2,625)
Total current trade and other debtors	984,727	937,565

Details of non-current trade and other debtors

Group

£Nil (2015 - £2,625) of other debtors is classified as non current.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

16 Cash and cash equivalents

	Group	
	2016 £	2015 £
Cash on hand	920	579
Cash at bank	<u>200,758</u>	<u>69,602</u>
	201,678	70,181
Bank overdrafts	<u>(593,379)</u>	<u>(427,599)</u>
Cash and cash equivalents in statement of cash flows	<u><u>(391,701)</u></u>	<u><u>(357,418)</u></u>

17 Creditors

		Group		Company	
	Note	2016 £	2015 £	2016 £	2015 £
Due within one year					
Loans and borrowings	21	864,539	790,701	-	-
Trade creditors		2,896,195	1,675,040	-	-
Amounts due to related parties	24	555	23,855	19,687	19,687
Social security and other taxes		246,119	262,221	-	-
Outstanding defined contribution pension costs		3,265	3,161	-	-
Other payables		818,092	581,525	370	370
Accrued expenses		96,318	239,206	-	-
Income tax liability	10	<u>65,110</u>	<u>68,500</u>	<u>-</u>	<u>-</u>
		<u><u>4,990,193</u></u>	<u><u>3,644,209</u></u>	<u><u>20,057</u></u>	<u><u>20,057</u></u>
Due after one year					
Loans and borrowings	21	163,710	435,955	-	-
Other non-current financial liabilities		<u>-</u>	<u>2,625</u>	<u>-</u>	<u>-</u>
		<u><u>163,710</u></u>	<u><u>438,580</u></u>	<u><u>-</u></u>	<u><u>-</u></u>

Included in loans and borrowings are bank borrowings and overdrafts and obligations under finance leases which are secured against assets of the group.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

18 Deferred tax and other provisions

Group

	Deferred tax £
At 1 January 2016	105,700
Increase (decrease) in existing provisions	<u>(25,700)</u>
At 31 December 2016	<u><u>80,000</u></u>

19 Pension and other schemes

Defined contribution pension scheme

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £27,470 (2015 - £13,795).

Contributions totalling £3,265 (2015 - £3,161) were payable to the scheme at the end of the year and are included in creditors.

20 Share capital

Allotted, called up and fully paid shares

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>	<u>70,000</u>

21 Loans and borrowings

	Group	
	2016	2015
	£	£
Non-current loans and borrowings		
Bank borrowings	<u>163,710</u>	<u>435,955</u>

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

21 Loans and borrowings (continued)

	Group	
	2016	2015
	£	£
Current loans and borrowings		
Bank borrowings	271,160	357,201
Bank overdrafts	593,379	427,599
Finance lease liabilities	-	5,901
	<u>864,539</u>	<u>790,701</u>

The bank borrowings and overdrafts are secured against all assets of the group. The finance lease liabilities are secured on the specific assets subject to the finance provided.

22 Obligations under leases and hire purchase contracts

Group

Finance leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	-	6,829
	<u>-</u>	<u>6,829</u>

Operating leases

The total of future minimum lease payments is as follows:

	2016	2015
	£	£
Not later than one year	753,239	766,753
Later than one year and not later than five years	1,270,104	1,862,276
Later than five years	167,917	248,978
	<u>2,191,260</u>	<u>2,878,007</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £782,222 (2015 - £680,292).

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

23 Dividends

	2016	2015
	£	£
Interim dividend of £2.8571 (2015 - £5.7143) per ordinary share	<u>200,000</u>	<u>400,000</u>

24 Related party transactions

Group

Key management personnel

Key management personnel is considered to consist of the company's director.

Summary of transactions with key management

Rent was paid in the year on premises occupied by the group and owned by key management personnel.

Key management personnel have provided a personal guarantee of £150,000 in relation to the group's bank loans.

Transactions with directors

Dividends paid to directors

	2016	2015
	£	£
Dividends paid to directors	<u>120,000</u>	<u>240,000</u>

Summary of transactions with other related parties

Other related parties includes close family members of key management personnel.

Rent was paid in the year on premises occupied by the group and owned by other related parties.

Dividends of £80,000 (2015 - £160,000) were paid to other related parties.

The Todd Group Limited

Notes to the Financial Statements for the Year Ended 31 December 2016

24 Related party transactions (continued)

Expenditure with and payables to related parties

	Key management £	Other related parties £
2016		
Leases	108,000	126,500
	Key management £	Other related parties £
2015		
Leases	108,000	126,500

Loans from related parties

	Key management £	Other related parties £
2016		
At start of period	23,855	370
Repaid	(23,300)	-
At end of period	555	370
	Key management £	Other related parties £
2015		
At start of period	60,555	370
Repaid	(36,700)	-
At end of period	23,855	370

Company

Expenditure with and payables to related parties

	Subsidiary £
2016	
Amounts payable to related party	19,132
	Subsidiary £
2015	
Amounts payable to related party	19,132

The company has taken advantage of the exemption in FRS 102 section 33 "Related Party Disclosures" from disclosing transactions between wholly owned group companies.

25 Ultimate controlling party

The ultimate controlling party is Mr M C Todd.