Registered number: 3443003

SANDHURST AUTOPRINT LIMITED

ANNUAL REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

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SANDHURST AUTOPRINT LIMITED

COMPANY INFORMATION

DIRECTOR	T M Sanders
COMPANY SECRETARY	J A Sanders
REGISTERED NUMBER	3443003
REGISTERED OFFICE	8th Floor South Reading Bridge House George Street Reading Berkshire RG1 8LS
INDEPENDENT AUDITOR	James Cowper Kreston Chartered Accountants and Statutory Auditor Reading Bridge House George Street Reading Berkshire RG1 8LS

SANDHURST AUTOPRINT LIMITED

CONTENTS

	Page
Group strategic report	1
Director's report	2 - 3
Independent auditor's report	3 - 5
Consolidated statement of comprehensive income	6
Consolidated balance sheet	7 - 8
Company balance sheet	9 - 10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13
Notes to the financial statements	14 - 35

SANDHURST AUTOPRINT LIMITED

GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JULY 2016

BUSINESS REVIEW

The results of the period and financial position of the group are as shown in the annexed financial statements.

The development and performance of the group in the financial year and the position of the group at the end of the financial year are considered satisfactory by the director.

PRINCIPAL RISKS AND UNCERTAINTIES

The group uses various financial instruments including cash and items such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations.

The existence of these financial instruments exposes the group to a number of financial risks which are described in more detail below.

The main risks arising from the group's financial statements are liquidity risk and credit risk.

Liquidity risk
The group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

Credit risk
The group's principal financial asset is cash.

FINANCIAL KEY PERFORMANCE INDICATORS

Turnover, margin and net profit are the main measures used to monitor the performance of the group.

OTHER KEY PERFORMANCE INDICATORS

Internally, management use a variety of non-financial key performance indicators including new customer take-ons and product performance indicators. These are monitored and reported monthly.

This report was approved by the board on 8 March 2017 and signed on its behalf.

.....
T M Sanders
Director

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2016

The director presents his report and the financial statements for the year ended 31 July 2016.

PRINCIPAL ACTIVITY

The principal activity of the group during the year was the supply of materials for, and the manufacture of, vehicle registration plates and the leasing of equipment for manufacture thereof.

DIRECTOR

The director who served during the year was:

T M Sanders

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,657,922 (2015 - £1,606,960).

Dividends paid during the year amounted to £870,000 (2015 - £400,000).

DIRECTOR'S RESPONSIBILITIES STATEMENT

The director is responsible for preparing the Group strategic report, the Director's report and the consolidated 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under Company law the director must not approve the financial statements unless he is satisfied that he gives a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group 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 the Group and enable him to ensure that the financial statements comply with the Companies Act 2006. He is also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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 and the Group'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 and the Group's auditor is aware of that information.

DIRECTOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2016

AUDITOR

The auditor, James Cowper Kreston, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 8 March 2017 and signed on its behalf.

.....
T M Sanders
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANDHURST AUTOPRINT LIMITED

We have audited the financial statements of Sandhurst Autoprint Limited for the year ended 31 July 2016, set out on pages 6 to 35. The relevant financial reporting framework that has been applied in their preparation is the Companies Act 2006 and the United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR

As explained more fully in the Director's responsibilities statement on page 2, 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 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 Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

UNQUALIFIED OPINION ON FINANCIAL STATEMENTS

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 July 2016 and of the Group's profit or loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion the information given in the Group strategic report and the Director's report for the financial year for which the financial statements are prepared is consistent with those financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SANDHURST AUTOPRINT LIMITED (CONTINUED)

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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

- adequate accounting records have not been kept by the 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

