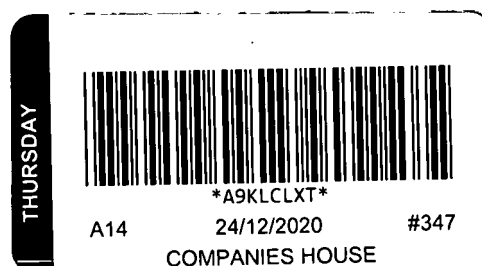


REGISTERED NUMBER: 07902211 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2019
for
S D Ramsden & Co Limited



Contents of the Financial Statements
for the Year Ended 31 December 2019

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S D Ramsden & Co Limited

Company Information
for the Year Ended 31 December 2019

DIRECTORS:

S D Ramsden MBE
N R Ramsden
D B Ramsden

REGISTERED OFFICE:

Adam Smith Street
Grimsby
North East Lincs
DN31 1SJ

REGISTERED NUMBER:

07902211 (England and Wales)

AUDITORS:

Haines Watts, Chartered Accountants
117 - 119 Cleethorpe Road
Grimsby
North East Lincs
DN31 3ET

Strategic Report
for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

During the year the Company continued with its principal activity of the wholesale export of British consumer goods including food and household products.

The strategy of the Company is to grow export sales whilst continually improving the customer experience by offering the largest stocked range of British brands through our relationships with key suppliers, short lead times and an added value service.

REVIEW OF BUSINESS

As the business continued its focus on core sales, turnover was lower than previous years however, we have seen another year on year increase in the gross profit percentage. Indeed, gross profit as a percentage of sales increased from 16% in 2018 to 17% in 2019.

Cash from operating activities remained positive. Our continued emphasis on credit control resulted in a further reduction in trade debtor days.

PRINCIPAL RISKS AND UNCERTAINTIES

Foreign currency risk

Our customer base although worldwide, are largely invoiced in British Pounds hence the exchange rate exposure is minimal.

Credit risk

Our approach to debt collection and credit insurance ensures exposure to bad debt failure is kept to a minimum.

Competitor risk

The Company performs periodic reviews of its business strategy in order to ensure we have a competitive and added-value offering.

FINANCIAL KEY PERFORMANCE INDICATORS

The Company continually monitors its performance. An annual budget is prepared with actual performance being compared to both budget and last year. A number of financial KPIs are used to measure performance including turnover, gross profit, operating profit, and debtor days.

	2019	2018
Turnover	£46m	£52m
Gross Profit as a % of turnover	17%	16%
Operating Profit as a % of turnover	3.3%	3.6%
Debtor days	44	45

OTHER KEY PERFORMANCE INDICATORS

Other key KPIs used by the Company to assess its overall performance are customer centric in their focus and include product availability and quality of service.

Strategic Report
for the Year Ended 31 December 2019

FUTURE DEVELOPMENTS

The Company is exceptionally placed for trade post-Brexit. During the year, Full Authorised Economic Operator Status AEO status was achieved. As an award-winning exporter, we have extensive understanding of the complexities of international trade and are well versed at rapidly adapting to changes in legislation and regulations. In January 2020, our CEO Sean Ramsden was awarded an MBE in the New Year's Honours list for his services to International Trade.

From the emergence of COVID, we have been at the forefront of understanding the impact on our customers and hence our business. Initial strains on the supply chain were temporary and debt collection has remained at expected levels.

ON BEHALF OF THE BOARD:



.....
S D Ramsden MBE - Director

Date: 21/12/20.....

Report of the Directors
for the Year Ended 31 December 2019

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principle activity of the Company is that of a wholesale exporter of customer goods including food and household products.

DIVIDENDS

Interim dividends per share were paid at £203.13 per A Ordinary share on 6 April 2019.

Interim dividends per share were paid at £194.30 per B Ordinary share on 6 April 2019.

The directors recommend that no final dividend be paid.

The total distribution of dividends for the year end 31 December 2019 is £2,351,958.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

S D Ramsden MBE
N R Ramsden
D B Ramsden

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.

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.

S D Ramsden & Co Limited (Registered number: 07902211)

Report of the Directors
for the Year Ended 31 December 2019

AUDITORS

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

ON BEHALF OF THE BOARD:



.....
S D Ramsden MBE - Director

Date: 21/12/20.....

Report of the Independent Auditors to the Members of
S D Ramsden & Co Limited

Opinion

We have audited the financial statements of S D Ramsden & Co Limited (the 'company') for the year ended 31 December 2019 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director's 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.

