

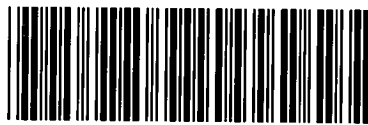
A195

REGISTERED NUMBER: SC348513 (Scotland)

COMPANIES HOUSE

ALH GROUP LIMITED
GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTOR AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2018

FRIDAY



SCT *S7FXIB00* #7
05/10/2018
COMPANIES HOUSE

Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

ALH GROUP LIMITED

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FOR THE YEAR ENDED 31 JANUARY 2018**

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ALH GROUP LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 JANUARY 2018

DIRECTOR: A M Hodge

SECRETARY: J Hodge

REGISTERED OFFICE: 3 Brewster Place
Riverside Business Park
Irvine
KA11 5DD

REGISTERED NUMBER: SC348513 (Scotland)

AUDITORS: Milne Craig
Chartered accountants
Statutory auditor
Abercorn House
79 Renfrew Road
Paisley
Renfrewshire
PA3 4DA

BANKERS: Royal Bank of Scotland plc
35-37 Main Street
Largs
Ayrshire
KA30 8AF

ALH GROUP LIMITED
GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 JANUARY 2018

The director presents his strategic report of the company and the group for the year ended 31 January 2018.

PRINCIPAL ACTIVITY

The principal activity of the group in the year under review was that of the sale of clothing and household items.

REVIEW OF BUSINESS

The key financial highlights are as follows:

	2018 £	2017 £
Turnover	7,294,317	7,653,052
Turnover growth	(5%)	(5%)
Profit before tax	2,708,919	713,648

The net assets of the group have increased from £5,955,484 at 31st January 2017 to £8,516,328 at 31st January 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

Competitive pressure has increased in the market place and the directors strive to ensure that margins and profitability remain consistent year on year.

In addition the directors seek to control overhead costs in order to maintain the profitability of the group.

FUTURE DEVELOPMENTS

The director aims to maintain the management policies adopted during the period to 31 January 2018 and considers the group is well placed to take advantage of opportunities which may arise in the current year.

FINANCIAL INSTRUMENTS

The group's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the group's operations.

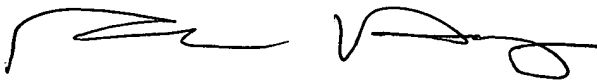
Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

ENVIRONMENT

The group recognises the importance of its environmental responsibilities, and has policies in place to manage its impact on the environment.

ON BEHALF OF THE BOARD:



A M Hodge - Director

17 September 2018

ALH GROUP LIMITED

REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 JANUARY 2018

The director presents his report with the financial statements of the company and the group for the year ended 31 January 2018.

DIVIDENDS

Dividends totalling £84,000 (2017 - £106,400) were paid out during the year.

DIRECTOR

A M Hodge held office during the whole of the period from 1 February 2017 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and 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 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 director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group'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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

AUDITORS

The auditors, Milne Craig, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



A M Hodge - Director

17 September 2018

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ALH GROUP LIMITED

Opinion

We have audited the financial statements of ALH Group Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 January 2018 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 January 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the director has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The director is responsible for the other information. The other information comprises the information in the Group Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ALH GROUP LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Director.

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.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the group or the parent company or to cease operations, or has no realistic alternative but to do so.

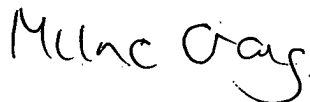
Auditors' responsibilities for the audit of the financial statements

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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



Shona Malcolm BAcc CA (Senior Statutory Auditor)