T. Goodsell

Terry Goodsell FCA (Senior statutory auditor)

for and on behalf of
James Cowper Kreston

Chartered Accountants and Statutory Auditor

Reading Bridge House
George Street
Reading
Berkshire
RG1 8LS
Date: 8 March 2017

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 JULY 2016

	Note	2016 £	As restated 2015 £
Turnover	3	**13,129,997**	12,556,927
Cost of sales		**(7,979,294)**	(7,723,900)
Gross profit		**5,150,703**	4,833,027
Distribution costs		**(1,362,977)**	(1,238,266)
Administrative expenses		**(1,896,274)**	(1,781,741)
Other operating income	4	**198,164**	228,948
Operating profit	5	**2,089,616**	2,041,968
Interest receivable and similar income	8	**333**	436
Interest payable and expenses	9	**(3,054)**	(1,892)
Profit before taxation		**2,086,895**	2,040,512
Tax on profit	10	**(428,973)**	(433,552)
Profit for the year		**1,657,922**	1,606,960
Other comprehensive income for the year		**-**	-
Total comprehensive income for the year		**1,657,922**	1,606,960

The notes on pages 14 to 35 form part of these financial statements.

SANDHURST AUTOPRINT LIMITED
REGISTERED NUMBER: 3443003

CONSOLIDATED BALANCE SHEET
AS AT 31 JULY 2016

	Note	£	2016 £	£	As restated 2015 £
Fixed assets					
Intangible assets	12		**192,419**		240,019
Tangible assets	13		**1,033,754**		976,354
Investment property	15		**350,000**		350,000
			1,576,173		1,566,373
Current assets					
Stocks	16	**1,430,572**		1,284,586	
Debtors	17	**3,204,751**		3,241,158	
Cash at bank and in hand	18	**2,331,037**		1,640,162	
		6,966,360		6,165,906	
Creditors: amounts falling due within one year	19	**(2,440,275)**		(2,429,471)	
Net current assets			**4,526,085**		3,736,435
Total assets less current liabilities			**6,102,258**		5,302,808
Creditors: amounts falling due after more than one year	20		**(44,389)**		(31,282)
Provisions for liabilities					
Deferred taxation	22	**(111,798)**		(114,001)	
Other provisions	23	**(62,983)**		(62,359)	
			(174,781)		(176,360)
Net assets			**5,883,088**		5,095,166

SANDHURST AUTOPRINT LIMITED
REGISTERED NUMBER: 3443003

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2016

	Note	2016 £	As restated 2015 £
Capital and reserves			
Called up share capital	24	**50,000**	50,000
Profit and loss account	25	**5,833,088**	5,045,166
		5,883,088	5,095,166

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

.....
T M Sanders
Director

8 March 2017

The notes on pages 14 to 35 form part of these financial statements.

SANDHURST AUTOPRINT LIMITED
REGISTERED NUMBER: 3443003

COMPANY BALANCE SHEET
AS AT 31 JULY 2016

	Note	£	2016 £	£	As restated 2015 £
Fixed assets					
Tangible assets	13		**796,830**		748,024
Investments	14		**561,238**		561,238
Investment property	15		**350,000**		350,000
			1,708,068		1,659,262
Current assets					
Stocks	16	**925,202**		670,467	
Debtors	17	**2,555,078**		2,892,193	
Cash at bank and in hand	18	**2,062,038**		1,324,743	
		5,542,318		4,887,403	
Creditors: amounts falling due within one year	19	**(1,854,585)**		(1,828,951)	
Net current assets			**3,687,733**		3,058,452
Total assets less current liabilities			**5,395,801**		4,717,714
Creditors: amounts falling due after more than one year	20		**(11,278)**		(14,238)
Provisions for liabilities					
Deferred taxation	22	**(89,783)**		(94,015)	
Other provisions	23	**(62,983)**		(62,359)	
			(152,766)		(156,374)
Net assets			**5,231,757**		4,547,102

SANDHURST AUTOPRINT LIMITED
REGISTERED NUMBER: 3443003

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2016

	Note	31 July 2016 £	As restated 31 July 2015 £
Capital and reserves			
Called up share capital	24	**50,000**	50,000
Profit and loss account	25	**5,181,757**	4,497,102
		5,231,757	4,547,102

