

Company Registration No. 08796521 (England and Wales)

LSDM LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016



LSDM LIMITED

COMPANY INFORMATION

Directors	Mr A Urban Mr A L Urban
Company number	08796521
Registered office	Unit 24 Fourth Way Wembley London HA9 0LH
Auditor	Blinkhorns 27 Mortimer Street London W1T 3BL

LSDM LIMITED

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LSDM LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors' present their strategic report and financial statements for the year ended 31 December 2016.

Fair review of the business

LSDM Limited trading as Leyland SDM is a Specialist Decorator's Merchants who serve both the professional tradesman and the general public.

The Company's third period of trading saw an increase in turnover of 4.3% to a total of £45.3M with profits before tax at just under £7m. Profits in the year were lower than the previous year due to significant investment in the infrastructure of the business, namely the opening of two stores and the costs involved in moving the warehousing and office facility to Wembley.

By the end of 2016, LSDM operated 19 stores across central London, compared with 17 in December 2015. The company has secured new premises in two further locations in London. One of these stores is now open and the second should be open by August. The Company hopes to open further stores this year.

The company's principal economic risk remains that of the general volatility facing the economy as the company operates within a sector that is susceptible to downturns in the general economic environment. However, the company feels it is in a good position to fulfil its ambitions of growth through both the opening of new stores and its continued drive to be innovative within the industry irrespective of those uncertainties.

By the end of the calendar year, the company is hoping to have put in place a new finance and stock management system.

Considering the various difficulties and challenges this year of transferring the warehousing facilities and the considerable time and expense spent preparing for the introduction of our new financial management systems, the directors are pleased with the period's performance and are confident the company will enjoy continued growth.

On behalf of the board



Mr A Urban
Director
28 April 2017

LSDM LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their annual report and financial statements for the Year ended 31 December 2016.

Principal activities

The principal activity of the company continued to be that of a specialist decorators merchants who serve both the professional tradesman and the general public.

Directors

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

Mr A Urban
Mr A L Urban

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 final dividend.

Auditor

The auditor, Blinkhorns, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of disclosure to auditor

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

On behalf of the board



Mr A Urban
Director
28 April 2017

LSDM LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2016

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

LSDM LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LSDM LIMITED

We have audited the financial statements of LSDM Limited for the Year ended 31 December 2016 set out on pages 6 to 24. 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), including FRS 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 Directors' Responsibilities Statement set out on page 3, the directors are 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 Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

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 December 2016 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 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.

LSDM LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF LSDM LIMITED

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

David Cramer FCA (Senior Statutory Auditor)
for and on behalf of Blinkhorns

28 April 2017

Chartered Accountants
Statutory Auditor

27 Mortimer Street
London
W1T 3BL

LSDM LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2016

		Year ended 31 December 2016 £	Year ended 31 December 2015 £
	Notes		
Turnover	2	45,388,915	43,513,556
Cost of sales		(23,699,013)	(23,000,603)
Gross profit		21,689,902	20,512,953
Administrative expenses		(15,491,123)	(11,749,841)
Other operating income		361,284	186,566
Operating profit	3	6,560,063	8,949,678
Interest receivable and similar income	7	36,392	10,852
Interest payable and similar expenses	8	(206,282)	-
Fair value gains and losses on investment properties		371,389	638,067
Profit before taxation		6,761,562	9,598,597
Taxation	9	(1,877,844)	(2,860,010)
Profit for the financial Year		4,883,718	6,738,587

The profit and loss account has been prepared on the basis that all operations are continuing operations.

