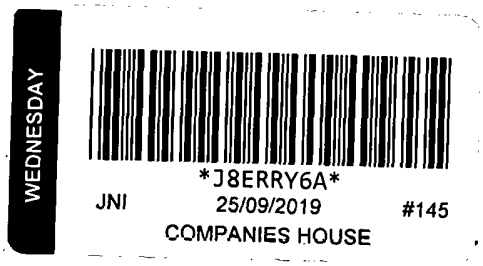
SHS Sales & Marketing (GB) Limited

Report and Financial Statements

For the period from 30 December 2017 to 28 December 2018





Directors
B Salters
J Sloan
E Birchall
A Richmond

Secretary
A Richmond

Auditors
Ernst & Young LLP
Bedford House
16 Bedford Street
Belfast BT2 7DT

Bankers
Danske Bank
Donegall Square West
Belfast BT1 6SJ

Solicitors
Carson McDowell
Murray House
4 Murray Street
Belfast BT1 6DN

Registered Office
SHS House
199 Airport Road West
Belfast
Co Antrim BT3 9ED

Strategic Report

The directors present their strategic report for the period from 30 December 2017 to 28 December 2018.

Principal activities and review of the business

The company's principal activities are the marketing of branded food products and the marketing and distribution of drinks, grocery, household and healthcare products.

There were no significant changes in the activities of the company during the period. The directors consider that in light of prevailing economic and market conditions, both the results for the period and the prospects for the future are satisfactory.

The company strategy for the coming year is to increase shareholder value through enhancing market share and developing the company's customer base further.

Key performance indicators

The key performance indicator for the company is the gross margin. The gross margin for the period was 4.95% (period ended 29 December 2017 – 5.02%). Other key performance indicators are noted below:

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Turnover	245,993,478	282,482,046
Profit after tax	834,113	2,152,060
Shareholder funds	16,752,948	15,918,835
Average employees during the period (No.)	100	132
Current assets vs current liabilities (quick ratio)	1.25	1.17

Principal risks and uncertainties

The company uses various financial instruments including cash, bank overdrafts, and various 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 company's operations.

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

The main risks arising from the company's financial instruments are interest rate risk, currency risk, credit risk, liquidity risk, price and market risk and Brexit risk.

The directors review and agree policies for managing each of these risks, and they are summarised below. These policies have remained unchanged from previous periods.

Interest rate risk

The company finances its operations through a mixture of retained profits and bank borrowings. The company's exposure to interest rate fluctuations on its borrowings is managed through annual review of its borrowing requirements.

Currency risk

The company is exposed to translation and transaction foreign exchange risk. In relation to this risk, the company principally uses group level foreign currency contracts with financial institutions in order to hedge against adverse movements in exchange rates.

Strategic Report (continued)

Principal risks and uncertainties (continued)

Credit risk

The company's principal financial assets are cash and debtors. The credit risk associated with cash is limited. The principal credit risk arises therefore from debtors.

In order to manage credit risk the directors assess potential customers based on a mixture of past history, credit references and industry knowledge. Amounts owed are reviewed and followed up on a regular basis.

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs. Short term flexibility is achieved by holding cash balances and overdraft facilities.

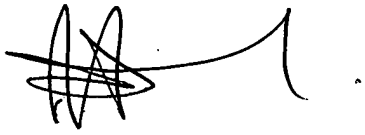
Price and market risk

As the company does not normally make investments, price risk is considered inconsequential.

Brexit risk

The current Brexit position remains uncertain. A planning exercise was carried out ahead of the 29 March 2019 deadline to identify areas which would impact the company. Where possible, we have taken steps to address any such areas by identifying and implementing solutions as applicable. Our plans are still active as the Brexit situation unfolds.

Approved by the Board on 31 May 2019 and signed on its behalf by:



A Richmond
Secretary

Date: 31 May 2019

Registered No. NI016607

Directors' Report

The directors present their report for the period from 30 December 2017 to 28 December 2018.

Results and dividends

The profit for the period after taxation amounted to £834,113 (period ended 29 December 2017 – profit of £2,152,060). The directors paid a final dividend of £nil (period ended 29 December 2017 – £1,000,000).

Future developments

The directors are committed to long-term creation of shareholder value. 2018 has been a challenging period in a competitive sector, the directors are continuing to focus on driving the business forward and are committed to seeking new business opportunities and continue to implement the growth strategy for the business. While the incoming year is likely to continue to be very challenging, early results indicate we are in line to achieve our expectations for the year.

