# F&B Profiles Limited

Report and Financial Statements

Year Ended

31 March 2017

Company Number 02185821

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# F&B Profiles Limited

## Company Information

| | |
|---|---|
| **Director** | R F Avery |
| **Company secretary** | L Sinclair |
| **Registered number** | 02185821 |
| **Registered office** | Southway Drive<br>Warmley<br>Bristol<br>BS30 5LW |
| **Independent auditor** | BDO LLP<br>Bridgewater House<br>Counterslip<br>Bristol<br>BS1 6BX |
| **Bankers** | Bank of Scotland<br>PO Box 112<br>Canons House<br>Ground Floor NE Phase 2<br>Canons Way<br>Bristol<br>BS99 7LB |
| **Solicitors** | Burges Salmon<br>One Glass Wharf<br>Bristol<br>BS2 0ZX |

# F&B Profiles Limited

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# F&B Profiles Limited

## Strategic Report
## For the Year Ended 31 March 2017

### Business review

Profitability has increased as a result of winning new profitable contracts and tight control of costs, with the company achieving a pre-tax profit of £3,039,488 (2016 - £2,914,406). The director is satisfied with the result for the year. The acquisition of Wessex Metals in the prior year has been a success, with the division making a profit for the year.

The company has continued to invest significant amounts in sophisticated machinery.

The director is confident of the prospects for the company for the foreseeable future.

### Principal risks and uncertainties

The principal risks and uncertainties facing the company is the uncertainty of the British and European economies.

### Financial key performance indicators

The gross profit percentage, which is one of the key performance indicators used by the director to monitor the performance of the business, has been maintained at levels broadly similar to prior year levels at 26.7% (2016 - 28.5%)

This report was approved by the board on 4th September 2017 and signed on its behalf.

**R F Avery**
**Director**

# F&B Profiles Limited

## Director's Report
## For the Year Ended 31 March 2017

The director presents his report and the financial statements for the year ended 31 March 2017.

### Principal activities

The principal activity of the company is to supply profile, plasma and laser cut steel and stainless plate, engineering steels, cutting tools and fasteners to engineering companies in the United Kingdom. In addition the company manufactures precision engineered products including ground support equipment for airlines worldwide.

### Business review and future developments

For a review of the business please see the strategic report on page 1.

### Results and dividends

The profit for the year, after taxation, amounted to £2,398,679 (2016 - £2,222,150).

An interim dividend of £800,000 (2016 - £1,950,000) was declared and paid during the year. A final dividend of £Nil (2016 - £Nil) was declared and paid before the year end.

### Director

The director who served during the year was:

R F Avery

### Financial instruments

The company's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks.

The company does not use hedge accounting. Its policy is to finance fixed assets through fixed rate borrowings for a term broadly expected to match the useful economic lives of the assets.

The company's exposure to the price risk of financial instruments is therefore minimal. As the counterparty to all financial instruments is its bankers, it is also exposed to minimal credit and liquidity risks in respect of these instruments.

Its cash flow risk is also minimal as it aims to pay suppliers in accordance with their stated terms. The directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

**Disclosure of information to auditor**

The director at the time when this Director's Report is approved has confirmed that:

- so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- he has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Auditor**

The auditor, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 4th September 2017 and signed on its behalf.

**R F Avery**
Director

# F&B Profiles Limited

## Director's Responsibilities Statement
## For the Year Ended 31 March 2017

The director is responsible for preparing the Strategic Report, the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 will continue in business.