for and on behalf of Milne Craig

Chartered accountants

Statutory auditor

Abercorn House

79 Renfrew Road

Paisley

Renfrewshire

PA3 4DA

17 September 2018

ALH GROUP LIMITED
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2018

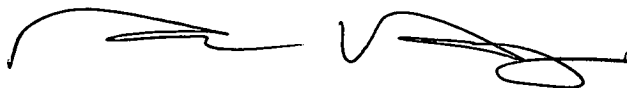
	Notes	2018 £	2017 £
TURNOVER	3	7,294,317	7,653,052
Cost of sales		<u>(4,325,806)</u>	<u>(4,608,435)</u>
GROSS PROFIT		2,968,511	3,044,617
Administrative expenses		<u>(2,632,441)</u>	<u>(2,663,558)</u>
OPERATING PROFIT		336,070	381,059
Income from other participating interests		<u>198,000</u>	<u>448,000</u>
		534,070	829,059
Gain/loss on revaluation of investments		<u>2,199,229</u>	<u>-</u>
		2,733,299	829,059
Interest payable and similar expenses	5	<u>(24,380)</u>	<u>(30,345)</u>
PROFIT BEFORE TAXATION	6	2,708,919	798,714
Tax on profit	7	<u>(64,075)</u>	<u>(85,066)</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>2,644,844</u></u>	<u><u>713,648</u></u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 JANUARY 2018

	Notes	2018 £	2017 £
FIXED ASSETS			
Tangible assets	11	1,698,848	1,784,621
Investments	12		
Interest in joint venture			
Share of gross assets		2,758,642	25,000
Share of gross liabilities		(534,413)	-
Investment property	13	255,236	406,751
		<u>4,178,313</u>	<u>2,216,372</u>
CURRENT ASSETS			
Stocks	14	4,053,695	3,787,516
Debtors	15	511,448	433,054
Cash at bank and in hand		1,129,161	1,083,957
		<u>5,694,304</u>	<u>5,304,527</u>
CREDITORS			
Amounts falling due within one year	16	1,171,361	1,300,875
NET CURRENT ASSETS		<u>4,522,943</u>	<u>4,003,652</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>8,701,256</u>	<u>6,220,024</u>
CREDITORS			
Amounts falling due after more than one year	17	(138,394)	(205,280)
PROVISIONS FOR LIABILITIES	21	(46,534)	(59,260)
NET ASSETS		<u><u>8,516,328</u></u>	<u><u>5,955,484</u></u>
CAPITAL AND RESERVES			
Called up share capital	22	14,000	14,000
Share premium	23	781,004	781,004
Fair value reserve	23	2,218,299	-
Retained earnings	23	5,503,025	5,160,480
SHAREHOLDERS' FUNDS		<u><u>8,516,328</u></u>	<u><u>5,955,484</u></u>

The financial statements were approved by the director on 17 September 2018 and were signed by:



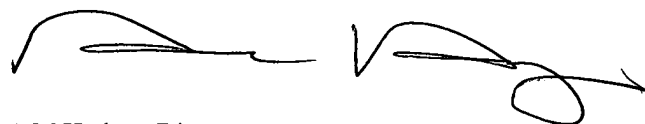
A M Hodge - Director

ALH GROUP LIMITED (REGISTERED NUMBER: SC348513)

**COMPANY BALANCE SHEET
31 JANUARY 2018**

	Notes	2018		2017	
		£	£	£	£
FIXED ASSETS					
Tangible assets	11		-		-
Investments	12		2,224,232		25,003
Investment property	13		-		-
			<u>2,224,232</u>		<u>25,003</u>
CURRENT ASSETS					
Debtors	15	3,443,343		3,385,667	
Cash at bank		817,468		720,267	
		<u>4,260,811</u>		<u>4,105,934</u>	
CREDITORS					
Amounts falling due within one year	16	1,536,827		1,513,064	
NET CURRENT ASSETS			<u>2,723,984</u>		<u>2,592,870</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,948,216</u>		<u>2,617,873</u>
CREDITORS					
Amounts falling due after more than one year	17		138,394		205,280
NET ASSETS			<u><u>4,809,822</u></u>		<u><u>2,412,593</u></u>
CAPITAL AND RESERVES					
Called up share capital	22		14,000		14,000
Share premium	23		781,004		781,004
Fair value reserve	23		2,199,229		-
Retained earnings	23		1,815,589		1,617,589
SHAREHOLDERS' FUNDS			<u><u>4,809,822</u></u>		<u><u>2,412,593</u></u>
Company's profit for the financial year			<u><u>2,481,229</u></u>		<u><u>554,400</u></u>

The financial statements were approved by the director on 17 September 2018 and were signed by:



A M Hodge - Director

The notes form part of these financial statements

ALH GROUP LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1 February 2016	14,000	4,553,232	781,004	-	5,348,236
Changes in equity					
Dividends	-	(106,400)	-	-	(106,400)
Total comprehensive income	-	713,648	-	-	713,648
Balance at 31 January 2017	<u>14,000</u>	<u>5,160,480</u>	<u>781,004</u>	<u>-</u>	<u>5,955,484</u>
Changes in equity					
Dividends	-	(84,000)	-	-	(84,000)
Total comprehensive income	-	2,644,844	-	-	2,644,844
Gain on revaluation	-	(2,218,299)	-	2,218,299	-
Balance at 31 January 2018	<u>14,000</u>	<u>5,503,025</u>	<u>781,004</u>	<u>2,218,299</u>	<u>8,516,328</u>

The notes form part of these financial statements

ALH GROUP LIMITED

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 JANUARY 2018**

	Called up share capital £	Retained earnings £	Share premium £	Fair value reserve £	Total equity £
Balance at 1 February 2016	14,000	1,169,589	781,004	-	1,964,593
Changes in equity					
Dividends	-	(106,400)	-	-	(106,400)
Total comprehensive income	-	554,400	-	-	554,400
Balance at 31 January 2017	<u>14,000</u>	<u>1,617,589</u>	<u>781,004</u>	<u>-</u>	<u>2,412,593</u>
Changes in equity					
Dividends	-	(84,000)	-	-	(84,000)
Total comprehensive income	-	2,481,229	-	-	2,481,229
Gain on revaluation	-	(2,199,229)	-	2,199,229	-
Balance at 31 January 2018	<u>14,000</u>	<u>1,815,589</u>	<u>781,004</u>	<u>2,199,229</u>	<u>4,809,822</u>

The notes form part of these financial statements

ALH GROUP LIMITED

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2018**

	Notes	2018 £	2017 £
Cash flows from operating activities			
Cash generated from operations	1	39,943	(246,360)
Interest paid		(24,380)	(30,345)
Tax paid		(75,321)	(123,477)
Net cash from operating activities		<u>(59,758)</u>	<u>(400,182)</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(30,116)	(174,841)
Purchase of investment property		(35,765)	(68,075)
Sale of tangible fixed assets		1	1,300
Sale of investment property		200,675	36,018
Dividends received		198,000	448,000
Net cash from investing activities		<u>332,795</u>	<u>242,402</u>
Cash flows from financing activities			
New loans in year		-	320,000
Loan repayments in year		(82,163)	(126,446)
Other loans repaid		(60,429)	(161,920)
Amount withdrawn by directors		(1,241)	(30,552)
Equity dividends paid		(84,000)	(106,400)
Net cash from financing activities		<u>(227,833)</u>	<u>(105,318)</u>
Increase/(decrease) in cash and cash equivalents		<u>45,204</u>	<u>(263,098)</u>
Cash and cash equivalents at beginning of year	2	1,083,957	1,347,055
Cash and cash equivalents at end of year	2	<u><u>1,129,161</u></u>	<u><u>1,083,957</u></u>

The notes form part of these financial statements

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JANUARY 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018	2017
	£	£
Profit before taxation	2,708,919	798,714
Depreciation charges	111,646	83,023
Loss on disposal of fixed assets	9,917	11,214
Gain on revaluation of fixed assets	(2,218,299)	-
Impairment provision	-	71,877
Finance costs	24,380	30,345
Finance income	(198,000)	(448,000)
	<u>438,563</u>	<u>547,173</u>
Increase in stocks	(266,179)	(936,089)
(Increase)/decrease in trade and other debtors	(78,395)	78,352
(Decrease)/increase in trade and other creditors	(54,046)	64,204
	<u>39,943</u>	<u>(246,360)</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 January 2018

	31/1/18	1/2/17
	£	£
Cash and cash equivalents	<u>1,129,161</u>	<u>1,083,957</u>

Year ended 31 January 2017

	31/1/17	1/2/16
	£	£
Cash and cash equivalents	<u>1,083,957</u>	<u>1,347,055</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2018

1. STATUTORY INFORMATION

ALH Group Limited is a private company, limited by shares, registered in Scotland. The Company's registered number is SC348513 and registered office address is 3 Brewster Place, Riverside Business Park, Irvine, KA11 5DD.

The nature of the groups operations and its principal activities are the sale of clothing and household items.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

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 £.

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.