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

8 March 2017

.....
T M Sanders
Director

The notes on pages 14 to 35 form part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2015 (as previously stated)	50,000	4,981,228	5,031,228
Prior year adjustment	-	63,938	63,938
At 1 August 2015 (as restated)	50,000	5,045,166	5,095,166
Comprehensive income for the year			
Profit for the year	-	1,657,922	1,657,922
Total comprehensive income for the year	-	1,657,922	1,657,922
Dividends: Equity capital	-	(870,000)	(870,000)
Total transactions with owners	-	(870,000)	(870,000)
At 31 July 2016	50,000	5,833,088	5,883,088

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2014	50,000	3,838,206	3,888,206
Comprehensive income for the year			
Profit for the year	-	1,606,960	1,606,960
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,606,960	1,606,960
Dividends: Equity capital	-	(400,000)	(400,000)
Total transactions with owners	-	(400,000)	(400,000)
At 31 July 2015	50,000	5,045,166	5,095,166

The notes on pages 14 to 35 form part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2016

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2015 (as previously stated)	50,000	4,409,360	4,459,360
Prior year adjustment	-	87,742	87,742
At 1 August 2015 (as restated)	50,000	4,497,102	4,547,102
Comprehensive income for the year			
Profit for the year	-	1,554,655	1,554,655
Total comprehensive income for the year	-	1,554,655	1,554,655
Contributions by and distributions to owners			
Dividends: Equity capital	-	(870,000)	(870,000)
Total transactions with owners	-	(870,000)	(870,000)
At 31 July 2016	50,000	5,181,757	5,231,757

COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JULY 2015

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 August 2014	50,000	3,358,235	3,408,235
Comprehensive income for the year			
Profit for the year	-	1,538,867	1,538,867
Other comprehensive income for the year	-	-	-
Total comprehensive income for the year	-	1,538,867	1,538,867
Contributions by and distributions to owners			
Dividends: Equity capital	-	(400,000)	(400,000)
Total transactions with owners	-	(400,000)	(400,000)
At 31 July 2015	50,000	4,497,102	4,547,102

The notes on pages 14 to 35 form part of these financial statements.

SANDHURST AUTOPRINT LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2016

	2016 £	2015 £
Cash flows from operating activities		
Profit for the financial year	**1,657,922**	1,606,960
Adjustments for:		
Amortisation of intangible assets	**47,600**	47,600
Depreciation of tangible assets	**301,429**	269,761
Profit on disposal of tangible assets	**(34,674)**	(14,086)
Interest payable	**3,054**	1,892
Interest receivable	**(333)**	(436)
Taxation charge	**428,973**	433,552
(Increase) in stocks	**(145,986)**	(167,024)
Decrease/(increase) in debtors	**36,404**	(920,730)
(Decrease)/increase in creditors	**(29,456)**	189,337
Increase in provisions	**624**	617
Corporation tax paid	**(381,380)**	(502,630)
Unrealised surplus on revaluation of investment properties	**-**	(96,027)
Net cash generated from operating activities	**1,884,177**	848,786
Cash flows from investing activities		
Purchase of tangible fixed assets	**(386,727)**	(562,123)
Sale of tangible fixed assets	**62,572**	25,005
Interest received	**333**	436
HP interest paid	**(2,401)**	(1,124)
Net cash from investing activities	**(326,223)**	(537,806)
Cash flows from financing activities		
Repayment of/new finance leases	**3,574**	(28,386)
Dividends paid	**(870,000)**	(400,000)
Interest paid	**(653)**	(768)
Net cash used in financing activities	**(867,079)**	(429,154)
Net increase/(decrease) in cash and cash equivalents	**690,875**	(118,174)
Cash and cash equivalents at beginning of year	**1,640,162**	1,758,336
Cash and cash equivalents at the end of year	**2,331,037**	1,640,162
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	**2,331,037**	1,640,162
	2,331,037	1,640,162

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention 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.

