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CREATIVITY ENTHUSIASM ENERGY VISION

Company Registration No. 01222521 (England and Wales)

D & J SIMONS & SONS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

TUESDAY

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D & J SIMONS & SONS LIMITED

COMPANY INFORMATION

Directors	H I Simons D J Simons A J Rabbow A B Simons R M Simons
Secretary	H I Simons
Company number	01222521
Registered office	124-150 Hackney Road London E2 7QS
Auditor	H W Fisher & Company Acre House 11-15 William Road London NW1 3ER United Kingdom
Business address	124-150 Hackney Road London E2 7QS
Bankers	HSBC Bank plc 465 Bethnal Green Road London E2 9QW United Kingdom
Solicitors	Teacher Stern LLP 37-41 Bedford Row London WC1R 4JH

D & J SIMONS & SONS LIMITED

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D & J SIMONS & SONS LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present the strategic report for the year ended 31 October 2017.

Fair review of the business

Both the level of business and the year end financial position were as expected in the light of current trading conditions, nothing the fall in turnover and resultant gross profit being supported by ongoing rental income. The directors do not anticipate any material changes in the present level of activity.

Principal risks and uncertainties

The principal risks and uncertainties facing the group relate to competition from overseas and the strength of the UK market.

Development and performance

The group made a pre-tax profit of £660,478 (2016 - £449,774) for the year on turnover of £7,733,809 (2016 - 8,098,353) and rental income of £575,175 (2016 - £703,861).

At 31 October 2017 the group had net assets of £14,050,301 (2016 - £13,560,336), including investment properties of £7,301,048 (2016 - £7,140,739).

Key performance indicators

In the opinion of the directors there are no other key performance indicators whose disclosure is necessary for an understanding of the development, performance or position of the business.

On behalf of the board

.....

H I Simons

Director

30/7/2018

D & J SIMONS & SONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2017

The directors present their annual report and financial statements for the year ended 31 October 2017.

Principal activities
The principal activity of the company and group is that of distributors of picture frame mouldings and wood turnery.

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

H I Simons
D J Simons
A J Rabbow
A B Simons
R M Simons
L Simons (Deceased 5 December 2016)

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

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

Auditor
A resolution proposing the reappointment of HW Fisher & Company of the company will be put to the members.

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 auditor of the company 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 auditor of the company is aware of that information.

On behalf of the board

.....
H I Simons
Director
Date: 30/7/2018

D & J SIMONS & SONS LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2017

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 group and company, and of the profit or loss of the group 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 group and company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

D & J SIMONS & SONS LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF D & J SIMONS & SONS LIMITED

Opinion

We have audited the financial statements of D & J Simons & Sons Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2017 which comprise the Group Profit And Loss Account, the Group Statement of Comprehensive Income, the Group Balance Sheet, the Company Balance Sheet, the Group Statement of Changes in Equity, the Company Statement of Changes in Equity, the Group 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 group's and the parent company's affairs as at 31 October 2017 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.

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 group's or the parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF D & J SIMONS & SONS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent 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.

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 group's and the parent 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 group or the parent 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.

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.

Alan Lester (Senior Statutory Auditor)
for and on behalf of H W Fisher & Company

Chartered Accountants
Statutory Auditor
Acre House
11-15 William Road
London
NW1 3ER

30 July 2018

D & J SIMONS & SONS LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	2016 £
Turnover	**3**	7,733,809	8,098,353
Cost of sales		(4,820,190)	(4,818,259)
Gross profit		2,913,619	3,280,094
Administrative expenses		(3,488,625)	(3,732,448)
Other operating income		575,175	703,861
Operating profit	**4**	169	251,507
Interest payable and similar expenses	**8**	-	(13)
Fair value gains and losses on investment properties	**12**	660,309	198,280
Profit before taxation		660,478	449,774
Tax on profit	**9**	2,710	(21,323)
Profit for the financial year		663,188	428,451
Profit for the financial year is attributable to:			
- Owners of the parent company		677,518	433,907
- Non-controlling interests		(14,330)	(5,456)
		663,188	428,451