The impact of uncertainties due to Covid 19

At this stage it is impossible to quantify the effect that the emergence and spread of Coronavirus (Covid 19) will have on the going concern of the company. This is likely to be the biggest pandemic the world has recently seen, and it is impossible to predict the implications of this disease on any company. The director believes the company is in a strong enough financial position to deal with the immediate implications and with the help the Government are currently offering companies he does not believe there is any immediate risk to the going concern of the company.

Report of the Independent Auditors to the Members of
S D Ramsden & Co Limited

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 Report of the Directors.

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

Report of the Independent Auditors to the Members of
S D Ramsden & Co Limited

Auditors' responsibilities for the audit of the financial statements

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

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

The impact of uncertainties due to Britain exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, such as recoverability of investments, intangibles assets and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effect unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible implications for a company and this is particularly the case in relation to Brexit.

Use of our report

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

Jennifer Toulson FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts, Chartered Accountants
117 - 119 Cleethorpe Road
Grimsby
North East Lincs
DN31 3ET

Date: 21 | 12 | 2020

S D Ramsden & Co Limited (Registered number: 07902211)

Income Statement
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		45,995,859	52,366,578
Cost of sales		38,023,230	44,083,856
GROSS PROFIT		7,972,629	8,282,722
Administrative expenses		6,455,659	6,407,528
		1,516,970	1,875,194
Other operating income		-	18,360
OPERATING PROFIT	4	1,516,970	1,893,554
Exceptional items	5	466,305	85,863
		1,050,665	1,807,691
Interest receivable and similar income		5,547	19,728
PROFIT BEFORE TAXATION		1,056,212	1,827,419
Tax on profit	6	292,914	377,227
PROFIT FOR THE FINANCIAL YEAR		763,298	1,450,192

The notes form part of these financial statements

Balance Sheet

31 December 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Intangible assets	8	232,399	449,943
Tangible assets	9	186,641	296,207
Investments	10	-	22,501
		<u>419,040</u>	<u>768,651</u>
CURRENT ASSETS			
Stocks	11	22,959	33,459
Debtors	12	6,589,562	8,498,689
Cash at bank and in hand		60,289	396,445
		<u>6,672,810</u>	<u>8,928,593</u>
CREDITORS			
Amounts falling due within one year	13	<u>4,705,874</u>	<u>5,715,928</u>
NET CURRENT ASSETS		<u>1,966,936</u>	<u>3,212,665</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,385,976</u>	<u>3,981,316</u>
PROVISIONS FOR LIABILITIES	17	<u>17,231</u>	<u>24,120</u>
NET ASSETS		<u><u>2,368,745</u></u>	<u><u>3,957,196</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	12,001	12,001
Share premium	19	480	270
Retained earnings	19	2,356,264	3,944,925
SHAREHOLDERS' FUNDS		<u><u>2,368,745</u></u>	<u><u>3,957,196</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 21/12/2020 and were signed on its behalf by:



 S D Ramsden MBE - Director

Statement of Changes in Equity
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2018	12,001	3,433,940	-	3,445,941
Changes in equity				
Issue of share capital	-	-	270	270
Dividends	-	(939,207)	-	(939,207)
Total comprehensive income	-	1,450,192	-	1,450,192
Balance at 31 December 2018	<u>12,001</u>	<u>3,944,925</u>	<u>270</u>	<u>3,957,196</u>
Changes in equity				
Issue of share capital	-	-	210	210
Dividends	-	(2,351,959)	-	(2,351,959)
Total comprehensive income	-	763,298	-	763,298
Balance at 31 December 2019	<u>12,001</u>	<u>2,356,264</u>	<u>480</u>	<u>2,368,745</u>

Cash Flow Statement
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	871,083	2,997,192
Tax paid		(553,160)	(407,993)
Net cash from operating activities		<u>317,923</u>	<u>2,589,199</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(83,698)	(84,281)
Purchase of tangible fixed assets		(69,796)	(17,862)
Purchase of fixed asset investments		-	(1)
Sale of intangible fixed assets		105,552	-
Sale of fixed asset investments		136,902	-
Interest received		5,547	19,728
Net cash from investing activities		<u>94,507</u>	<u>(82,416)</u>
Cash flows from financing activities			
Amount introduced by directors		2,367,502	724
Amount withdrawn by directors		(1,262,534)	(802,664)
Equity dividends paid		(2,351,959)	(939,207)
Net cash from financing activities		<u>(1,246,991)</u>	<u>(1,741,147)</u>
(Decrease)/increase in cash and cash equivalents		<u>(834,561)</u>	<u>765,636</u>
Cash and cash equivalents at beginning of year	2	396,445	(369,191)
Cash and cash equivalents at end of year	2	<u>(438,116)</u>	<u>396,445</u>