Information on the impact of first-time adoption of FRS 102 is given in note 30.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Basis of consolidation

The consolidated financial statements present the results of the Group and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 August 2014.

1. ACCOUNTING POLICIES (CONTINUED)

1.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

1.4 Intangible assets and amortisation

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Profit and loss account over its useful economic life.

Amortisation is provided on the following bases:

Goodwill	-	Straight line over 10 years

1.5 Tangible fixed assets and depreciation

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

1. ACCOUNTING POLICIES (CONTINUED)

1.5 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following basis:.

Leasehold property	- Straight line over life of the lease
Plant & machinery	- 25% reducing balance
Motor vehicles	- Straight line over 3 years
Fixtures & fittings	- 10% reducing balance
Leasing equipment	- 33% reducing balance

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and loss account.

1.6 Investment property

Investment properties are included in the Balance sheet at their open market value in accordance with FRS 102 and are not depreciated. Changes in fair value are recognised in the Profit and loss account.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment. Where merger relief is applicable, the cost of the investment in a subsidiary undertaking is measured at the nominal value of the shares issued together with the fair value of any additional consideration paid.

1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and loss account.

1.10 Operating leases

Rentals under operating leases are charged to the Profit and loss account 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.

1. ACCOUNTING POLICIES (CONTINUED)

1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Profit and loss account in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet 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 Balance sheet.

1.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Profit and loss account, except that a change 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet 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 balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

2. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the financial statements requires management to make estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following have had the most significant effect on amounts recognised in the financial statements.

Tangible fixed assets
Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the asset and residual values are assessed annually and may vary depending on a number of factors. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

Goodwill
The company establishes a reliable estimate of the useful life of goodwill and intangible assets arising on business combinations. This estimate is based on a variety of factors such as the expected use of the acquired business, the expected usual life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Taxation
The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities. The amount of such provisions is based on various factors, such as experience with previous tax submissions. Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

Bad debt provisions
Provisions are estimated by the company in respect of specific debts based upon the age of the debt and knowledge of known issues.

Stock provisions
Provisions are estimated by the company in respect of specific stock items based upon the age and condition of the items and knowledge of known issues.

3. TURNOVER

All turnover arose within the United Kingdom.

4. OTHER OPERATING INCOME

	2016 £	2015 £
Rent receivable	**198,164**	228,948
	198,164	228,948

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

5. OPERATING PROFIT

The operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	**301,429**	269,762
Amortisation of intangible assets, including goodwill	**47,600**	47,600
Fees payable to the Group's auditor and its associates for the audit of the Company's annual financial statements	**19,250**	19,388

6. EMPLOYEES

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

	2016 £	2015 £
Wages and salaries	**1,512,801**	1,329,962
Social security costs	**146,482**	125,746
Cost of defined contribution scheme	**44,753**	110,720
	1,704,036	1,566,428

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

	2016 No.	2015 No.
Production staff	**16**	13
Distribution staff	**28**	24
Administrative staff	**22**	21
	66	58

7. DIRECTOR'S REMUNERATION

	2016 £	2015 £
Director's emoluments	**8,000**	8,000
Company contributions to defined contribution pension schemes	**-**	40,000
	8,000	48,000

During the year retirement benefits were accruing to 1 director (2015 - 1) in respect of defined contribution pension schemes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

8. INTEREST RECEIVABLE

	2016 £	2015 £
Other interest receivable	333	436
	333	436

9. INTEREST PAYABLE AND SIMILAR CHARGES

	2016 £	2015 £
Other loan interest payable	653	768
Finance leases and hire purchase contracts	2,401	1,124
	3,054	1,892

10. TAXATION

	2016 £	2015 £
CORPORATION TAX		
Current tax on profits for the year	435,424	357,628
Adjustments in respect of previous periods	(4,248)	-
	431,176	357,628
TOTAL CURRENT TAX	431,176	357,628
DEFERRED TAX		
Origination and reversal of timing differences	(368)	67,639
Capital gains	(1,835)	8,285
TOTAL DEFERRED TAX	(2,203)	75,924
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	428,973	433,552