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

# F&B Profiles Limited

## Independent Auditor's Report to the Members of F&B Profiles Limited

We have audited the financial statements of F&B Profiles Limited for the year ended 31 March 2017 which comprise the primary statements such as the statement of comprehensive income, the statement of financial position, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

**Respective responsibilities of the director and auditor**

As explained more fully in the statement of director's responsibilities, the director is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

**Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 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.

**Opinion on other matters prescribed by the Companies Act 2006**

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

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

## Independent Auditor's Report to the Members of F&B Profiles 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

BDO LLP

**Neil Dimes** (Senior statutory auditor)
for and on behalf of BDO LLP, Statutory auditor
Bristol
United Kingdom
8 September 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# F&B Profiles Limited

## Statement of Comprehensive Income
## For the Year Ended 31 March 2017

| | Note | 2017 £ | 2016 £ |
|---|---|---|---|
| Turnover | 4 | **34,633,727** | 30,424,970 |
| Cost of sales | | **(25,378,319)** | (21,761,639) |
| **Gross profit** | | **9,255,408** | 8,663,331 |
| Administrative expenses | | **(6,183,384)** | (5,716,610) |
| **Operating profit** | 5 | **3,072,024** | 2,946,721 |
| Interest receivable and similar income | | **19,324** | 20,060 |
| Interest payable and similar charges | 9 | **(51,860)** | (52,375) |
| **Profit before tax** | | **3,039,488** | 2,914,406 |
| Tax on profit | 10 | **(640,809)** | (692,256) |
| **Profit for the year** | | **2,398,679** | 2,222,150 |
| Other comprehensive income | | **-** | - |
| **Total comprehensive income for the year** | | **2,398,679** | 2,222,150 |

The notes on pages 11 to 27 form part of these financial statements.

# F&B Profiles Limited

**Registered number:02185821**

## Statement of Financial Position
**As at 31 March 2017**

| | Note | | 2017 £ | | 2016 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 11 | | **5,309,547** | | 5,564,648 |
| Investments | 12 | | **190,000** | | 190,000 |
| | | | **5,499,547** | | 5,754,648 |
| **Current assets** | | | | | |
| Stocks | 13 | **4,240,403** | | 3,373,719 | |
| Debtors | 14 | **12,547,851** | | 9,157,366 | |
| Cash at bank and in hand | 15 | **2,837,444** | | 2,009,224 | |
| | | **19,625,698** | | 14,540,309 | |
| Creditors: amounts falling due within one year | 16 | **(11,823,323)** | | (8,358,139) | |
| **Net current assets** | | | **7,802,375** | | 6,182,170 |
| **Total assets less current liabilities** | | | **13,301,922** | | 11,936,818 |
| Creditors: amounts falling due after more than one year | 17 | | **(1,214,093)** | | (1,475,968) |
| **Provisions for liabilities** | | | | | |
| Deferred tax | 18 | **(53,304)** | | (66,624) | |
| Other provisions | 19 | **(496,963)** | | (455,343) | |
| | | | **(550,267)** | | (521,967) |
| **Net assets** | | | **11,537,562** | | 9,938,883 |

# F&B Profiles Limited
**Registered number:02185821**

## Statement of Financial Position (continued)
**As at 31 March 2017**

| | Note | 2017 £ | 2016 £ |
|---|---|---|---|
| **Capital and reserves** | | | |
| Called up share capital | 20 | **456** | 456 |
| Revaluation reserve | 21 | **100,919** | 105,450 |
| Capital redemption reserve | 21 | **544** | 544 |
| Profit and loss account | 21 | **11,435,643** | 9,832,433 |
| | | **11,537,562** | 9,938,883 |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 4th September 2017

**R F Avery**
Director
The notes on pages 11 to 27 form part of these financial statements.

# F&B Profiles Limited

## Statement of Changes in Equity
## For the Year Ended 31 March 2017

| | Called up share capital | Capital redemption reserve | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| At 1 April 2016 | 456 | 544 | 105,450 | 9,832,433 | 9,938,883 |
| Profit for the year | - | - | - | 2,398,679 | 2,398,679 |
| Transfer to retained earnings | - | - | - | 4,531 | 4,531 |
| Transfer from revaluation reserve | - | - | (4,531) | - | (4,531) |
| Dividends: Equity capital | - | - | - | (800,000) | (800,000) |
| **At 31 March 2017** | 456 | 544 | 100,919 | 11,435,643 | 11,537,562 |