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

D & J SIMONS & SONS LIMITED

GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 OCTOBER 2017

	2017 £	2016 £
Profit for the year	663,188	428,451
Other comprehensive income		
Tax relating to other comprehensive income	(173,223)	125,833
Total comprehensive income for the year	489,965	554,284
Total comprehensive income for the year is attributable to:		
- Owners of the parent company	496,718	559,740
- Non-controlling interests	(6,753)	(5,456)
	489,965	554,284

D & J SIMONS & SONS LIMITED

GROUP BALANCE SHEET

AS AT 31 OCTOBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		6,217,610		5,732,772
Investment properties	12		7,301,048		7,140,739
			13,518,658		12,873,511
Current assets					
Stocks	16	1,488,367		1,560,570	
Debtors	17	12,786,896		4,718,243	
Cash at bank and in hand		107,344		274,814	
		14,382,607		6,553,627	
Creditors: amounts falling due within one year	18	(12,532,669)		(4,711,513)	
Net current assets			1,849,938		1,842,114
Total assets less current liabilities			15,368,596		14,715,625
Provisions for liabilities	20		(1,318,295)		(1,155,289)
Net assets			14,050,301		13,560,336
Capital and reserves					
Called up share capital	22		2,000		2,000
Revaluation reserve			879,684		3,945,640
Other reserves			2,663,080		2,502,771
Profit and loss reserves			10,337,995		6,935,630
Equity attributable to owners of the parent company			13,882,759		13,386,041
Non-controlling interests			167,542		174,295
			14,050,301		13,560,336

The financial statements were approved by the board of directors and authorised for issue on 30/7/2018 and are signed on its behalf by:

.....

H I Simons

Director

D & J SIMONS & SONS LIMITED

COMPANY BALANCE SHEET

AS AT 31 OCTOBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	11		1,342,661		5,715,506
Investment properties	12		4,622,949		4,462,640
Investments	13		360		360
			5,965,970		10,178,506
Current assets					
Stocks	16	1,488,367		1,560,570	
Debtors	17	11,838,980		6,561,635	
Cash at bank and in hand		27,000		251,981	
		13,354,347		8,374,186	
Creditors: amounts falling due within one year	18	(5,337,388)		(4,689,442)	
Net current assets			8,016,959		3,684,744
Total assets less current liabilities			13,982,929		13,863,250
Provisions for liabilities	20		(602,493)		(999,733)
Net assets			13,380,436		12,863,517
Capital and reserves					
Called up share capital	22		2,000		2,000
Revaluation reserve			856,952		3,945,640
Other reserves			2,093,655		1,933,346
Profit and loss reserves			10,427,829		6,982,531
Total equity			13,380,436		12,863,517

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £720,451 (2016 - £450,276 profit).

The financial statements were approved by the board of directors and authorised for issue on 30/1/2018 and are signed on its behalf by:

.....

H J Simons

Director

Company Registration No. 1222521

D & J SIMONS & SONS LIMITED

GROUP STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	Share capital	Revaluation reserve	Other reserves	Profit and loss reserves	Total controlling interest	Non-controlling interest	Total
		£	£	£	£	£	£	£
Balance at 1 November 2015		2,000	3,819,807	2,261,928	6,950,899	13,034,634	179,751	13,214,385
Year ended 31 October 2016:								
Profit for the year		-	-	-	433,907	433,907	(5,456)	428,451
Other comprehensive income:								-
Tax relating to other comprehensive income		-	125,833	-	-	125,833	-	125,833
Total comprehensive income for the year		-	125,833	-	433,907	559,740	(5,456)	554,284
Dividends	10	-	-	-	(208,333)	(208,333)	-	(208,333)
Transfers		-	-	240,843	(240,843)	-	-	-
Balance at 31 October 2016		2,000	3,945,640	2,502,771	6,935,630	13,386,041	174,295	13,560,336
Year ended 31 October 2017:								
Profit for the year		-	-	-	677,518	677,518	(14,330)	663,188
Other comprehensive income:								
Tax relating to other comprehensive income		-	(173,223)	-	-	(173,223)	-	(173,223)
Amounts attributable to non-controlling interests		-	(7,577)	-	-	(7,577)	7,577	-
Total comprehensive income for the year		-	(180,800)	-	677,518	496,718	(6,753)	489,965
Transfers		-	(2,885,156)	160,309	2,724,847	-	-	-
Balance at 31 October 2017		2,000	879,684	2,663,080	10,337,995	13,882,759	167,542	14,050,301