Directors

The directors who served the company during the period were as follows:

B Salters
J Sloan
E Birchall
A Richmond

Employee involvement

The company's policy is to consult and discuss with employees, as appropriate, matters likely to affect employees' interests. Information of matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

Disabled employees

The company's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training is given. Once employed, a career plan is developed so as to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Health and safety

The company is committed to safeguarding the health, safety and welfare of its employees and providing and by maintaining safe working conditions as far as reasonably practical.

Disclosure of information to the 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, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Directors' Report (continued)

Auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



E Birchall
Director

Date: 31 May 2019

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial period. 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) including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 judgments and 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; and
- 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.

Independent auditor's report

to the members of SHS Sales & Marketing (GB) Limited

Opinion

We have audited the financial statements of SHS Sales & Marketing (GB) Limited for the period ended 28 December 2018 which comprise the Profit and Loss account, the Statement of Comprehensive Income, the Statement of Changes in Equity, the Balance Sheet, and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 28 December 2018 and of its profit for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report below. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report (continued)

to the members of SHS Sales & Marketing (GB) Limited

Other information

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

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Independent auditor's report (continued)

to the members of SHS Sales & Marketing (GB) Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

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

Ernst & Young LLP

Michael Kidd (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Belfast

Date: 31 May 2019

Profit and loss account

for the period from 30 December 2017 to 28 December 2018

	Notes	*Period ended 28 December 2018* £	*Period ended 29 December 2017* £
Turnover	2	245,993,478	282,482,046
Cost of sales		(233,814,706)	(268,300,179)
Gross profit		12,178,772	14,181,867
Distribution costs		(162,430)	(143,398)
Administrative expenses		(10,633,476)	(10,990,653)
Operating profit	3	1,382,866	3,047,816
Interest payable and similar charges	6	(354,199)	(366,668)
Interest receivable		14,700	–
Profit before taxation		1,043,367	2,681,148
Tax charge	7	(209,254)	(529,088)
Profit for the financial period		834,113	2,152,060

All amounts relate to continuing activities.

Statement of other comprehensive income

for the period from 30 December 2017 to 28 December 2018

There is no recognised income or loss other than the profit attributable to the shareholders of the company of £834,113 in the period ended 28 December 2018 (period ended 29 December 2017 – profit of £2,152,060).

Statement of changes in equity

for the period ended from 30 December 2017 to 28 December 2018

	Called up share capital £	*Profit and loss account* £	*Total Equity* £
At 30 December 2016	50,000	14,716,775	14,766,775
Profit for the period	–	2,152,060	2,152,060
Dividend paid	–	(1,000,000)	(1,000,000)
At 30 December 2017	50,000	15,868,835	15,918,835
Profit for the period	–	834,113	834,113
At 28 December 2018	50,000	16,702,948	16,752,948

Called up share capital
Share capital represents the nominal value of shares that have been issued.

Profit and loss account
Profit and loss account includes all current year and prior period retained profits and losses.

Registered Number: NI016607

Balance sheet

at 28 December 2018

	Notes	*28 December 2018* £	*29 December 2017* £
Fixed assets			
Tangible assets	9	41,259	58,849
Current assets			
Stocks	10	11,692,257	16,744,508
Debtors	11	71,959,717	89,101,902
Cash at bank and in hand		141,781	1,666,161
		83,793,755	107,512,571
Creditors: amounts falling due within one year	12	(67,082,066)	(91,652,585)
Net current assets		16,711,689	15,859,986
Net assets		16,752,948	15,918,835
Capital and reserves			
Called up share capital	13	50,000	50,000
Profit and loss account		16,702,948	15,868,835
Shareholder funds		16,752,948	15,918,835

E Birchall
Director

Date: 31 May 2019

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies

Statement of compliance

SHS Sales & Marketing (GB) Limited is a private company limited by shares and incorporated in Northern Ireland. The Registered Office is SHS House, 199 Airport Road West, Belfast, BT3 9ED.

The company's financial statements have been prepared in compliance with FRS 102 as it applies to the period ended 28 December 2018.

Basis of preparation

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

The financial statements are prepared in Sterling which is the functional currency of the company and no rounding has been applied.

Reduced disclosure framework

The company has taken advantage of the following disclosure exemptions under FRS 102:

(a) The requirements of Section 4 *Statement of Financial Position* paragraph 4.12(a)(iv).

(b) The requirements of Section 7 *Statement of Cash Flows* and Section 3 *Financial Statement Presentation* paragraph 3.17(d).

(c) The requirements of Section 11 *Basic Financial Instruments* paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c) and Section 12 paragraphs 12.26.

(d) Section 33 *Related Party Disclosures* paragraph 33.7.