LSDM LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Year ended 31 December 2016 £	Year ended 31 December 2015 £
Profit for the Year	4,883,718	6,738,587
Other comprehensive income		
Revaluation of tangible fixed assets	919,041	3,329,647
Total comprehensive income for the Year	<u>5,802,759</u>	<u>10,068,234</u>

LSDM LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	10	19,400,750		20,493,750	
Tangible assets	11	21,155,467		19,618,440	
Investment properties	12	5,210,000		7,860,768	
		<u>45,766,217</u>		<u>47,972,958</u>	
Current assets					
Stocks	14	5,297,183		4,503,956	
Debtors	15	2,334,839		1,495,785	
Cash at bank and in hand		5,806,634		7,931,662	
		<u>13,438,656</u>		<u>13,931,403</u>	
Creditors: amounts falling due within one year	16	<u>(33,017,022)</u>		<u>(49,032,669)</u>	
Net current liabilities		<u>(19,578,366)</u>		<u>(35,101,266)</u>	
Total assets less current liabilities		<u>26,187,851</u>		<u>12,871,692</u>	
Creditors: amounts falling due after more than one year	17	(7,266,306)		-	
Provisions for liabilities	19	(1,051,629)		(804,535)	
Net assets		<u>17,869,916</u>		<u>12,067,157</u>	
Capital and reserves					
Called up share capital	21	1,000		1,000	
Revaluation reserve		4,248,688		3,329,647	
Profit and loss reserves		13,620,228		8,736,510	
Total equity		<u>17,869,916</u>		<u>12,067,157</u>	

The financial statements were approved by the board of directors and authorised for issue on 28 April 2017 and are signed on its behalf by:



Mr A Urban
Director

Company Registration No. 08796521

LSDM LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2015		1,000	-	1,997,923	1,998,923
Year ended 31 December 2015:					
Profit for the year		-	-	6,738,587	6,738,587
Other comprehensive income:					
Revaluation of tangible fixed assets		-	3,329,647	-	3,329,647
Total comprehensive income for the year		-	3,329,647	6,738,587	10,068,234
Balance at 31 December 2015		1,000	3,329,647	8,736,510	12,067,157
Period ended 31 December 2016:					
Profit for the period		-	-	4,883,718	4,883,718
Other comprehensive income:					
Revaluation of tangible fixed assets		-	919,041	-	919,041
Total comprehensive income for the period		-	919,041	4,883,718	5,802,759
Balance at 31 December 2016		1,000	4,248,688	13,620,228	17,869,916

LSDM LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	25	(10,050,002)		3,797,501	
Interest paid		(206,282)		-	
Income taxes paid		(1,877,882)		(1,619,866)	
Net cash (outflow)/inflow from operating activities		(12,134,166)		2,177,635	
Investing activities					
Purchase of tangible fixed assets		(760,226)	(6,965,517)		
Proceeds on disposal of tangible fixed assets		(222,157)	-		
Purchase of investment property		-	(480)		
Proceeds on disposal of investment property		3,022,157	-		
Interest received		36,392	10,852		
Net cash generated from/(used in) investing activities		2,076,166		(6,955,145)	
Financing activities					
Proceeds of new bank loans		7,932,972	-		
Net cash generated from/(used in) financing activities		7,932,972		-	
Net decrease in cash and cash equivalents		(2,125,028)		(4,777,510)	
Cash and cash equivalents at beginning of Year		7,931,662		12,709,172	
Cash and cash equivalents at end of Year		<u>5,806,634</u>		<u>7,931,662</u>	

LSDM LIMITED

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

1 Accounting policies

Company information

LSDM Limited is a company limited by shares, domiciled and incorporated in England and Wales. The business and registered office address is Unit 24, Fourth Way, Wembley, London, HA9 0LH.

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 £.

1.2 Going concern

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

1.3 Turnover

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

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

The goodwill has been deemed to have a useful economic life of 20 years. This is based on a reliable estimate from evidence obtained by the entity.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.5 Tangible fixed assets

With the exception of freehold property, property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment losses. Freehold property is stated in the balance sheet at revalued amounts, being the fair value on the date of revaluation less any subsequent depreciation and impairment losses. Revaluations are performed with sufficient regularity such that the carrying amount does not differ materially from that which could be determined using fair values at the reporting end date.