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

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

	31.12.19	31.12.18
	£	£
Profit before taxation	1,056,212	1,827,419
Depreciation charges	370,263	371,995
(Profit)/loss on disposal of fixed assets	(109,612)	4,768
Finance income	(5,547)	(19,728)
	<hr/>	<hr/>
	1,311,316	2,184,454
Decrease in stocks	10,500	27,955
Decrease in trade and other debtors	1,248,803	1,244,395
Decrease in trade and other creditors	(1,699,536)	(459,612)
	<hr/>	<hr/>
Cash generated from operations	871,083	2,997,192
	<hr/>	<hr/>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	60,289	396,445
Bank overdrafts	(498,405)	-
	<hr/>	<hr/>
	(438,116)	396,445
	<hr/>	<hr/>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	396,445	128,228
Bank overdrafts	-	(497,419)
	<hr/>	<hr/>
	396,445	(369,191)
	<hr/>	<hr/>

Notes to the Cash Flow Statement
for the Year Ended 31 December 2019

3. **ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	396,445	(336,156)	60,289
Bank overdrafts	-	(498,405)	(498,405)
	<hr/>	<hr/>	<hr/>
	396,445	(834,561)	(438,116)
	<hr/>	<hr/>	<hr/>
Total	<u>396,445</u>	<u>(834,561)</u>	<u>(438,116)</u>

Notes to the Financial Statements
for the Year Ended 31 December 2019

1. STATUTORY INFORMATION

S D Ramsden & Co Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

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.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c).

Significant judgements and estimates

In preparing these financial statements the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

The more significant judgements, estimates and assumptions are:

- Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the income statement.

- Useful lives of plant and equipment

Depreciation is provided so as to write down the assets to their residual values over their estimated useful lives as set out in the company's accounting policy. The selection of these estimated lives requires the exercise of management judgement. Useful lives are regularly reviewed and should management's assessment of useful lives shorten then depreciation charges in the financial statements would increase and carrying amounts of plant and equipment would reduce accordingly.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Turnover

Turnover represents amounts receivable for goods and is the amount derived from ordinary activities, net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have passed to the buyer (usually on dispatch of goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible assets

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

Computer software is being amortised evenly over its estimated useful life of five years.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating the manner intended by management.

Depreciation on assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight line method.

Depreciation is provided on the following basis:

Improvements to property	-	at varying rates on cost
Plant and machinery	-	at varying rates on cost
Fixtures and fittings	-	10%, 25% or 50% on cost
Computer equipment	-	20%, 25% or 33% on cost

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

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

Stocks

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. ACCOUNTING POLICIES - continued

Financial instruments

The company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not market rate or in the case of an out-right short-term loan not at market rate the financial assets or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised at the end of each reporting period are assessed for objective evidence of impairment. If the objective evidence of impairment is found, an impairment loss is recognised in the income statement.

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

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. **ACCOUNTING POLICIES - continued**

Deferred tax

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

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

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

Foreign currencies

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the income statement within 'finance income or costs'. All other foreign exchange gains and losses are presented in the income statement within 'other operating income'.

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.

Defined contribution pension plan

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.

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further obligations.

The contributions are recognised as an expense in the income statement when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

2. **ACCOUNTING POLICIES - continued**

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3. **EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	3,526,026	3,563,713
Social security costs	323,456	292,003
Other pension costs	199,269	156,874
	<u>4,048,751</u>	<u>4,012,590</u>

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

	31.12.19	31.12.18
Distribution	15	14
Office and management	76	75
	<u>91</u>	<u>89</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	35,700	58,715
Directors' pension contributions to money purchase schemes	<u>30,000</u>	<u>30,000</u>

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

	1	1
Money purchase schemes	<u>1</u>	<u>1</u>

During the year, a total of key management personnel remuneration of £467,992 was paid.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