D & J SIMONS & SONS LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
Balance at 1 November 2015		2,000	3,819,807	1,713,086	6,960,848	12,495,741
Year ended 31 October 2016:						
Profit for the year		-	-	-	450,276	450,276
Other comprehensive income:						
Tax relating to other comprehensive income		-	125,833	-	-	125,833
Total comprehensive income for the year		-	125,833	-	450,276	576,109
Dividends	10	-	-	-	(208,333)	(208,333)
Transfers		-	-	220,260	(220,260)	-
Balance at 31 October 2016		2,000	3,945,640	1,933,346	6,982,531	12,863,517
Year ended 31 October 2017:						
Profit for the year		-	-	-	720,451	720,451
Other comprehensive income:						
Tax relating to other comprehensive income		-	(203,532)	-	-	(203,532)
Total comprehensive income for the year		-	(203,532)	-	720,451	516,919
Transfers		-	(2,885,156)	160,309	2,724,847	-
Balance at 31 October 2017		2,000	856,952	2,093,655	10,427,829	13,380,436

D & J SIMONS & SONS LIMITED

GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25		(146,819)		123,005
Interest paid			-		(13)
Income taxes paid			(130,208)		(350,001)
Net cash outflow from operating activities			(277,027)		(227,009)
Investing activities					
Purchase of tangible fixed assets		(43,113)		(36,193)	
Proceeds on disposal of tangible fixed assets		8,950		13,225	
Net cash used in investing activities			(34,163)		(22,968)
Financing activities					
Dividends paid to equity shareholders		-		(208,333)	
Net cash used in financing activities			-		(208,333)
Net decrease in cash and cash equivalents			(311,190)		(458,310)
Cash and cash equivalents at beginning of year			(389,983)		68,327
Cash and cash equivalents at end of year			(701,173)		(389,983)
Relating to:					
Cash at bank and in hand			107,344		274,814
Bank overdrafts included in creditors payable within one year			(808,517)		(664,797)

1 Accounting policies

Company information

D & J Simons & Sons Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is 124-150 Hackney Road, London, E2 7QS.

The group consists of D & J Simons & Sons Limited and all of its subsidiaries.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include investment properties at fair value. The principal accounting policies adopted are set out below.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

1.2 Basis of consolidation

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

1 Accounting policies **(Continued)**

The consolidated financial statements incorporate those of D & J Simons & Sons Limited and all of its subsidiaries (ie entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 October 2017. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the group 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.

1.4 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods 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.

1.5 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:

Plant and machinery	10% straight line
Fixtures, fittings & equipment	25% reducing balance
Motor vehicles	25% reducing balance

Assets in the course of construction (within land and buildings) are not depreciated.

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 recognised in the profit and loss account.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

1 Accounting policies **(Continued)**

1.7 Fixed asset investments

In the parent company financial statements, investments in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

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

1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible 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.

1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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.

1.10 Cash and cash equivalents

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.

1.11 Financial instruments

The group 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.

1 Accounting policies **(Continued)**

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.

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.

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 group after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans 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.

1.12 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 group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies **(Continued)**

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset if, and only if, there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.13 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.

