

Company Registration No. 00529964 (England and Wales)

CURTIS HOLT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018



CURTIS HOLT LIMITED

COMPANY INFORMATION

Directors	J R C Twallin A J T Strong T J Strong
Secretary	R D Rowe
Company number	00529964
Registered office	Long Reach Galleon Boulevard Crossways Business Park Dartford Kent DA2 6QE
Auditor	Clarkson Hyde LLP 3rd Floor Chancery House St Nicholas Way Sutton Surrey SM1 1JB
Bankers	HSBC Bank plc City of London Corporate Banking Centre 60 Queen Victoria Street London EC4N 4TR

CURTIS HOLT LIMITED

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CURTIS HOLT LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present the strategic report for the year ended 31 December 2018.

RESULTS

We are pleased to report that, despite continued uncertainty in trading conditions throughout 2018, following the Brexit decision, turnover for the year is only marginally down on the previous year.

DIVIDENDS

An ordinary dividend was paid up to the parent company amounting to £3,950,000 (2017: £4,990,000).

REVIEW OF THE BUSINESS

The business remains focussed on the provision of an extensive range of hand tools, power tools, consumables, accessories, fixings and fasteners, which we stock in depth and make available to all genuine re-sellers of such products. We strive to offer a service that is second to none and this year's results are impacted by decisions made to mitigate the predicted effects of Brexit on the supply chain. Prompt deliveries and high levels of availability are critical to our business and stocks have been boosted to our highest ever levels to ensure customer service can be maintained.

Following many years of good growth in sales in the region, the company re-located its' North West branch to a new purpose built facility in Widnes. The move was completed at the end of the year and the new warehouse, combined with our increased central distribution facility in the Midlands and recent extension in Southampton, will deliver significantly increased growth capacity for the company.

The continuing uncertainty over Brexit makes it hard to predict market conditions in 2019 and beyond and we therefore need to be mindful of the risks associated with trading in such conditions. We therefore continues to invest in systems, people, resources, products and services that we believe will strengthen the business and help us further support our customers and improve our market share.

We are very much aware of the support we receive from our customers and suppliers to whom we are very grateful. I would also like to thank my fellow members of staff for their hard work and contribution to these results and for their enthusiasm, loyalty and commitment to our business.

On behalf of the board



A J T Strong

Director

14 June 2019

CURTIS HOLT LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their annual report and financial statements for the year ended 31 December 2018.

Principal activities

The principal activity of the company continued to be that of distributors of hand tools and allied products.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J R C Twallin

A J T Strong

T J Strong

Results and dividends

The results for the year are set out on page 6.

An ordinary dividend was paid up to the parent company amounting to £3,950,000 (2017: £4,990,000).

Market value of land and buildings

In the opinion of the directors the market value of land and buildings exceeds the current net book value.

Disabled persons

The company's policy is to be unbiased when dealing with job applications which might be suitable for disabled persons. All necessary assistance with initial training courses is given to all staff.

Employee involvement

The company's policy is to consult and discuss with employees matters likely to affect employees' interests, and information is communicated through local managers.

Post reporting date events

No significant events have occurred since the end of the year.

Future developments

It is intended that future developments should continue in our existing fields of activity.

Auditor

In accordance with the company's articles, a resolution proposing that Clarkson Hyde LLP be reappointed as auditor of the company will be put at a General Meeting.

CURTIS HOLT LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

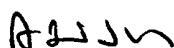
- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



A J T Strong

Director

14 June 2019

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF CURTIS HOLT LIMITED

Opinion

We have audited the financial statements of Curtis Holt Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and 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 FRS 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 2018 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 Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

CURTIS HOLT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF CURTIS HOLT LIMITED

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 and the directors' report.

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 directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 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.