## Statement of Changes in Equity
## For the Year Ended 31 March 2016

| | Called up share capital | Capital redemption reserve | Revaluation reserve | Profit and loss account | Total equity |
|---|---|---|---|---|---|
| | £ | £ | £ | £ | £ |
| At 1 April 2015 | 456 | 544 | 108,007 | 9,557,726 | 9,666,733 |
| Profit for the year | - | - | - | 2,222,150 | 2,222,150 |
| Transfer to retained earnings | - | - | - | 2,557 | 2,557 |
| Transfer from revaluation reserve | - | - | (2,557) | - | (2,557) |
| Dividends: Equity capital | - | - | - | (1,950,000) | (1,950,000) |
| **At 31 March 2016** | 456 | 544 | 105,450 | 9,832,433 | 9,938,883 |

The notes on pages 11 to 27 form part of these financial statements.

**Notes to the Financial Statements**
**For the Year Ended 31 March 2017**

## 1. General information

F&B Profiles Limited is a private company, limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the information page and the nature of the company's operations and its principal activity is to supply profile, plasma and laser cut steel and stainless plate, engineering steels, cutting tools, fasteners and safety footwear to engineering companies in the United Kingdom. In addition the company produces precision engineered products including ground support equipment for airlines worldwide.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

### 2.2 Turnover

Turnover comprises revenue recognised by the company in respect of of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

Revenue is recognised when goods are despatched.

### 2.3 Financial reporting standard 102 - reduced disclosure exemptions

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

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of F&B Profiles (Holdings) Limited as at 31 March 2016 and these financial statements may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

## 2. Accounting policies (continued)

### 2.4 Tangible fixed assets

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

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following basis:

| | | |
|---|---|---|
| Freehold property | - | 2% straight line |
| Long-term leasehold property | - | over the period of the lease or the useful life |
| Plant and machinery | - | 15% straight line |
| Motor vehicles | - | 25% straight line |
| Fixtures and fittings | - | 15-33% straight line |

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Statement of Comprehensive Income.

### 2.5 Revaluation of tangible fixed assets

As permitted by the transitional provisions of FRS102, the company has elected not to adopt a policy of revaluation of tangible fixed assets. The company will retain the book value of land and buildings, previously revalued at 27 January 2000 and will not update that valuation.

### 2.6 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

### 2.7 Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

## 2. Accounting policies (continued)

### 2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

### 2.9 Debtors

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

### 2.10 Cash and cash equivalents

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

### 2.11 Financial instruments

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

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

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

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

## 2. Accounting policies (continued)

### 2.11 Financial instruments (continued)

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

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

### 2.12 Creditors

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

### 2.13 Foreign currency translation

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'administrative expenses'.

### 2.14 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

## 2. Accounting policies (continued)

### 2.16 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

### 2.17 Pensions

**Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

### 2.18 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

## 2. Accounting policies (continued)

### 2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

## 3. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the director has had to make the following judgments:

- Determine whether leases entered into by the Company's either as a lessor or a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

- Determine whether there are indicators of impairment of the Company's tangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

- Determine whether stock is held at the correct value by ensuring it is stated at the lower of cost or net realisable value, the estimate being the selling price less costs to complete or sell. Stock is assessed for impairment and a potential provision is estimated.

Other key sources of estimation uncertainty

Tangible fixed assets (see note 11)

- Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

## 4. Turnover

Analysis of turnover by country of destination:

| | 2017<br>£ | 2016<br>£ |
|---|---|---|
| United Kingdom | **33,499,294** | 29,835,181 |
| Rest of European Union | **994,468** | 306,652 |
| Rest of the World | **139,965** | 283,137 |
| | **34,633,727** | 30,424,970 |

## 5. Operating profit

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

| | 2017 £ | 2016 £ |
|---|---|---|
| Depreciation of tangible fixed assets: - owned by the company | **564,176** | 549,841 |
| Operating lease rentals - other operating lease rentals | **487,338** | 430,976 |
| Foreign exchange (gain)/loss | **(14,226)** | 12,676 |
| Profit on sale of tangible fixed assets | **(9,477)** | (6,112) |