1.14 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.15 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease.

2 Judgements and key sources of estimation uncertainty

In the application of the group'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.

Valuation of investment properties

Determining the fair value of the group's investment properties as at each balance sheet date involves an element of estimation. The directors manage the resulting estimation uncertainty by reviewing values on a property by property basis and by referring to available market evidence, including rental yields and realised sales values for similar properties.

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover analysed by class of business		
	7,733,809	8,098,353

	2017	2016
	£	£
Turnover analysed by geographical market		
United Kingdom	7,276,041	7,768,738
Rest of the world	457,768	329,615
	7,733,809	8,098,353

4 Operating profit

	2017	2016
	£	£
Operating profit for the year is stated after charging:		
Depreciation of owned tangible fixed assets	34,103	62,331
Loss on disposal of tangible fixed assets	15,222	18,965
Cost of stocks recognised as an expense	4,820,190	4,818,259

5 Auditor's remuneration

	2017	2016
Fees payable to the company's auditor and associates:	£	£
For audit services		
Audit of the financial statements of the group and company	30,000	25,000

6 Employees

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

	Group		Company	
	2017	2016	2017	2016
	Number	Number	Number	Number
Sales	14	11	14	11
Administration	31	37	29	34
Despatch and warehouse	29	30	29	30
	74	78	72	75

6 Employees (Continued)

Their aggregate remuneration comprised:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Wages and salaries	1,755,572	1,932,412	1,611,572	1,788,413
Social security costs	181,499	182,285	162,664	164,308
Pension costs	12,692	13,033	12,692	13,033
	1,949,763	2,127,730	1,786,928	1,965,754

7 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	351,208	369,257

Remuneration disclosed above includes the following amounts paid to the highest paid director:

	2017	2016
	£	£
Remuneration for qualifying services	93,658	100,277

8 Interest payable and similar expenses

	2017	2016
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	-	13

9 Taxation

	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	7,507	70,747
Deferred tax		
Origination and reversal of timing differences	(10,217)	25,416
Changes in tax rates	-	(74,840)
Total deferred tax	(10,217)	(49,424)
Total tax (credit)/charge	(2,710)	21,323

9 Taxation **(Continued)**

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

	2017	2016
	£	£
Profit before taxation	660,478	449,774
Expected tax charge based on the standard rate of corporation tax in the UK of 19.41% (2016: 20.00%)	128,199	89,955
Tax effect of expenses that are not deductible in determining taxable profit	2,972	12,747
Tax effect of income not taxable in determining taxable profit	(128,190)	-
Gains not taxable	(653,496)	-
Effect of change in corporation tax rate	56,403	(79,325)
Permanent capital allowances in (excess)/deficit of depreciation	-	6,550
Depreciation on assets not qualifying for tax allowances	836	1,151
Other permanent differences	-	(9,755)
Deferred tax not recognised	12	-
Other tax adjustments	590,554	-
Taxation (credit)/charge for the year	(2,710)	21,323

In addition to the amount charged to the profit and loss account, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2017	2016
	£	£
Deferred tax in respect of:		
Revalued property	173,223	(125,833)

10 Dividends

	2017	2016
	£	£
Interim paid	-	208,333

11 Tangible fixed assets

Group	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2016	5,612,000	277,546	153,882	181,431	6,224,859
Additions	-	-	-	43,113	43,113
Disposals	-	-	-	(67,634)	(67,634)
Revaluation	500,000	-	-	-	500,000
At 31 October 2017	6,112,000	277,546	153,882	156,910	6,700,338
Depreciation and impairment					
At 1 November 2016	-	277,546	130,865	83,676	492,087
Depreciation charged in the year	-	-	5,271	28,832	34,103
Eliminated in respect of disposals	-	-	-	(43,462)	(43,462)
At 31 October 2017	-	277,546	136,136	69,046	482,728
Carrying amount					
At 31 October 2017	6,112,000	-	17,746	87,864	6,217,610
At 31 October 2016	5,612,000	-	23,017	97,755	5,732,772

