Company Registration No. 01784435 (England and Wales)

Samuel Grant (Sheffield) Limited

Financial Statements

For The Year Ended 31 December 2017

SAMUEL GRANT (SHEFFIELD) LIMITED

COMPANY INFORMATION

Directors	Ms J Allen Mr A D S Grant Mr M P S Grant
Secretary	Mr A J Dean
Company number	01784435
Registered office	Smithy Wood Business Park 2 Cowley Way Chapeltown Sheffield S35 1QP
Auditor	Garbutt & Elliott Audit Limited 33 Park Place Leeds LS1 2RY
Bankers	Natwest Bank Plc 8 Park Row Leeds LS1 1QS

SAMUEL GRANT (SHEFFIELD) LIMITED

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SAMUEL GRANT (SHEFFIELD) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2017

		2017		2016	
	Notes	**£**	**£**	**£**	**£**
Fixed assets					
Goodwill	**3**		32,500		39,000
Tangible assets	**4**		543,724		491,348
			576,224		530,348
Current assets					
Stocks		1,235,777		1,044,343	
Debtors	**5**	1,152,260		1,147,929	
Cash at bank and in hand		388,546		1,211,882	
		2,776,583		3,404,154	
Creditors: amounts falling due within one year	**6**	(1,405,881)		(2,009,717)	
Net current assets			1,370,702		1,394,437
Total assets less current liabilities			1,946,926		1,924,785
Provisions for liabilities			(21,000)		(38,000)
Net assets			1,925,926		1,886,785
Capital and reserves					
Called up share capital			1,500		1,500
Profit and loss reserves			1,924,426		1,885,285
Total equity			1,925,926		1,886,785

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 26 September 2018 and are signed on its behalf by:

Mr A D S Grant
Director

Company Registration No. 01784435

1 Accounting policies

Company information

Samuel Grant (Sheffield) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Smithy Wood Business Park, 2 Cowley Way, Chapeltown, Sheffield, S35 1QP.

1.1 Accounting convention

These financial statements have been prepared in accordance with “The Financial Reporting Standard applicable in the UK and Republic of Ireland” (“FRS 102”) and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The ultimate parent company is Samuel Grant (Holdings) Limited, which is the smallest and largest group into which these financial statements are consolidated. Samuel Grant (Holdings) Limited's registered office is Orion Way, Cross Green, Leeds, LS9 0AR.

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 represents amounts receivable for sale of packaging materials, net of VAT and trade discounts, and amounts receivable in respect of rent, net of VAT.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rental income is recognised over the period to which it relates.

1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1 Accounting policies **(Continued)**

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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:

Plant and machinery	25% straight line
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials only.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1 Accounting policies **(Continued)**

1.8 Cash and cash equivalents

Cash at bank and in hand 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.

1.9 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 transaction 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.

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. 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 profit or loss.

If there is a 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 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.

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.

1 Accounting policies **(Continued)**

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies, 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.

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.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 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 Accounting policies **(Continued)**

1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

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

1.14 Leases

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 33 (2016 - 32).

3 Intangible fixed assets

	Goodwill
	£
Cost	
At 1 January 2017 and 31 December 2017	65,000
Amortisation and impairment	
At 1 January 2017	26,000
Amortisation charged for the year	6,500
At 31 December 2017	32,500
Carrying amount	
At 31 December 2017	32,500
At 31 December 2016	39,000

4 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2017	870,671
Additions	676,771
Disposals	(457,961)
At 31 December 2017	1,089,481
Depreciation and impairment	
At 1 January 2017	379,323
Depreciation charged in the year	175,359
Eliminated in respect of disposals	(8,925)
At 31 December 2017	545,757
Carrying amount	
At 31 December 2017	543,724
At 31 December 2016	491,348

5 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	1,005,185	1,035,927
Amounts owed by group undertakings	120,186	83,949
Other debtors	26,889	28,053
	1,152,260	1,147,929

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Bank loans and overdrafts	-	348,658
Trade creditors	909,486	948,948
Amounts due to group undertakings	268,477	458,993
Other taxation and social security	191,297	177,190
Other creditors	36,621	75,928
	1,405,881	2,009,717

The bank overdraft is secured against properties held by the parent company, and through a cross company guarantee as noted in note 7.

7 Financial commitments, guarantees and contingent liabilities

The company, jointly with other group undertakings, guarantees the bank indebtedness of all group undertakings. The total contingent liability of the company relating to bank indebtedness at the balance sheet date amounted to £799,243 (2016 - £1,273,351).

In addition to the above, the company, jointly with other group undertakings, guarantees the loan indebtedness of the ultimate parent company Samuel Grant (Holdings) Limited. This charge is second behind the bank guarantee subject to the loan note agreement. The total contingent liability of the company relating to this loan at the balance sheet date amounted to £1,781,250 (2016 - £2,156,250).

8 Operating lease commitments

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

	2017	**2016**
	£	**£**
	239,398	333,760

9 Related party transactions

Guarantees have been provided to group companies as identified in note 7.

Details of outstanding balances as at the year end are given in notes 5 and 6.

10 Parent company

The company's immediate parent company is Samuel Grant Group Limited, a company registered in England and Wales.

The ultimate parent company is Samuel Grant (Holdings) Limited, a company registered in England and Wales with a registered office of Orion Way, Cross Green, Leeds, LS9 0AR. Samuel Grant (Holdings) Limited is the smallest and largest group into which Samuel Grant (Sheffield) Limited is consolidated.

In the opinion of the directors, there is no ultimate controlling party.

11 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Matthew Grant.
The auditor was Garbutt & Elliott Audit Limited.
The audit report was signed on 27 September 2018