If an asset's carrying amount is increased as a result of a revaluation, the increase shall be recognised in other comprehensive income and accumulated in equity. However, the increase shall be recognised in profit and loss to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss. The decrease of an asset's carrying amount as a result of revaluation shall be recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity, in respect of that asset. If a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

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

Land and buildings Freehold	No charge
Land and buildings long leasehold	Straight line over the length of the lease
Land and buildings short leasehold	Straight line over the length of the lease
Fixtures, fittings & equipment	10%/25% Straight line
Plant and machinery	10%/25% Straight line
Motor vehicles	25% Straight line

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

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

Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

1.7 Impairment of fixed assets

At each reporting period end date, the company 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.

1.8 Stocks

Stock has been valued at the lower of cost and estimated selling price less costs to 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.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 Financial assets

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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. 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.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.11 Financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

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

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

Deferred tax

Deferred tax 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 when the company has 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 Retirement benefits

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

1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions.

1.16 Income recognition

Income is recognised when goods have been delivered to customers such that risks and rewards of ownership have transferred to them.

2 Turnover and other revenue

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

	2016 £	2015 £
Turnover		
Sale of goods	45,388,915	43,513,556
	<u> </u>	<u> </u>
Other significant revenue		
Interest income	36,392	10,852
Rental income arising from investment properties	365,645	186,566
	<u> </u>	<u> </u>

Turnover analysed by geographical market

	2016 £	2015 £
United Kingdom	45,388,915	43,513,556
	<u> </u>	<u> </u>

3 Operating profit

2016
£

2015
£

Operating profit for the period is stated after charging/(crediting):

Exchange losses/(gains)	(39)	2,386
Depreciation of owned tangible fixed assets	142,240	127,999
Loss on disposal of tangible fixed assets	222,157	-
Amortisation of intangible assets	1,093,000	1,093,000
Cost of stocks recognised as an expense	23,699,013	23,000,603
	<u> </u>	<u> </u>

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

4 Auditor's remuneration

	2016 £	2015 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the company's financial statements	70,000	45,000
For other services		
Taxation compliance services	15,000	5,000
All other non-audit services	20,000	-
	35,000	5,000

5 Employees

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

	2016 Number	2015 Number
Management and administration	18	19
Sales	234	181
Directors	2	2
	254	202

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	7,397,098	6,057,437
Social security costs	739,387	584,712
Pension costs	34,922	28,423
	8,171,407	6,670,572

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	667,984	303,783

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

Remuneration for qualifying services	505,116	153,328
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7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	36,392	10,852

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	36,392	10,852
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8 Interest payable and similar expenses

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	206,282	-

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	1,671,898	2,061,140
Deferred tax		
Origination and reversal of timing differences	205,946	798,870
Total tax charge	1,877,844	2,860,010

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Taxation

(Continued)

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

	2016 £	2015 £
Profit before taxation	6,761,562	9,598,597
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%)	1,352,312	1,943,716
Tax effect of expenses that are not deductible in determining taxable profit	445,336	260,450
Gains not taxable	(74,278)	(129,209)
Permanent capital allowances in excess of depreciation	154,474	785,053
Taxation for the period	1,877,844	2,860,010

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2016 and 31 December 2016	21,860,000
Amortisation and impairment	
At 1 January 2016	1,366,250
Amortisation charged for the Year	1,093,000
At 31 December 2016	2,459,250
Carrying amount	
At 31 December 2016	19,400,750
At 31 December 2015	20,493,750

The intangible asset has a remaining amortisation period of 16 years and 9 months.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Tangible fixed assets

	Land and buildings Freehold	Land and buildings long leasehold	Land and buildings short leasehold	Plant and machinery	Fixtures, Motor vehicles fittings & equipment	Total
	£	£	£	£	£	£
Cost						
At 1 January 2016	16,138,439	1,825,917	1,682,192	38,242	32,614	19,776,814
Additions	202,520	-	300,000	197,058	47,403	760,226
Revaluation	919,041	-	-	-	-	919,041
At 31 December 2016	17,260,000	1,825,917	1,982,192	235,300	80,017	21,456,081
Depreciation and impairment						
At 1 January 2016	-	18,259	89,382	8,338	19,259	158,374
Depreciation charged in the Year	-	14,607	78,390	15,022	16,527	142,240
At 31 December 2016	-	32,866	167,772	23,360	35,786	300,614
Carrying amount						
At 31 December 2016	17,260,000	1,793,051	1,814,420	211,940	44,231	21,155,467
At 31 December 2015	16,138,439	1,807,658	1,592,810	29,904	13,355	19,618,440