Company	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 November 2016	5,612,000	277,546	123,186	181,431	6,194,163
Additions	-	-	-	43,113	43,113
Disposals	-	-	-	(67,634)	(67,634)
Revaluation	500,000	-	-	-	500,000
Transfers	(4,862,000)	-	-	-	(4,862,000)
At 31 October 2017	1,250,000	277,546	123,186	156,910	1,807,642
Depreciation and impairment					
At 1 November 2016	-	277,546	117,435	83,676	478,657
Depreciation charged in the year	-	-	954	28,832	29,786
Eliminated in respect of disposals	-	-	-	(43,462)	(43,462)
At 31 October 2017	-	277,546	118,389	69,046	464,981
Carrying amount					
At 31 October 2017	1,250,000	-	4,797	87,864	1,342,661
At 31 October 2016	5,612,000	-	5,751	97,755	5,715,506

11 Tangible fixed assets **(Continued)**

During the year the company transferred land and buildings of £4,682,000 to its subsidiary company D& J Simons & Arts Limited.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cost	960,617	1,050,617	85,950	1,050,617
Accumulated depreciation	-	-	-	-
Carrying value	960,617	1,050,617	85,950	1,050,617

12 Investment property

	Group	Company
	2017	2017
	£	£
Fair value		
At 1 November 2016	7,140,739	4,462,640
Net gains or losses through fair value adjustments	160,309	160,309
At 31 October 2017	7,301,048	4,622,949

The fair value of the investment property has been arrived at on the basis of a valuation carried out at the year-end by the directors. The valuation was made on an open market basis by reference to rental yields.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Cost	3,998,615	4,020,033	2,235,305	2,256,723
Accumulated depreciation	-	-	-	-
Carrying amount	3,998,615	4,020,033	2,235,305	2,256,723

13 Fixed asset investments

	Notes	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Investments in subsidiaries	14	-	-	360	360

Movements in fixed asset investments

Company	Shares in group undertakings
	£
Cost or valuation	
At 1 November 2016 and 31 October 2017	360
Carrying amount	
At 31 October 2017	360
At 31 October 2016	360

14 Subsidiaries

Details of the company's subsidiaries at 31 October 2017 are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held Direct	% Held Indirect
D & J Simons & Arts Limited	1	Investment in property	Ordinary	75.00	
Vindex Properties Limited	1	Investment in property	Ordinary		55.00
Vindex Properties (2) Limited	1	Dormant	Ordinary		55.00

Registered Office addresses:

1 24-150 Hackney Road, London, E2 7QS

15 Financial instruments

	Group 2017 £	Group 2016 £	Company 2017 £	Company 2016 £
Carrying amount of financial assets				
Debt instruments measured at amortised cost	12,633,020	4,475,441	11,689,634	6,319,560
Carrying amount of financial liabilities				
Measured at amortised cost	12,209,804	4,143,269	5,035,935	4,126,368

Carrying amount of financial assets include amounts owed by group undertaking, trade and other debtors.

Carrying amount of financial liabilities include bank loans, amounts owed to group undertaking, trade and other creditors excluding taxes.

16 Stocks

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Finished goods and goods for resale	1,488,367	1,560,570	1,488,367	1,560,570

17 Debtors

	Group		Company	
	2017	2016	2017	2016
Amounts falling due within one year:	£	£	£	£
Trade debtors	1,471,243	1,681,879	1,471,243	1,675,710
Amounts owed by group undertakings	-	-	6,217,970	1,850,634
Other debtors	11,159,956	2,794,289	3,996,624	2,793,216
Prepayments and accrued income	155,697	242,075	153,143	242,075
	12,786,896	4,718,243	11,838,980	6,561,635