Andrew Seton (Senior Statutory Auditor)

for and on behalf of Clarkson Hyde LLP

14 June 2019

**Chartered Accountants
Statutory Auditor**

3rd Floor
Chancery House
St Nicholas Way
Sutton
Surrey
SM1 1JB

CURTIS HOLT LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

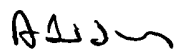
		2018	2017
	Notes	£'000	£'000
Turnover	3	149,770	156,349
Cost of sales		(115,895)	(119,519)
Gross profit		33,875	36,830
Distribution costs		(6,810)	(6,644)
Administrative expenses		(17,543)	(17,401)
Other operating income		67	50
Operating profit	4	9,589	12,835
Interest receivable and similar income	6	850	800
Interest payable and similar expenses	7	(309)	(313)
Profit before taxation		10,130	13,322
Tax on profit	8	(1,783)	(2,435)
Profit for the financial year		8,347	10,887

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

CURTIS HOLT LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2018**

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		3,318		2,849
Investments	11		598		598
			<u>3,916</u>		<u>3,447</u>
Current assets					
Stocks	14	16,767		18,404	
Debtors	15	21,287		26,290	
Cash at bank and in hand		25,741		17,542	
		<u>63,795</u>		<u>62,236</u>	
Creditors: amounts falling due within one year	16	(12,359)		(14,722)	
Net current assets			<u>51,436</u>		<u>47,514</u>
Total assets less current liabilities			<u>55,352</u>		<u>50,961</u>
Creditors: amounts falling due after more than one year	17		(219)		(225)
Net assets			<u><u>55,133</u></u>		<u><u>50,736</u></u>
Capital and reserves					
Called up share capital	21		17		17
Profit and loss reserves	22		55,116		50,719
Total equity			<u><u>55,133</u></u>		<u><u>50,736</u></u>

The financial statements were approved by the board of directors and authorised for issue on 14 June 2019 and are signed on its behalf by:



A J T Strong
Director

Company Registration No. 00529964

CURTIS HOLT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2018

	Notes	Share capital £'000	Profit and loss reserves £'000	Total £'000
Balance at 1 January 2017		17	44,822	44,839
Year ended 31 December 2017:				
Profit and total comprehensive income for the year		-	10,887	10,887
Dividends	9	-	(4,990)	(4,990)
Balance at 31 December 2017		17	50,719	50,736
Year ended 31 December 2018:				
Profit and total comprehensive income for the year		-	8,347	8,347
Dividends	9	-	(3,950)	(3,950)
Balance at 31 December 2018		17	55,116	55,133

CURTIS HOLT LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2018

		2018		2017	
	Notes	£'000	£'000	£'000	£'000
Cash flows from operating activities					
Cash generated from operations	27		15,604		15,401
Interest paid			(309)		(313)
Income taxes paid			(2,469)		(2,469)
Net cash inflow from operating activities			12,826		12,619
Investing activities					
Purchase of tangible fixed assets		(841)		(110)	
Proceeds on disposal of tangible fixed assets		141		182	
Dividends received		850		800	
Net cash generated from investing activities			150		872
Financing activities					
Payment of finance leases obligations		(827)		(944)	
Dividends paid		(3,950)		(4,990)	
Net cash used in financing activities			(4,777)		(5,934)
Net increase in cash and cash equivalents			8,199		7,557
Cash and cash equivalents at beginning of year			17,542		9,985
Cash and cash equivalents at end of year			25,741		17,542

CURTIS HOLT LIMITED

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

1 Accounting policies

Company information

Curtis Holt Limited is a private company limited by shares incorporated in England and Wales. The registered office is Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Curtis Holt Limited is a wholly owned subsidiary of Dormole Limited and the results of Curtis Holt Limited are included in the consolidated financial statements of Dormole Limited which are available from the registered office.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the 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.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	The shorter of the term of the lease or 50 years
Computer equipment	20% - 100% Straight line (hardware) & 20% - 50% Straight line (software)
Fixtures, fittings & equipment	20% - 33.3% Straight line
Motor vehicles	25% Reducing balance (cars) & 33.3% Straight line (vans)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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 profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. 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.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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. Amounts 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.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

The company operates a defined contribution scheme for employees and the annual contributions payable by the company are charged to the profit and loss account. The assets of the scheme are held separately from those of the company.