## 6. Auditor's remuneration

| | 2017 £ | 2016 £ |
|---|---|---|
| The auditing of accounts of associates of the Company pursuant to legislation | **15,990** | 15,500 |
| Auditor's remuneration - non-audit | **3,200** | 3,000 |
| | **19,190** | 18,500 |

## 7. Staff costs

Staff costs, including director's remuneration, were as follows:

| | 2017 £ | 2016 £ |
|---|---|---|
| Wages and salaries | **6,141,739** | 5,974,124 |
| Social security costs | **866,251** | 542,918 |
| Pension costs | **88,341** | 112,263 |
| | **7,096,331** | 6,629,305 |

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

| | 2017 No. | 2016 No. |
|---|---|---|
| Production | **137** | 135 |
| Administration | **104** | 85 |
| | **241** | 220 |

## 8. Director's remuneration

| | 2017 £ | 2016 £ |
|---|---|---|
| Director's emoluments | **141,090** | 135,939 |
| Company contributions to defined contribution pension schemes | **10,497** | 39,996 |

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

## 9. Interest payable and similar charges

| | 2017 £ | 2016 £ |
|---|---|---|
| On bank loans and overdrafts | **28,297** | 29,440 |
| On other loans | **23,563** | 20,911 |
| On finance leases and hire purchase contracts | **-** | 2,024 |
| | **51,860** | 52,375 |

## 10. Taxation on profit on ordinary activities

| | 2017 £ | 2016 £ |
|---|---|---|
| **Corporation tax** | | |
| UK corporation tax charge on profit for the year | **657,522** | 613,854 |
| Adjustments in respect of previous periods | **(3,393)** | 15,092 |
| **Total current tax** | **654,129** | 628,946 |
| Origination and reversal of timing differences | **(14,428)** | 4,396 |
| Adjustments in respect of previous periods | **5,092** | 65,828 |
| Effect of tax rate charge in opening balance | **(3,984)** | (6,914) |
| **Total deferred tax** | **(13,320)** | 63,310 |
| **Taxation on profit on ordinary activities** | **640,809** | 692,256 |

## 10. Taxation on profit on ordinary activities (continued)

### Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 20% (2016 - 20%). The differences are explained below:

| | 2017<br>£ | 2016<br>£ |
|---|---|---|
| Profit on ordinary activities before tax | **3,039,488** | 2,914,406 |
| Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2016 - 20%) | **607,898** | 582,881 |
| **Effects of:** | | |
| Expenses not deductible for tax purposes | **4,996** | 9,208 |
| Fixed asset differences | **27,754** | 26,650 |
| Adjustments to tax charge in respect of prior periods - corporation tax | **(3,393)** | 15,092 |
| Income not taxable for tax purposes | **(100)** | - |
| Adjustments to tax charge in respect of prior periods - deferred tax | **5,092** | 65,828 |
| Adjust closing deferred tax to average rate rate of 20% | **(9,406)** | (7,403) |
| Adjust opening deferred tax to average rate of 20% | **7,968** | - |
| **Total tax charge for the year** | **640,809** | 692,256 |

### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

## 11. Tangible fixed assets

| | Freehold property £ | Long-term leasehold property £ | Plant and machinery and motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|---|---|---|---|
| **Cost or valuation** | | | | | |
| At 1 April 2016 | **4,491,322** | **1,751,757** | **5,775,988** | **591,178** | **12,610,245** |
| Additions | **6,960** | **-** | **294,604** | **12,176** | **313,740** |
| Disposals | **-** | **-** | **(50,037)** | **(1,299)** | **(51,336)** |
| At 31 March 2017 | **4,498,282** | **1,751,757** | **6,020,555** | **602,055** | **12,872,649** |
| **Depreciation** | | | | | |
| At 1 April 2016 | **806,846** | **907,220** | **4,857,892** | **473,639** | **7,045,597** |
| Charge for the period on owned assets | **92,526** | **46,243** | **400,124** | **25,283** | **564,176** |
| Disposals | **-** | **-** | **(45,374)** | **(1,297)** | **(46,671)** |
| At 31 March 2017 | **899,372** | **953,463** | **5,212,642** | **497,625** | **7,563,102** |
| **Net book value** | | | | | |
| At 31 March 2017 | **3,598,910** | **798,294** | **807,913** | **104,430** | **5,309,547** |
| At 31 March 2016 | 3,684,476 | 844,537 | 918,096 | 117,539 | 5,564,648 |