4. **OPERATING PROFIT**

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

	31.12.19	31.12.18
	£	£
Other operating leases	32,993	17,116
Depreciation - owned assets	174,573	199,641
(Profit)/loss on disposal of fixed assets	(109,612)	4,768
Development costs amortisation	33,325	30,532
Computer software amortisation	162,365	141,822
Auditors' remuneration	17,950	17,776
Auditors' remuneration for non audit work	4,850	3,549
Foreign exchange differences	45,162	(18,360)
	<u> </u>	<u> </u>

5. **EXCEPTIONAL ITEMS**

	31.12.19	31.12.18
	£	£
Exceptional items	(466,305)	(85,863)
	<u> </u>	<u> </u>

Exceptional items in the year include termination payments of £276,965, relocation costs and relevant professional fees £4,759, costs for EMI incentive scheme £106,399, disposal of development costs £164,100 and further professional costs £7,548. Also included in exceptional items is income of £93,466 relating to the winding up of a tax scheme.

Exceptional items in the prior year include relocation costs and the relevant professional fees of £203, professional fees of £17,233 and the repayment of interest of £68,437.

6. **TAXATION**

Analysis of the tax charge

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

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	299,803	401,617
Deferred tax	(6,889)	(24,390)
	<u> </u>	<u> </u>
Tax on profit	<u>292,914</u>	<u>377,227</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

6. **TAXATION - continued**

Reconciliation of total tax charge included in profit and loss

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

	31.12.19 £	31.12.18 £
Profit before tax	1,056,212	1,827,419
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	200,680	347,210
Effects of:		
Expenses not deductible for tax purposes	11,794	188
Depreciation in excess of capital allowances	31,903	29,829
Adjustments to tax charge in respect of previous periods	48,537	-
Total tax charge	292,914	377,227

7. **DIVIDENDS**

	31.12.19 £	31.12.18 £
A Ordinary shares of £1 each Interim	463,140	454,624
B Ordinary shares of £1 each Interim	1,888,819	484,583
	2,351,959	939,207

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

8. **INTANGIBLE FIXED ASSETS**

	Development costs £	Computer software £	Totals £
COST			
At 1 January 2019	163,430	610,966	774,396
Additions	4,787	78,911	83,698
Disposals	(168,217)	-	(168,217)
At 31 December 2019	-	689,877	689,877
AMORTISATION			
At 1 January 2019	29,340	295,113	324,453
Amortisation for year	33,325	162,365	195,690
Eliminated on disposal	(62,665)	-	(62,665)
At 31 December 2019	-	457,478	457,478
NET BOOK VALUE			
At 31 December 2019	-	232,399	232,399
At 31 December 2018	134,090	315,853	449,943

9. **TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST					
At 1 January 2019	219,889	76,526	310,114	201,142	807,671
Additions	-	-	38,948	30,848	69,796
Disposals	(1,891)	(465)	-	(65,957)	(68,313)
At 31 December 2019	217,998	76,061	349,062	166,033	809,154
DEPRECIATION					
At 1 January 2019	115,745	36,435	186,895	172,389	511,464
Charge for year	43,790	22,744	82,387	25,652	174,573
Eliminated on disposal	(1,072)	(335)	-	(62,117)	(63,524)
At 31 December 2019	158,463	58,844	269,282	135,924	622,513
NET BOOK VALUE					
At 31 December 2019	59,535	17,217	79,780	30,109	186,641
At 31 December 2018	104,144	40,091	123,219	28,753	296,207

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

10. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £	Unlisted investments £	Totals £
COST			
At 1 January 2019	1	22,500	22,501
Disposals	(1)	(22,500)	(22,501)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE			
At 31 December 2019	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2018	1	22,500	22,501
	<hr/>	<hr/>	<hr/>

11. **STOCKS**

	31.12.19 £	31.12.18 £
Finished goods	22,959	33,459
	<hr/>	<hr/>

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

	31.12.19 £	31.12.18 £
Trade debtors	5,600,529	6,506,544
Amounts owed by group undertakings	-	37,685
Other debtors	687,100	992,934
Directors' loan accounts	-	692,875
Tax	32,551	-
VAT	98,917	133,604
Prepayments	170,465	135,047
	<hr/>	<hr/>
	6,589,562	8,498,689
	<hr/>	<hr/>

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

	31.12.19 £	31.12.18 £
Bank loans and overdrafts (see note 14)	498,405	-
Trade creditors	2,204,378	2,767,122
Tax	-	221,016
Social security and other taxes	90,888	79,807
Other creditors	217,650	1,383,272
Directors' loan accounts	1,143,141	731,048
Accrued expenses	551,412	533,663
	<hr/>	<hr/>
	4,705,874	5,715,928
	<hr/>	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