10. TAXATION (CONTINUED)

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is higher than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20.67%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	**2,086,895**	2,040,512
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20.67%)	**417,379**	421,774
EFFECTS OF:		
Expenses not deductible for tax purposes	**16,266**	19,219
Adjustments to tax charge in respect of prior periods	**(4,248)**	-
Short term timing difference leading to an increase (decrease) in taxation	**1,411**	(15,726)
Other timing differences leading to an increase (decrease) in taxation	**(1,835)**	8,285
TOTAL TAX CHARGE FOR THE YEAR	**428,973**	433,552

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges.

11. DIVIDENDS

	2016 £	2015 £
Dividends paid on equity capital	**870,000**	400,000

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

12. INTANGIBLE ASSETS

Group and Company

	Goodwill £
COST	
At 1 August 2015	**476,004**
At 31 July 2016	**476,004**
AMORTISATION	
At 1 August 2015	**235,985**
Charge for the year	**47,600**
At 31 July 2016	**283,585**
NET BOOK VALUE	
At 31 July 2016	**192,419**
At 31 July 2015	240,019

13. TANGIBLE FIXED ASSETS

Group

	Leasehold property	Plant & machinery	Fixtures & Fittings	Other assets	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 August 2015	**40,373**	**1,120,022**	**300,164**	**812,307**	**2,272,866**
Additions	**5,372**	**272,325**	**8,614**	**100,416**	**386,727**
Disposals	**-**	**-**	**-**	**(146,625)**	**(146,625)**
At 31 July 2016	**45,745**	**1,392,347**	**308,778**	**766,098**	**2,512,968**
DEPRECIATION					
At 1 August 2015	**27,949**	**650,989**	**79,600**	**537,974**	**1,296,512**
Charge on owned assets	**4,179**	**142,961**	**22,456**	**103,526**	**273,122**
Charge on financed assets	**-**	**18,174**	**-**	**10,133**	**28,307**
Disposals	**-**	**-**	**-**	**(118,727)**	**(118,727)**
At 31 July 2016	**32,128**	**812,124**	**102,056**	**532,906**	**1,479,214**
NET BOOK VALUE					
At 31 July 2016	**13,617**	**580,223**	**206,722**	**233,192**	**1,033,754**
At 31 July 2015	12,424	469,033	220,564	274,333	976,354

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016	2015
	£	£
Plant and machinery	**99,778**	75,116
	99,778	75,116

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

Company

	Leasehold property	Plant and machinery	Fixtures and fittings	Other assets	Total
	£	£	£	£	£
COST OR VALUATION					
At 1 August 2015	**40,373**	**777,447**	**298,210**	**717,358**	**1,833,388**
Additions	**5,372**	**179,282**	**6,526**	**84,616**	**275,796**
Disposals	**-**	**-**	**-**	**(113,025)**	**(113,025)**
At 31 July 2016	**45,745**	**956,729**	**304,736**	**688,949**	**1,996,159**
DEPRECIATION					
At 1 August 2015	**27,949**	**479,007**	**79,030**	**499,377**	**1,085,363**
Charge on owned assets	**4,179**	**106,644**	**22,231**	**86,017**	**219,071**
Disposals	**-**	**-**	**-**	**(105,105)**	**(105,105)**
At 31 July 2016	**32,128**	**585,651**	**101,261**	**480,289**	**1,199,329**
At 31 July 2016	**13,617**	**371,078**	**203,475**	**208,660**	**796,830**
At 31 July 2015	12,424	298,440	219,180	217,980	748,024

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016	2015
	£	£
Plant and machinery	**-**	9,031
	-	9,031