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

1 Accounting policies

(Continued)

1.14 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2018 £'000	2017 £'000
Turnover analysed by class of business		
Sales of tools	149,770	156,349
	<u> </u>	<u> </u>
	2018 £'000	2017 £'000
Other significant revenue		
Dividends received	850	800
	<u> </u>	<u> </u>
	2018 £'000	2017 £'000
Turnover analysed by geographical market		
United Kingdom	137,143	144,688
EU Countries	12,627	11,661
	<u> </u>	<u> </u>
	149,770	156,349
	<u> </u>	<u> </u>

CURTIS HOLT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****4 Operating profit**

	2018	2017
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	3	(6)
Fees payable to the company's auditor for the audit of the company's financial statements	88	88
Depreciation of owned tangible fixed assets	658	542
Depreciation of tangible fixed assets held under finance leases	349	497
Profit on disposal of tangible fixed assets	(41)	(42)
	<u> </u>	<u> </u>

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2018	2017
	Number	Number
Distribution and service	300	294
Administrative and management	233	238
	<u> </u>	<u> </u>
	533	532
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2018	2017
	£'000	£'000
Wages and salaries	14,060	14,155
Pension costs	716	694
	<u> </u>	<u> </u>
	14,776	14,849
	<u> </u>	<u> </u>

6 Interest receivable and similar income

	2018	2017
	£'000	£'000
Income from fixed asset investments		
Income from shares in group undertakings	850	800
	<u> </u>	<u> </u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

7 Interest payable and similar expenses

	2018	2017
	£'000	£'000
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	274	269
Interest on finance leases and hire purchase contracts	35	44
	<u>309</u>	<u>313</u>

8 Taxation

	2018	2017
	£'000	£'000
Current tax		
UK corporation tax on profits for the current period	1,798	2,468
	<u></u>	<u></u>
Deferred tax		
Origination and reversal of timing differences	(15)	(33)
	<u></u>	<u></u>
Total tax charge	<u>1,783</u>	<u>2,435</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2018	2017
	£'000	£'000
Profit before taxation	10,130	13,322
	<u></u>	<u></u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2017: 19.25%)	1,925	2,564
Tax effect of expenses that are not deductible in determining taxable profit	16	19
Change in unrecognised deferred tax assets	(15)	(33)
Permanent capital allowances in excess of depreciation	(166)	(154)
Depreciation on assets not qualifying for tax allowances	191	200
Dividend income	(161)	(154)
Other timing differences	1	1
(Profit)/loss on disposal of assets	(8)	(8)
	<u></u>	<u></u>
Taxation charge for the year	<u>1,783</u>	<u>2,435</u>

9 Dividends

	2018	2017
	£'000	£'000
Ordinary dividends paid up to parent company	3,950	4,990
	<u></u>	<u></u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

10 Tangible fixed assets

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
At 1 January 2018	218	414	4,250	4,092	8,974
Additions	-	44	792	740	1,576
Disposals	-	-	(10)	(582)	(592)
At 31 December 2018	218	458	5,032	4,250	9,958
Depreciation and impairment					
At 1 January 2018	182	362	3,266	2,315	6,125
Depreciation charged in the year	8	39	234	726	1,007
Eliminated in respect of disposals	-	-	(10)	(482)	(492)
At 31 December 2018	190	401	3,490	2,559	6,640
Carrying amount					
At 31 December 2018	28	57	1,542	1,691	3,318
At 31 December 2017	36	52	984	1,777	2,849

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2018 £'000	2017 £'000
Fixtures, fittings & equipment	-	481
Motor vehicles	1,135	1,291
	1,135	1,772
Depreciation charge for the year in respect of leased assets	349	497

11 Fixed asset investments

	Notes	2018 £'000	2017 £'000
Investments in subsidiaries	12	598	598

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

11 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £'000
Cost or valuation	
At 1 January 2018 & 31 December 2018	598
Carrying amount	
At 31 December 2018	598
At 31 December 2017	598

12 Subsidiaries

Details of the company's subsidiaries at 31 December 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Finnie & Company Limited	Scotland	Tool Distributor	Ordinary	100.00	

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss)	Capital and Reserves
	£'000	£'000
Finnie & Company Limited	938	4,635

13 Financial instruments

	2018 £'000	2017 £'000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	20,784	25,779
Carrying amount of financial liabilities		
Measured at amortised cost	5,758	6,502

14 Stocks

	2018 £'000	2017 £'000
Finished goods and goods for resale	16,767	18,404

Stock recognised in cost of sales during the year as an expense was £110,138,000 (2017: £113,774,000).