Basis of consolidation

The group financial statements consolidate the financial statements of ALH Group Limited and its subsidiary undertakings drawn up to 31st January each year. No profit and loss account is presented for ALH Group Limited in accordance with section 408 of the Companies Act 2006.

Critical accounting judgements & key sources of estimation uncertainty

In preparing these financial statements, the directors have made the following judgements:

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

Assets are considered for indications of impairment. If required an impairment review will be carried out and a decision made on possible impairment. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Bad debts are provided for where objective evidence of the need for a provision exists.

Inventories are assessed for evidence of obsolescence and a provision is made against any inventory unlikely to be sold, or where stock is sold post year end at a loss.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

Turnover

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Consideration is given to the point at which the Company is entitled to receive the income, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Revenue from the provision of services is recognised in the period in which the services are provided when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due;
- the costs incurred can be measured reliably.

Tangible assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Plant and machinery	- 15% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on cost

Investment property

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition

- i. investment properties whose fair value can be measured reliably without undue cost or effort are held at fair value. Any gains or losses arising from changes in the fair value are recognised in profit or loss in the period that they arise; and
- ii. no depreciation is provided in respect of investment properties applying the fair value model.

Fair Value is assessed by the director on an annual basis based on current market values and rateable values.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

Financial instruments

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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transactions costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

Taxation

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted by the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date, except as otherwise indicated.

Deferred tax assets are only 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.

If and when all conditions for retaining tax allowances for the cost of a fixed asset have been met, the deferred tax is reversed.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

With the exception of changes arising on the initial recognition of a business combination, the tax expense (income) is presented either in profit or loss, other comprehensive income or equity depending on the transaction that resulted in the tax expense (income).

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

Deferred tax assets and deferred tax liabilities are offset only if the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Investments in group companies

Investments in group companies are stated at cost less provision for any impairment assessed by the director.

Other investments are included at fair value with any changes in fair value being recognised through the profit and loss account.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal.

An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by class of business is given below:

	2018	2017
	£	£
Sales of goods	7,274,056	7,632,680
Rental Income	20,261	20,372
	<u>7,294,317</u>	<u>7,653,052</u>

4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	916,116	850,679
Social security costs	62,162	52,641
Other pension costs	9,541	9,402
	<u>987,819</u>	<u>912,722</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the year was as follows:

	2018	2017
Retail staff	38	40
Warehouse staff	13	16
Office staff	12	13
	<u>63</u>	<u>69</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 63 (2017 - 69).

	2018 £	2017 £
Director's remuneration	<u>39,000</u>	<u>44,000</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018 £	2017 £
Bank interest	1,365	2,695
Bank loan interest	4,439	7,616
Interest on late paid tax	-	38
Loan interest	18,576	19,996
	<u>24,380</u>	<u>30,345</u>

6. PROFIT BEFORE TAXATION

The profit is stated after charging:

	2018 £	2017 £
Depreciation - owned assets	111,646	83,023
Loss on disposal of fixed assets	9,917	11,214
Auditors' remuneration	15,500	15,500
Foreign exchange differences	3,116	-
	<u>139,179</u>	<u>110,747</u>

7. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	76,801	75,319
Deferred tax	(12,726)	9,747
Tax on profit	<u>64,075</u>	<u>85,066</u>

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

7. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u>2,708,919</u>	<u>798,714</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.160% (2017 - 20%)	519,029	159,743
Effects of:		
Expenses not deductible for tax purposes	(449,866)	(84,424)
Deferred tax rate changes	(5,910)	9,747
Movement in unprovided deferred tax	5,994	-
Prior year adjustment - deferred tax	(202)	-
Indexation allowances and rebasing	(4,970)	-
Total tax charge	<u>64,075</u>	<u>85,066</u>

Further reductions to the UK Corporation tax rates were substantively enacted as part of the Finance Bill 2016 on 15 July 2015. These reduce the main rate to 19% from 1 April 2017 and to 18% from 1 April 2020. The deferred tax assets and liabilities reflect these rates

8. INDIVIDUAL INCOME STATEMENT

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements.