14. FIXED ASSET INVESTMENTS

SUBSIDIARY UNDERTAKINGS

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Freight Products UK Ltd	England	Ordinary	100 %	Manufacturing and distribution
Europlate Ltd	England	Ordinary	100 %	Dormant
Onus Technologies Ltd	England	Ordinary	100 %	Dormant

The aggregate of the share capital and reserves as at 31 July 2016 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/(loss)
	£	£
Freight Products UK Ltd	**1,020,050**	**150,867**
	1,020,050	**150,867**

Company

	Investments
	£
COST OR VALUATION	
At 1 August 2015	**561,238**
At 31 July 2016	**561,238**
NET BOOK VALUE	
At 31 July 2016	**561,238**
At 31 July 2015	561,238

15. INVESTMENT PROPERTY

Group and Company

	Freehold investment property
	£
VALUATION	
At 1 August 2015	**350,000**
AT 31 JULY 2016	**350,000**
Comprising	
Cost	**253,973**
Annual revaluation surplus/(deficit):	
2015	**96,027**
At 31 July 2016	**350,000**

The 2016 valuations were made by the directors, on an open market value for existing use basis.

16. STOCKS

	Group 2016	Group 2015	**Company 2016**	Company 2015
	£	£	**£**	£
Raw materials and consumables	**1,430,572**	1,284,586	**925,202**	670,467
	1,430,572	1,284,586	**925,202**	670,467

The difference between purchase price or production cost of stocks and their replacement cost is not material.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2016

17. DEBTORS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
DUE AFTER MORE THAN ONE YEAR				
Other loans	**801,082**	717,121	**801,082**	717,121
	801,082	717,121	**801,082**	717,121
DUE WITHIN ONE YEAR				
Trade debtors	**2,265,849**	2,409,639	**1,628,223**	1,806,281
Amounts owed by group undertakings	**-**	-	**40,000**	279,929
Other debtors	**29,548**	27,409	**27,628**	25,660
Prepayments and accrued income	**108,272**	86,989	**58,145**	63,202
	3,204,751	3,241,158	**2,555,078**	2,892,193

18. CASH AND CASH EQUIVALENTS

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Cash at bank and in hand	**2,331,037**	1,640,162	**2,062,038**	1,324,743
	2,331,037	1,640,162	**2,062,038**	1,324,743

19. CREDITORS: Amounts falling due within one year

	Group 2016 £	Group 2015 £	Company 2016 £	Company 2015 £
Trade creditors	**1,510,283**	1,613,424	**1,194,787**	1,142,963
Amounts owed to group undertakings	**-**	-	**100**	100
Corporation tax	**242,424**	192,630	**204,306**	178,781
Taxation and social security	**353,356**	286,211	**265,069**	251,987
Obligations under finance lease and hire purchase contracts	**24,707**	37,200	**-**	11,840
Other creditors	**77,286**	37,857	**9,236**	3,013
Accruals and deferred income	**232,219**	262,149	**181,087**	240,267
	2,440,275	2,429,471	**1,854,585**	1,828,951

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

20. CREDITORS: Amounts falling due after more than one year

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Net obligations under finance leases and hire purchase contracts	**33,111**	17,044	**-**	-
Accruals and deferred income	**11,278**	14,238	**11,278**	14,238
	44,389	31,282	**11,278**	14,238

21. HIRE PURCHASE AND FINANCE LEASES

Minimum lease payments under hire purchase fall due as follows:

	Group 2016 £	Group 2015 £	**Company 2016 £**	Company 2015 £
Within one year	**24,707**	37,200	**-**	11,840
Between 1-2 years	**25,788**	17,044	**-**	-
Between 2-5 years	**7,323**	-	**-**	-
	57,818	54,244	**-**	11,840

22. DEFERRED TAXATION

Group

	2016 £
At beginning of year	(114,001)
Charged to the profit or loss	2,203
AT END OF YEAR	(111,798)

Company

	2016 £
At beginning of year	(94,015)
Charged to the profit or loss	4,232
AT END OF YEAR	(89,783)

The provision for deferred taxation is made up as follows:

	Group 2016 £	Company 2016 £
Accelerated capital allowances	(105,348)	(83,333)
Capital gains	(6,450)	(6,450)
	(111,798)	(89,783)

23 PROVISIONS

Group

	Dilapidation provision £
At 1 August 2015	62,359
Charged to the profit or loss	624
AT 31 JULY 2016	62,983

The company had a bought forward provision in respect of dilapidations. A 1% inflationary increase has been made on the provision during the year.