The company's ultimate parent undertaking and controlling party is SHS Group Limited, a company incorporated in Northern Ireland, which is the parent undertaking of the largest group to consolidate these financial statements. SHS Group Limited financial statements are available from 199 Airport Road West, Belfast, Co Antrim, Northern Ireland.

Going concern

The directors have assessed, based on the anticipated activities of the company, that there are adequate resources in place to meet the ongoing costs of the business for a minimum of 12 months from the date of signing the financial statements. In coming to this conclusion, the directors have assessed the entity's current financing arrangements and liquid resources. For this reason the financial statements have been prepared on a going concern basis which presumes the realisation of assets and liabilities in the normal course of business.

Judgements and key sources of estimation

The preparation of the financial statements requires management to make judgements, 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 period. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant impact on amounts recognised in the financial statements.

The following are the company's key sources of estimation uncertainty:

Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies (continued)

Turnover

The turnover shown in the profit and loss account represents income from the marketing of Farmlea branded food products and the marketing and distribution of drinks, grocery and healthcare products, exclusive of Value Added Tax.

Turnover is recognised upon the delivery of goods and all turnover relates to sale of goods.

Financial instruments

The company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

(i) Financial assets

Basic financial assets, including trade and other debtors and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of comprehensive income.

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) Financial liabilities

Basic financial liabilities, including trade and other payables and bank overdrafts are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been received in the ordinary course of business from suppliers. Trade payables are classified into amounts falling due within one year if payment is due within one year or less. If not, they are presented as amounts falling due after one year. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Fixtures and fittings	–	10-15% straight-line
Office equipment	–	10-20% straight-line

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

1. Accounting policies (continued)

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 costs incurred in bringing each product to its present location.

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

Foreign currencies

Transactions in foreign currencies are initially recorded in the company's functional currency by applying the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight-line basis over the period of the lease.

The company has not applied paragraphs 20.15A or 20.25A to lease incentives where the lease commenced before the date of transition to FRS 102. It has continued to recognise any residual benefit or cost associated with these lease incentives on the same basis that applied prior to transition to FRS 102.

Deferred taxation

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pensions

Retirement benefits to employees of the company are provided by the SHS Group Limited pension scheme. The company's staff comprise a percentage of the overall membership of this scheme. The company has no influence on the level of contributions and is unable to identify its share of underlying liabilities or assets in the scheme. As such payments to the scheme are accounted for by the company as a defined contribution scheme in line with the requirements of FRS 102 section 28 "Employee Benefits". Contributions to the scheme are charged to the profit and loss account. The contributions are estimated so as to spread the cost of pensions over employees working lives with the company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by qualified actuaries on the basis of triennial valuations using the projected benefits valuation method.

SHS Group Limited has fully complied with the accounting and disclosure requirements of FRS 102 section 28 "Employee Benefits".

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

2. Turnover

The whole of the turnover is attributable to the principal activities of the company.

All turnover arose within the United Kingdom and relates to sale of goods.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

3. Operating profit

This is stated after charging / (crediting):

			Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Auditors' remuneration – audit fees			10,884	10,629
	– non audit services		1,434	1,400
Depreciation of tangible fixed assets	–	owned by the company	17,590	19,080
(Gain) / loss on foreign exchange			(25,397)	24,013
Operating lease rentals	–	other operating leases	343,083	420,474

4. Directors' remuneration

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Remuneration	55,563	62,670
Company pension contribution to defined contribution pension schemes	–	–

5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Wages and salaries	4,800,880	5,446,338
Social security costs	531,530	618,853
Other pension costs	224,623	412,272
	5,557,033	6,477,463

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

5. Staff costs (continued)

The average monthly number of employees (including directors) during the period was made up as follows:

	Period ended 28 December 2018 No.	*Period ended 29 December 2017* No.
Distribution	78	110
Administration	22	22
	100	132

6. Interest payable and similar charges

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
On bank overdrafts	353,600	366,060
Other interest payable	599	608
	354,199	366,668

7. Tax

(a) Tax on profit

The tax charge is made up as follows:

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Current tax:		
UK corporation tax on the profit for the period	211,270	522,682
Adjustments in respect of prior period	4,888	6,406
Total current tax	216,158	529,088
Deferred tax:		
Origination and reversal of timing differences	(7,716)	–
Effect of changes in tax rates	812	–
Total deferred tax (note 7(c))	(6,904)	–
Tax on profits (note 7(b))	209,254	529,088

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

7. Tax (continued)

(b) Factors affecting the total tax charge for the period

The tax assessed for the period differs from the standard rate of corporation tax in the UK of 19.00% (period ended 29 December 2017 – 19.25%). The differences are explained below:

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Profit before tax	1,043,367	2,681,148
Profit multiplied by standard rate of corporation tax in the UK of 19.00% (period ended 29 December 2017 – 19.25%)	198,240	516,030
Effects of:		
Expenses not deductible for tax purposes	9,001	6,162
Adjustments in respect of prior periods	4,888	6,406
Deferred tax not recognised	–	490
Movement in previously unrecognised deferred tax	(3,687)	–
Effects of changes in tax rates	812	–
Total tax for the period (note 7(a))	209,254	529,088

(c) Deferred tax asset

	£
At 30 December 2017	–
Deferred tax credit to profit and loss account	6,904
At 28 December 2018	6,904

The provision for deferred taxation is made up as follows:

	Period ended 28 December 2018 £	*Period ended 29 December 2017* £
Accelerated capital allowances	3,900	–
Short term timing differences	3,004	–
	6,904	–

(d) Factors that may affect future tax charges

The UK corporation tax rate reduced to 19% from 1 April 2017 and will reduce further to 17% from 1 April 2020. The reduction to 17% was announced in the March 2016 Budget and was substantively enacted on 6 September 2016 and this is the rate at which deferred tax has been provided.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

8. Dividends

	Period ended 28 December 2018	*Period ended 29 December 2017*
	£	£
Dividends paid of £nil (29 December 2017 – £20.00) on ordinary shares of £1.00	–	1,000,000

9. Tangible fixed assets

	Fixtures and fittings	*Office equipment*	*Total*
	£	£	£
Cost:			
At 30 December 2017	158,923	20,907	179,830
Disposals	–	(13,500)	(13,500)
At 28 December 2018	158,923	7,407	166,330
Depreciation:			
At 30 December 2017	102,076	18,905	120,981
Charge for the period	15,715	1,875	17,590
On disposals	–	(13,500)	(13,500)
At 28 December 2018	117,791	7,280	125,071
Net book value:			
At 28 December 2018	41,132	127	41,259
At 30 December 2017	56,847	2,002	58,849

10. Stocks

	28 December 2018	*29 December 2017*
	£	£
Finished goods and goods for resale	11,692,257	16,744,508

The company held consignment stock with an estimated value of £21,416,434 (29 December 2017 – £12,421,018) which is not recorded on the balance sheet. The principal terms of the consignment agreements are such that the company can return any or all of the stock to relevant suppliers without financial penalties and the supplier can vary stock prices.

The replacement value of the stock is not materially different from its carrying value.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

11. Debtors

	28 December 2018	*29 December 2017*
	£	£
Trade debtors	69,569,698	87,774,936
Amounts owed by group undertakings	1,127,840	65,129
Prepayments and accrued income	1,041,919	1,261,837
Deferred tax asset (7(c))	6,904	–
VAT debtors	213,356	–
	71,959,717	89,101,902

12. Creditors: amounts falling due within one year

	28 December 2018	*29 December 2017*
	£	£
Bank overdrafts	3,054,105	8,530,142
Trade creditors	20,663,615	27,480,262
Amounts owed to group undertakings	30,142,055	39,693,245
Other creditors	60,518	67,490
Corporation tax	150,733	456,836
Other taxation and social security costs	136,395	802,197
Accruals and deferred income	12,874,645	14,622,413
	67,082,066	91,652,585

13. Issued share capital

		28 December 2018		*29 December 2017*
Allotted, called up and fully paid	*No.*	£	*No.*	£
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

14. Pensions

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 company is also a member of a group defined benefit scheme. Full details of this scheme are disclosed in the financial statements of SHS Group Limited, which has complied with FRS 102.

Notes to the financial statements

For the period from 30 December 2017 to 28 December 2018

15. Other financial commitments

At 28 December 2018 the company had future minimum rentals payable under non-cancellable operating leases as set out below:

	28 December 2018 £	*29 December 2017* £
Within one year	270,790	365,381
In two to five years	56,703	288,942
	327,493	654,323

16. Related party transactions

During the period, the company entered into transactions with other subsidiary undertakings. The transactions were as follows:

	2018 £
Sales to SHS Group companies	1,310,791
Purchases from SHS Group companies	6,991,072

The amounts outstanding with group undertakings at the period-end are disclosed within the notes to the financial statements. The above aggregated transactions relate to sales and purchases in the normal course of business.

17. Ultimate parent undertaking and controlling party

The directors consider that the immediate and ultimate parent undertaking is SHS Group Limited, a company incorporated in Northern Ireland.

The ultimate controlling parties of SHS Group Limited are its shareholders.

The financial statements of SHS Group Limited are available for inspection at the Registrar of companies, second floor, The Linenhall, 32-38 Linenhall Street, Belfast.