9. DIVIDENDS

	2018 £	2017 £
Equity shares:		
'A' Ordinary £1 shares	30,000	38,000
'B' Ordinary £1 shares	28,800	36,480
'C' Ordinary £1 shares	24,600	31,160
'D' Ordinary £1 shares	600	760
	<u>84,000</u>	<u>106,400</u>

10. DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in various independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £9,541 (2017 - £9,402) including contributions in respect of employees. There were outstanding contributions payable to the fund amounting to £1,017 at 31st January 2018 (2017 - £1,437).

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

11. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Improvements to property £	Plant and machinery £
COST			
At 1 February 2017	1,400,000	131,590	369,140
Additions	-	6,809	8,031
Disposals	-	-	(8,810)
At 31 January 2018	1,400,000	138,399	368,361
DEPRECIATION			
At 1 February 2017	2,800	21,064	172,055
Charge for year	28,000	13,111	49,166
Eliminated on disposal	-	-	(6,537)
At 31 January 2018	30,800	34,175	214,684
NET BOOK VALUE			
At 31 January 2018	1,369,200	104,224	153,677
At 31 January 2017	1,397,200	110,526	197,085
	Fixtures and fittings £	Motor vehicles £	Totals £
COST			
At 1 February 2017	231,949	26,153	2,158,832
Additions	15,276	-	30,116
Disposals	(6,241)	-	(15,051)
At 31 January 2018	240,984	26,153	2,173,897
DEPRECIATION			
At 1 February 2017	154,314	23,978	374,211
Charge for year	21,369	-	111,646
Eliminated on disposal	(4,271)	-	(10,808)
At 31 January 2018	171,412	23,978	475,049
NET BOOK VALUE			
At 31 January 2018	69,572	2,175	1,698,848
At 31 January 2017	77,635	2,175	1,784,621

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

12. FIXED ASSET INVESTMENTS

Group

	Interest in joint venture £
COST OR VALUATION	
At 1 February 2017	25,000
Revaluations	2,199,229
At 31 January 2018	2,224,229
NET BOOK VALUE	
At 31 January 2018	2,224,229
At 31 January 2017	25,000

Interest in joint venture

The group accounts include a 50% share in the joint venture of Wicked Costumes Group Limited. The results of the joint ventures to 31st March, 2018 are included by the method of proportional consolidation. Joint management is based on control of the board of directors.

Wicked Costumes Group Limited

Nature of business: Holding company

Class of share:	%
Ordinary	holding 50.00

	2018 £
Consolidated aggregate capital and reserves	4,448,458
Consolidated (loss)/profit for the year	960,559

Company

	Shares in group undertakings £	Interest in joint venture £	Totals £
COST OR VALUATION			
At 1 February 2017	3	25,000	25,003
Revaluations	-	2,199,229	2,199,229
At 31 January 2018	3	2,224,229	2,224,232
NET BOOK VALUE			
At 31 January 2018	3	2,224,229	2,224,232
At 31 January 2017	3	25,000	25,003

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

13. INVESTMENT PROPERTY

Group

	Total £
FAIR VALUE	
At 1 February 2017	406,751
Additions	35,765
Disposals	(206,350)
Revaluations	19,070
At 31 January 2018	255,236
NET BOOK VALUE	
At 31 January 2018	255,236
At 31 January 2017	406,751

14. STOCKS

	Group	
	2018	2017
	£	£
Stocks	4,053,695	3,787,516

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	390,912	294,994	-	-
Amounts owed by group undertakings	-	-	3,442,343	3,285,667
Other debtors	74,311	100,995	1,000	100,000
Prepayments	46,225	37,065	-	-
	511,448	433,054	3,443,343	3,385,667

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans and overdrafts (see note 18)	69,558	84,835	69,558	84,835
Other loans (see note 18)	346,000	406,430	-	-
Trade creditors	104,123	94,068	-	-
Amounts owed to group undertakings	-	-	1,463,002	1,400,000
Corporation tax	76,799	75,319	-	-
Social security and other taxes	454,666	512,505	-	-
Other creditors	-	21,400	-	21,400
Directors' current accounts	3,507	4,748	3,502	4,743
Accrued expenses	116,708	101,570	765	2,086
	1,171,361	1,300,875	1,536,827	1,513,064

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans (see note 18)	<u>138,394</u>	<u>205,280</u>	<u>138,394</u>	<u>205,280</u>

18. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank loans	69,558	84,835	69,558	84,835
Other loans	<u>346,000</u>	<u>406,430</u>	<u>-</u>	<u>-</u>
	<u>415,558</u>	<u>491,265</u>	<u>69,558</u>	<u>84,835</u>
Amounts falling due between one and two years:				
Bank loans - 1-2 years	<u>21,771</u>	<u>81,351</u>	<u>21,771</u>	<u>81,351</u>
Amounts falling due between two and five years:				
Bank loans - 2-5 years	<u>30,160</u>	<u>36,160</u>	<u>30,160</u>	<u>36,160</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans more 5 yr by instal	<u>86,463</u>	<u>87,769</u>	<u>86,463</u>	<u>87,769</u>

19. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	<u>207,952</u>	<u>290,115</u>	<u>207,952</u>	<u>290,115</u>

The group bank borrowings are secured by a bond and floating charge over the assets of the group.

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

20. FINANCIAL INSTRUMENTS

The carrying amount for each category of financial instrument is as follows:

	2018 £	2018 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	5,693,304	5,304,527
Financial liabilities		
Financial liabilities measured at amortised cost	1,171,361	1,300,875

21. PROVISIONS FOR LIABILITIES

	Group	
	2018 £	2017 £
Deferred tax	46,534	59,260
Group		
		Deferred tax £
Balance at 1 February 2017		59,260
Originating and reversal of timing differences		(12,734)
Effect of changes in tax rates		8
Balance at 31 January 2018		46,534
Deferred tax		
Accelerated capital allowances		46,636
Other timing differences		(102)
		46,534

22. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid :
Number Class

		Nominal value	2018 £	2017 £
5,000	'A' Ordinary	£1	5,000	5,000
4,800	'B' Ordinary	£1	4,800	4,800
4,100	'C' Ordinary	£1	4,100	4,100
100	'D' Ordinary	£1	100	100
			14,000	14,000

ALH GROUP LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued FOR THE YEAR ENDED 31 JANUARY 2018

23. RESERVES

Group

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 February 2017	5,160,480	781,004	-	5,941,484
Profit for the year	2,644,844			2,644,844
Dividends	(84,000)			(84,000)
Gain on revaluation	(2,218,299)	-	2,218,299	-
At 31 January 2018	<u>5,503,025</u>	<u>781,004</u>	<u>2,218,299</u>	<u>8,502,328</u>

Company

	Retained earnings £	Share premium £	Fair value reserve £	Totals £
At 1 February 2017	1,617,589	781,004	-	2,398,593
Profit for the year	2,481,229			2,481,229
Dividends	(84,000)			(84,000)
Gain on revaluation	(2,199,229)	-	2,199,229	-
At 31 January 2018	<u>1,815,589</u>	<u>781,004</u>	<u>2,199,229</u>	<u>4,795,822</u>

Retained earnings

Includes all current and prior year retained profits and losses less dividends.

Share premium

Represents the difference between the nominal value of the shares issued during previous issue of shares and the fair value of the assets transferred.

Fair value reserve

Gains and losses arising from the revaluation of assets, these funds are non distributable.

24. CONTINGENT LIABILITIES

The company has a contingent liability regarding the cross guarantee of group bank borrowing facilities. At 31st January, 2018 the total facility available amounted to £783,547 of which £216,775 had been utilised.

The facility of £783,547 bank borrowings are secured by bond and floating charge over the company's assets and a third party guarantee.

25. DIRECTOR'S ADVANCES, CREDITS AND GUARANTEES

During the year the company benefitted from an interest free loan from the director A Hodge, amounting to £3,507 (2017 - £4,748).

ALH GROUP LIMITED

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 JANUARY 2018**

26. RELATED PARTY DISCLOSURES

During the year the one of the subsidiary companies paid rent amounting to £100,000 (2017 - £100,000) to AMH Direct SSAS ,of which director Adrian Hodge is a beneficiary.

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the company are considered to be key management personnel. Total remuneration in respect of these individuals is £39,000 (2017 - £44,000).

27. ULTIMATE CONTROLLING PARTY

By virtue of his interests in the share capital of ALH Group Limited, the parent company, Mr A Hodge, a director, controls the majority of the voting rights and thus has ultimate control of the group.