Company

	Dilapidation provision	Total
	£	£
At 1 August 2015	**62,359**	**62,359**
Charged to the profit or loss	**624**	**624**
AT 31 JULY 2016	**62,983**	**62,983**

The company had a bought forward provision in respect of dilapidations. A 1% inflationary increase has been made on the provision during the year.

24. SHARE CAPITAL

	2016	2015
	£	£
Shares classified as equity		
Allotted, called up and fully paid		
50,000 Ordinary shares of £1 each	**50,000**	50,000

25. RESERVES

Profit and loss account

Includes all current and prior year retained profits and losses.

26. PRIOR YEAR ADJUSTMENT

The prior year adjustment has arisen following adoption of FRS 102. Further details on the effects of this is detailed in note 30.

27. PENSION COMMITMENTS

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £43,420 (2015: £101,720).

28. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2016 the Group and the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2016	Group 2015	Company 2016	Company 2015
	£	£	£	£
Not later than 1 year	**159,500**	159,500	**115,500**	115,500
Later than 1 year and not later than 5 years	**80,208**	239,708	**28,875**	144,375
	239,708	399,208	**144,375**	259,875

29. RELATED PARTY TRANSACTIONS

The company was under the control of T M Sanders throughout the current and previous year. T M Sanders is the sole director and majority shareholder. During the year T M Sanders received dividends of £443,700 (2015 £204,000).

Jondo UK Limited is a company in which the director, T M Sanders, owns 50% of the share capital. At the year end £801,082 (2015: £717,121) was owed by Jondo UK Limited.

Hambridge Limited is owned by close family members of T M Sanders. During the year the company was invoiced £151,928 (2015: £219,231) by Hambridge Limited for rent and repairs to leasehold properties on normal commercial terms. At the year end £14,602 (2015: £23,413) was owed to Hambridge Limited.

30. FIRST TIME ADOPTION OF FRS 102

The Group and Company transitioned to FRS 102 from previously extant UK GAAP as at 1 August 2014. The impact of the transition to FRS 102 is as follows:

Group

	Note	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	**FRS 102 (as restated) 1 August 2014 £**	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	**FRS 102 (as restated) 31 July 2015 £**
Fixed assets	1	1,236,503	-	**1,236,503**	1,590,177	(23,804)	**1,566,373**
Current assets		5,196,326	-	**5,196,326**	6,165,907	-	**6,165,907**
Creditors: amounts falling due within one year		(2,402,414)	-	**(2,402,414)**	(2,429,469)	-	**(2,429,469)**
NET CURRENT ASSETS		2,793,912	-	**2,793,912**	3,736,438	-	**3,736,438**
TOTAL ASSETS LESS CURRENT LIABILITIES		4,030,415	-	**4,030,415**	5,326,615	(23,804)	**5,302,811**
Creditors: amounts falling due after more than one year		(42,390)	-	**(42,390)**	(31,282)	-	**(31,282)**
Provisions for liabilities	2	(99,819)	-	**(99,819)**	(168,075)	(8,285)	**(176,360)**
NET ASSETS		3,888,206	-	**3,888,206**	5,127,258	(32,089)	**5,095,169**
Capital and reserves		3,888,206	-	**3,888,206**	5,103,454	(8,285)	**5,095,169**

30. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

	Note	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	**FRS 102 (as restated) 31 July 2015 £**
Turnover		12,556,927	-	**12,556,927**
Cost of sales		(7,723,900)	-	**(7,723,900)**
		4,833,027	-	**4,833,027**
Distribution expenses		(1,238,266)	-	**(1,238,266)**
Administrative expenses	1	(1,853,964)	72,223	**(1,781,741)**
Other operating income		228,948	-	**228,948**
OPERATING PROFIT		1,969,745	72,223	**2,041,968**
Interest receivable and similar income		436	-	**436**
Interest payable and similar charges		(1,892)	-	**(1,892)**
Taxation	2	(425,267)	(8,285)	**(433,552)**
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		1,543,022	63,938	**1,606,960**

Explanation of changes to previously reported profit and equity:

1 Under FRS 102 gains/losses on investment property revaluations are charged to the profit and loss account. Under previous accounting framework gains/losses on investment property revaluations were charged to the revaluation reserve. This has resulted in a prior year adjustment amounting to £96,027 credit to the profit and loss account.

Under FRS 102 goodwill on consolidation is now being amortised over 10 years. Under previous accounting framework goodwill on consolidation was amortised over 20 years. This has resulted in a prior year adjustment amounting to £23,804 charge to the profit and loss account.

The effect of these two adjustments has resulted in a net credit to the profit and loss account of £72,223 in the prior year.

2 As required by FRS 102, deferred tax has been provided on the revaluation of investment properties. This has resulted in a prior year adjustment amounting to £8,285.

30. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

Company

	Note	As previously stated 1 August 2014 £	Effect of transition 1 August 2014 £	**FRS 102 (as restated) 1 August 2014 £**	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	**FRS 102 (as restated) 31 July 2015 £**
Fixed assets		1,374,132	-	**1,374,132**	1,659,262	-	**1,659,262**
Current assets		4,069,709	-	**4,069,709**	4,887,403	-	**4,887,403**
Creditors: amounts falling due within one year		(1,914,687)	-	**(1,914,687)**	(1,828,951)	-	**(1,828,951)**
NET CURRENT ASSETS		2,155,022	-	**2,155,022**	3,058,452	-	**3,058,452**
TOTAL ASSETS LESS CURRENT LIABILITIES		3,529,154	-	**3,529,154**	4,717,714	-	**4,717,714**
Creditors: amounts falling due after more than one year		(24,985)	-	**(24,985)**	(14,238)	-	**(14,238)**
Provisions for liabilities	2	(95,934)	-	**(95,934)**	(148,089)	(8,285)	**(156,374)**
NET ASSETS		3,408,235	-	**3,408,235**	4,555,387	(8,285)	**4,547,102**
Capital and reserves		3,408,235	-	**3,408,235**	4,555,387	(8,285)	**4,547,102**

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2016

30. FIRST TIME ADOPTION OF FRS 102 (CONTINUED)

	Note	As previously stated 31 July 2015 £	Effect of transition 31 July 2015 £	**FRS 102 (as restated) 31 July 2015 £**
Turnover		9,696,808	-	**9,696,808**
Cost of sales		(6,218,558)	-	**(6,218,558)**
		3,478,250	-	**3,478,250**
Distribution expenses		(451,927)	-	**(451,927)**
Administrative expenses	1	(1,380,495)	96,027	**(1,284,468)**
Other operating income		200,948	-	**200,948**
OPERATING PROFIT		1,846,776	96,027	**1,942,803**
Interest receivable and similar income		436	-	**436**
Interest payable and similar charges		(768)	-	**(768)**
Taxation	2	(395,319)	(8,285)	**(403,604)**
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND FOR THE FINANCIAL YEAR		1,451,125	87,742	**1,538,867**

Explanation of changes to previously reported profit and equity:

1 Under FRS 102 gains/losses on investment property revaluations are charged to the profit and loss account. Under previous accounting framework gains/losses on investment property revaluations were charged to the revaluation reserve. This has resulted in a prior year adjustment amounting to £96,027.

2 As required by FRS 102, deferred tax has been provided on the revaluation of investment properties. This has resulted in a prior year adjustment amounting to £8,285.