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

15 Debtors

	2018	2017
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	17,444	22,203
Amounts due from parent and fellow subsidiary undertakings	3,318	3,539
Other debtors	22	37
Prepayments and accrued income	349	372
	<u>21,133</u>	<u>26,151</u>
	<u>21,133</u>	<u>26,151</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 19)	154	139
	<u>154</u>	<u>139</u>
Total debtors	<u>21,287</u>	<u>26,290</u>
	<u>21,287</u>	<u>26,290</u>

16 Creditors: amounts falling due within one year

	Notes	2018	2017
		£'000	£'000
Obligations under finance leases	18	574	660
Trade creditors		3,049	3,832
Corporation tax		1,756	2,427
Other taxation and social security		5,064	6,018
Other creditors		2	(4)
Accruals and deferred income		1,914	1,789
		<u>12,359</u>	<u>14,722</u>
		<u>12,359</u>	<u>14,722</u>

17 Creditors: amounts falling due after more than one year

	Notes	2018	2017
		£'000	£'000
Obligations under finance leases	18	219	225
		<u>219</u>	<u>225</u>
		<u>219</u>	<u>225</u>

CURTIS HOLT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018****18 Finance lease obligations**

	2018	2017
	£'000	£'000
Future minimum lease payments due under finance leases:		
Within one year	595	682
In two to five years	222	228
	<u>817</u>	<u>910</u>
Less: future finance charges	(24)	(25)
	<u>793</u>	<u>885</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 2 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Assets	Assets
	2018	2017
	£'000	£'000
Balances:		
Accelerated capital allowances	136	120
Other timing differences	18	19
	<u>154</u>	<u>139</u>
Movements in the year:		2018
		£'000
Liability/(Asset) at 1 January 2018		(139)
Credit to profit or loss		(15)
		<u>(154)</u>
Liability/(Asset) at 31 December 2018		<u>(154)</u>

CURTIS HOLT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

20 Retirement benefit schemes

	2018	2017
	£'000	£'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	716	694
	<u>716</u>	<u>694</u>

The company together with other group companies participates in the Toolbank Retirement Benefit Scheme. Full details of this are disclosed in the notes to the accounts of the parent company.

21 Share capital

	2018	2017
	£'000	£'000
Ordinary share capital		
Issued and fully paid		
17,303 Ordinary shares of £1 each	17	17
	<u>17</u>	<u>17</u>

22 Profit and loss reserves

	2018	2017
	£'000	£'000
At the beginning of the year	50,719	44,822
Profit for the year	8,347	10,887
Dividends declared and paid in the year	(3,950)	(4,990)
	<u>55,116</u>	<u>50,719</u>

23 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018	2017
	£'000	£'000
Within one year	24	22
Between two and five years	1,107	620
In over five years	-	758
	<u>1,131</u>	<u>1,400</u>

24 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2018	2017
	£'000	£'000
Acquisition of tangible fixed assets	42	25
	<u>42</u>	<u>25</u>

CURTIS HOLT LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2018**

25 Related party transactions

The company has taken the exemption in section 33.1A of FRS102 not to disclose inter group transactions.

26 Controlling party

Curtis Holt Limited's ultimate parent company is Dormole Limited (Registered office: Long Reach, Galleon Boulevard, Crossways Business Park, Dartford, Kent, DA2 6QE), a company incorporated in England.

27 Cash generated from operations

	2018	2017
	£'000	£'000
Profit for the year after tax	8,347	10,887
Adjustments for:		
Taxation charged	1,783	2,435
Finance costs	309	313
Investment income	(850)	(800)
Gain on disposal of tangible fixed assets	(41)	(42)
Depreciation and impairment of tangible fixed assets	1,007	1,039
Movements in working capital:		
Decrease/(increase) in stocks	1,637	(1,957)
Decrease in debtors	5,018	3,886
(Decrease) in creditors	(1,606)	(360)
Cash generated from operations	15,604	15,401