## 11. Tangible fixed assets (continued)

The freehold properties were valued at their open market value, for loan security purposes, in accordance with the Appraisal and Valuation Manual of The Royal Institution of Chartered Surveyors on 27 February 2000 by Osmond Tricks, Consultant Surveyors. This valuation has been incorporated in the financial statements. The director has elected to adopt the transitional rules of FRS102 and retain the freehold land and buildings at its historic valuation and not adopt a policy of revaluations going forward.

If the freehold property had not been included at valuation they would have been included under the historical cost convention as follows:

| | **2017** | 2016 |
|---|---|---|
| | **£** | £ |
| Cost | **4,399,736** | 4,392,776 |
| Accumulated depreciation | **(901,745)** | (813,750) |
| **Net book value** | **3,497,991** | 3,579,026 |

## 12. Fixed asset investments

| | **Investments in subsidiary company** |
|---|---|
| | **£** |
| **Cost** | |
| At 1 April 2016 | **190,000** |
| At 31 March 2017 | **190,000** |
| **Net book value** | |
| At 31 March 2017 | **190,000** |
| At 31 March 2016 | 190,000 |

## 12. Fixed asset investments (continued)

### Subsidiary undertaking

The following was a subsidiary undertaking of the Company:

| Name | Class of shares | Holding | Principal activity |
|---|---|---|---|
| Whites Material Handling Limited | Ordinary | 100 % | Design, manufacture and sale of specialised attachments for the construction and agricultural industries across Europe. |

The aggregate of the share capital and reserves as at 31 March 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

| | Aggregate of share capital and reserves £ | Profit £ |
|---|---|---|
| Whites Material Handling Limited | **2,712,310** | **127,963** |

## 13. Stocks

| | 2017 £ | 2016 £ |
|---|---|---|
| Raw materials | **808,349** | 544,853 |
| Finished goods and goods for resale | **3,432,054** | 2,828,866 |
| | **4,240,403** | 3,373,719 |

## 14. Debtors

| | 2017 £ | 2016 £ |
|---|---|---|
| Trade debtors | **6,855,842** | 5,547,393 |
| Amounts owed by group undertakings | **5,573,354** | 3,459,468 |
| Other debtors | **118,655** | 150,505 |
| | **12,547,851** | 9,157,366 |

## 15. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|---|---|---|
| Cash at bank and in hand | **2,837,444** | 2,009,224 |

## 16. Creditors: amounts falling due within one year

| | 2017 £ | 2016 £ |
|---|---|---|
| Bank loan (secured see note 17) | **260,670** | 255,553 |
| Trade creditors | **5,379,392** | 3,692,944 |
| Amounts owed to group undertakings | **3,310,761** | 1,587,730 |
| Corporation tax | **354,129** | 343,499 |
| Other taxation and social security | **561,414** | 540,440 |
| Other creditors | **718,085** | 782,949 |
| Accruals and deferred income | **1,238,872** | 1,155,024 |
| | **11,823,323** | 8,358,139 |

## 17. Creditors: amounts falling due after more than one year

| | 2017 £ | 2016 £ |
|---|---|---|
| Bank loan (secured) | **1,214,093** | 1,475,968 |

Creditors include amounts not wholly repayable within 5 years as follows:

| | | |
|---|---|---|
| Bank loan repayable by monthly instalments | **138,227** | 486,723 |

The bank loan is secured by a first legal charge over the properties at Southway Drive, Warmley; Dixon Road, Brislington, Bristol and Bath Road, Warmley and by an "all monies" debenture incorporating a fixed and floating charge over the group's assets. In addition, the bank holds a Cross Guarantee between F&B Profiles (Holdings) Limited and its subsidiary undertakings.