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

12 Investment property

	2016 £
Fair value	
At 1 January 2016	7,860,768
Disposals	(3,022,157)
Net gains or losses through fair value adjustments	371,389
At 31 December 2016	<u>5,210,000</u>

13 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	<u>1,741,075</u>	<u>955,202</u>
Carrying amount of financial liabilities		
Measured at amortised cost	<u>38,670,567</u>	<u>47,027,531</u>

14 Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>5,297,183</u>	<u>4,503,956</u>

15 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,378,448	725,814
Other debtors	362,627	229,388
Prepayments and accrued income	543,032	530,999
	<u>2,284,107</u>	<u>1,486,201</u>
Amounts falling due after more than one year:		
Deferred tax asset (note 20)	<u>50,732</u>	<u>9,584</u>
Total debtors	<u>2,334,839</u>	<u>1,495,785</u>

Trade debtors disclosed above are measured at amortised cost.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

16 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	666,666	-
Trade creditors		2,342,396	5,128,967
Corporation tax		845,156	1,051,140
Other taxation and social security		767,605	953,998
Other creditors		27,466,559	41,548,269
Accruals and deferred income		928,640	350,295
		<u>33,017,022</u>	<u>49,032,669</u>

17 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	18	<u>7,266,306</u>	<u>-</u>

18 Loans and overdrafts

	2016 £	2015 £
Bank loans	<u>7,932,972</u>	<u>-</u>
Payable within one year	666,666	-
Payable after one year	<u>7,266,306</u>	<u>-</u>

19 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	20	<u>1,051,629</u>	<u>804,535</u>
		<u>1,051,629</u>	<u>804,535</u>

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

20 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £	Assets 2016 £	Assets 2015 £
Balances:				
Accelerated capital allowances	-	-	50,732	9,584
Freehold property	849,739	676,826	-	-
Investment property	201,890	127,709	-	-
	<u>1,051,629</u>	<u>804,535</u>	<u>50,732</u>	<u>9,584</u>
Movements in the Year:				2016 £
Liability at 1 January 2016				794,951
Charge to profit or loss				205,946
Liability at 31 December 2016				<u>1,000,897</u>

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

Accelerated capital allowances represent the timing differences between the recognition of the tax allowances received that is in excess of depreciation.

Revaluations on freehold and investment property represent the timing differences between the base cost of the asset and its carrying value in the financial statements.

21 Share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
100,000 ordinary shares of 1p each	<u>1,000</u>	<u>1,000</u>

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

22 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	34,922	28,423

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit or loss in respect of defined contribution schemes was £34,922 (2015 - £28,423).

23 Operating lease commitments

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

	2016 £	2015 £
Within one year	1,173,300	1,089,740
Between two and five years	4,612,400	3,102,900
In over five years	4,726,773	5,109,363
	10,512,473	9,302,003

24 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

On 9 December 2016 the company transferred investment properties at their market value to Ms R Urban a shareholder of the company.

LSDM LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

25 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	4,883,718	6,738,587
Adjustments for:		
Taxation charged	1,877,844	2,860,010
Finance costs	206,282	-
Investment income	(36,392)	(10,852)
Loss on disposal of tangible fixed assets	222,157	-
Fair value gains and losses on foreign exchange contracts and investment properties	(371,389)	(638,067)
Amortisation and impairment of intangible assets	1,093,000	1,093,000
Depreciation and impairment of tangible fixed assets	142,240	127,999
Movements in working capital:		
(Increase)/decrease in stocks	(793,227)	272,025
(Increase) in debtors	(797,906)	(296,585)
(Decrease) in creditors	(16,476,329)	(6,348,616)
Cash (absorbed by)/generated from operations	(10,050,002)	3,797,501