14. LOANS

An analysis of the maturity of loans is given below:

	31.12.19 £	31.12.18 £
Amounts falling due within one year or on demand:		
Bank overdrafts	498,405	-
	<u>498,405</u>	<u>-</u>

15. LEASING AGREEMENTS

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

	31.12.19 £	31.12.18 £
Within one year	48,376	4,990
Between one and five years	16,959	52,690
	<u>65,335</u>	<u>57,680</u>

16. SECURED DEBTS

HSBC Bank PLC holds a debenture including fixed charge over all present freehold and leasehold property; first charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future.

17. PROVISIONS FOR LIABILITIES

	31.12.19 £	31.12.18 £
Deferred tax	17,231	24,120
	<u>17,231</u>	<u>24,120</u>
		Deferred tax £
Balance at 1 January 2019		24,120
Provided during year		(6,889)
		<u>17,231</u>
Balance at 31 December 2019		<u>17,231</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
2,280	A Ordinary	£1	2,280	2,280
9,721	B Ordinary	£1	9,721	9,721
270	C1 Ordinary	0.1p	-	-
210	C2 Ordinary	0.1p	-	-
			<u>12,001</u>	<u>12,001</u>

During the year 210 C2 shares were issued at a nominal value of 0.1p as part of an EMI scheme see note 24 for details regarding the scheme.

Each A ordinary share shall confer on its holder the right to receive notice, attend (whether in person or by proxy) speak and vote at general meetings of the company, receive a dividend as and when one is declared and approved of the A ordinary shares, with the directors being entitled to declare a dividend on the A ordinary shares without being required to also declare a dividend on the B ordinary shares, participate in a return of capital as provided for in the Articles of Association.

Each B ordinary share shall confer on its holder the right to receive notice, attend (whether in person or by proxy) speak and vote at general meetings of the company, receive a dividend as and when one is declared and approved on the A ordinary shares, participate in a return of capital as provided for in the Articles of Association.

The C1 and C2 ordinary shares do not confer on its holder the right to receive notice, attend, speak and vote at general meetings of the company, nor receive a dividend, the C1 and C2 ordinary shares shall confer on its holder the right to participate in a return of capital as provided for in the Articles of Association.

Called up share capital represents the nominal value of the shares issued.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 January 2019	3,944,925	270	3,945,195
Profit for the year	763,298		763,298
Dividends	(2,351,959)		(2,351,959)
Cash share issue	-	210	210
At 31 December 2019	<u>2,356,264</u>	<u>480</u>	<u>2,356,744</u>

The company's reserves are as follows:

Share premium account

The share premium account includes the premium on issue of equity shares, net of any issue costs.

Retained earnings

The retained earnings are all other net gains and losses and transactions with owners (e.g. dividends) not recognised elsewhere.

20. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £169,269 (2018: £126,874). Contributions totalling £32,489 (2018: £27,252) were payable to the fund at the reporting date and are included in creditors.

21. EMPLOYEE INCENTIVE

During the year ended 31st December 2017, the company set up an EMI share option scheme for the benefit of certain employees. The first of these options was exercised in the previous year, resulting in a benefit to the employees of £37,386. During the current year, the second of these options was exercised resulting in a benefit to the employees of £71,431.

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to a director subsisted during the years ended 31 December 2019 and 31 December 2018:

	31.12.19 £	31.12.18 £
S D Ramsden MBE		
Balance outstanding at start of year	692,875	429,370
Amounts advanced	600,895	725,939
Amounts repaid	(1,293,770)	(462,434)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>-</u>	<u>692,875</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2019

22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued

Interest has been charged at a rate of 2.5% on the directors loan account which has resulted in an interest charge of £4,853 (2018: £16,024) which is included as other interest in the income statement and also in the amounts advanced figures in the table above.

23. RELATED PARTY DISCLOSURES

During the year the company had the following transactions with companies that have the same directors and shareholders:

	31.12.19	31.12.18
	£	£
Management fees paid	200,779	125,102
Rent and service charges paid	50,167	39,144
Trade debtor amounts	Nil	Nil
Trade creditor amounts payable	23,844	13,087
Balances owing to the directors	1,143,141	731,048

24. ULTIMATE CONTROLLING PARTY

The controlling party is S D Ramsden MBE.