## 18. Deferred taxation

| | 2017<br>£ |
|---|---|
| At beginning of year | (66,624) |
| Charged to profit or loss | 13,320 |
| **At end of year** | (53,304) |

The provision for deferred taxation is made up as follows:

| | 2017<br>£ |
|---|---|
| Accelerated capital allowances | (53,304) |
| | (53,304) |

## 19. Other provisions

| | Dilapidations<br>£ |
|---|---|
| At 1 April 2016 | 455,343 |
| Charged in year | 41,620 |
| **At 31 March 2017** | 496,963 |

### Dilapidations

A provision of £496,963 (2016 - £455,343) has been recognised in respect of the costs relating to dilapidations at seven (2016 - six) premises from which the company operates. The company has a contractual obligation to incur these costs as a result of past events by bringing these properties back to their original state of repair on cessation of the lease.

## 20. Share capital

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| **Shares classified as equity** | | |
| **Allotted, called up and fully paid** | | |
| 456 Ordinary Shares shares of £1 each | **456** | 456 |

## 21. Reserves

The Company's reserves are as follows:

**Share Capital**

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

**Revaluation reserve**

The aggregate surplus or deficit arising on revaluation is transferred to the revaluation reserve except where a deficit is deemed to represent a permanent diminution in value, in which case it is charged to the profit and loss account.

**Capital redemption reserve**

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

**Profit and loss account**

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

## 22. Dividends

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Dividends declared and paid on ordinary share capital | **800,000** | 1,950,000 |

## 23. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £88,341 (2016 - £112,263).

## 24. Commitments under operating leases

At 31 March 2017 the Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2017 £ | 2016 £ |
|---|---|---|
| Within 1 year | **496,940** | 432,380 |
| Between 1 and 5 years | **1,726,376** | 1,636,667 |
| After more than 5 years | **750,639** | 1,047,033 |
| **Total** | **2,973,955** | 3,116,080 |

## 25. Related party transactions

The company has taken advantage of the exemption given by section 33.1A of FRS 102 to subsidiary undertakings, 100% of whose voting rights are controlled within the group, by not disclosing information on related party transactions with entities that are part of the group, or investees of the group qualifying as related parties as consolidated accounts, including the company, are publicly available.

During the year the company paid rent of £53,625 (2016 - £53,625) to the wife of R F Avery, the director of the company, and paid rent of £91,875 (2016 - £91,875) to R F Avery and his wife.

At 1 April 2016 a balance of £782,949 (2016 - £361,900) was owed to RF Avery, a director of the company. During the year a further £718,085 (2016 - £782,949) was advanced to the company and repayments of £817,483 (2016 - £379,945) were made of which £34,535 (2016 - £18,045) related to interest accrued. Interest was calculated daily at a rate of 5% per annum; total interest accrued at the year end was £3,798 (2016 - £14,720). At year end amounts of £721,883 (2016 - £797,669), representing both director's loan and accrued interest, were due to RF Avery and are included in Other Creditors and Accruals respectively.

## 26. Ultimate parent undertaking and controlling party

The company is controlled by F & B Profiles (Holdings) Limited. The registered address of the ultimate parent company is Southway Drive, Warmley, Bristol, BS30 5LW.

The parent undertaking of the largest and smallest group for which consolidated accounts are prepared is F&B Profiles (Holdings) Limited and these consolidated accounts can be obtained from Companies House at Crown Way, Maindy, Cardiff CF14 3UZ. In the opinion of the director this is the company's ultimate parent undertaking.

F&B Profiles (Holdings) Limited is controlled by R F Avery.