18 Creditors: amounts falling due within one year

		Group		Company	
		2017	2016	2017	2016
	Notes	£	£	£	£
Bank loans and overdrafts	19	808,517	664,797	808,517	664,797
Trade creditors		696,322	784,997	696,322	783,267
Corporation tax payable		21,562	144,263	21,562	144,263
Other taxation and social security		258,009	423,981	251,339	418,811
Other creditors		10,557,298	2,601,847	3,478,658	2,602,207
Accruals and deferred income		190,961	91,628	80,990	76,097
		12,532,669	4,711,513	5,337,388	4,689,442

19 Loans and overdrafts

	Group		Company	
	2017	2016	2017	2016
	£	£	£	£
Bank overdrafts	808,517	664,797	808,517	664,797
Payable within one year	808,517	664,797	808,517	664,797

20 Deferred taxation

Deferred tax assets and liabilities are offset where the group or 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:

Group	Liabilities 2017 £	Liabilities 2016 £
Revaluations	602,493	999,733
Investment property	715,802	155,556
	1,318,295	1,155,289

Company	Liabilities 2017 £	Liabilities 2016 £
Revaluations	602,493	999,733

Movements in the year:	Group 2017 £	Company 2017 £
Liability at 1 November 2016	1,155,289	999,733
Credit to profit or loss	(10,217)	(10,217)
Charge to other comprehensive income	173,223	203,532
Transfer on disposal	-	(590,555)
Liability at 31 October 2017	1,318,295	602,493

The deferred tax liability set out above is not expected to reverse within 12 months.

21 Retirement benefit schemes

Defined contribution schemes	2017 £	2016 £
Charge to profit or loss in respect of defined contribution schemes	12,692	13,033

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

22 Share capital

	Group and company	
	2017	2016
Ordinary share capital	£	£
Issued and fully paid		
2,000 Ordinary shares of £1 each	2,000	2,000

23 Financial commitments, guarantees and contingent liabilities

There is a group set-off by HSBC bank under a Company Unlimited Multilateral Guarantee dated 10 May 2015 between the company, D & J Simons Limited, Robam Importers Limited, Robobond Limited, D & J Simons (Properties) Limited, Gransim (No. 5) Properties Limited and D & J Simons & Arts Limited. The directors consider it unlikely that the company will be required to settle any liabilities as a result of this guarantee.

The group has pledged assets as security in respect of loans obtained in respect of a development of properties beneficially and legally owned by D & J Simons & Arts Limited and Vindex Properties Limited respectively. As at the year end £17,000,000 had been drawn down in respect of this facility with regard to the ongoing development.

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	351,208	333,257

The group transacts with other companies which the directors consider to be related due to their being under the control of the Simons family. The following balances existed at the year end;

Outstanding advances by the group and company, presented within other debtors and repayable on demand - £3,858,170 (2016: £2,752,570).

Outstanding advances to the group and company, presented within other creditors and repayable on demand - £1,936,294 (2016: £1,606,299).

Dividends amounting to £nil (2016: £83,333) were paid to directors during the year.

The directors loaned the group and company £325,000 (2016: £300,000) during the year and at the balance sheet date the group and company owed the directors £1,239,310 (2015: £934,635).

Other creditors include an interest free loan of £7,073,000 (2016: £nil) from a company under common control, which is repayable on demand.

25 Cash generated from group operations

	2017	2016
	£	£
Profit for the year after tax	663,188	428,451
Adjustments for:		
Taxation (credited)/charged	(2,710)	21,323
Finance costs	-	13
Loss on disposal of tangible fixed assets	15,222	18,965
Fair value gains and losses on foreign exchange contracts and investment properties	(660,309)	(198,280)
Depreciation and impairment of tangible fixed assets	34,103	62,331
Movements in working capital:		
Decrease/(increase) in stocks	72,203	(177,828)
(Increase)/decrease in debtors	(3,797,153)	173,920
Increase/(decrease) in creditors	3,528,637	(205,890)
Cash (absorbed by)/generated from operations	(146,819)	123,005