

Korda Developments Limited

Annual Report and Financial Statements

For the year ended 31 December 2017

Company Registration No. 04336137 (England and Wales)

Korda Developments Limited

Company Information

Directors	D Fairbrass D Clarke
Company number	04336137
Registered office	Orbital House 20 Eastern Road Romford Essex RM1 3PJ
Auditors	Kingston Smith LLP Orbital House 20 Eastern Road Romford Essex RM1 3PJ
Business address	Kazoku House Honywood Road Basildon Essex SS14 3DS

Korda Developments Limited

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Korda Developments Limited

Strategic Report

For the year ended 31 December 2017

The directors present the strategic report and financial statements for the year ended 31 December 2017.

Fair review of the business

The principal activity of the company continued to be the manufacture and development of specialist carp fishing tackle. This year we have made the decision to distribute third party non-conflicting products, principally a complex electronic miniature sonar device and accessories. Through the GURU brand we have also undertaken to distribute a premium French based brand of angling seat boxes, very high retail prices coupled with GURU branding has made this a massive success this year.

The company distributes its goods through retailers in the UK, as well as to South Africa and Japan. Our sister company, Korda Europe BV located in Holland, distributes to the rest of Western Europe, Russia and some Eastern European countries.

We watch and wait to see how the Brexit vote will affect our business, although we remain aware of the political impacts and risks of trade tariffs in future we plan for the impact on currencies.

This trading year saw a good increase on sales, turnover increased by £2,343,590 with a total for the year of £19,327,154. Again, this year's increase was due largely to new products and the benefits from the previous year's marketing / media work. The company still invests heavily in mainstream television concentrating on programmes suitable for the ITV channels, viewing figures have increased and brought the brands to a much wider audience and customer base.

The Profit Margin % was again lower than we hoped for due to currency fluctuations and the sizeable sales from the third-party products that we distributed. Increased staffing has also contributed to lower margins.

Product development is a key area that we continue to invest heavily into, as core product sales plateau new product helps to drive continued interest and sales into older product. Along with tooling we have increased staff in key areas specifically in research and development, 3D modelling and computer generated design techniques.

Principal risks and uncertainties

Based on our experience of results over the last year we consider the main risk to our business to be the weather as it is the only factor which we cannot influence. Longer winters reduce footfall through retailers having a downward impact on sales. Whilst the promise of milder weather conditions promotes angling and thus anglers to prepare and purchase new tackle driving up demand during the slower months.

On behalf of the board

D Clarke
Director
25 September 2018

Korda Developments Limited

Directors' Report

For the year ended 31 December 2017

The directors present their annual report and financial statements for the year ended 31 December 2017.

Under CA2006 s414C(11), the information relating to future developments and risk management are included in the strategic report.

Directors

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

D Fairbrass

D Clarke

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Research and development

The company is committed to research and development activities.

Auditor

The auditor, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

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

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

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

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

Korda Developments Limited

Directors' Report (Continued)

For the year ended 31 December 2017

Statement of disclosure to auditor

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

On behalf of the board

D Fairbrass

Director

25 September 2018

Korda Developments Limited

Independent Auditor's Report

To the Members of Korda Developments Limited

Opinion

We have audited the financial statements of Korda Developments Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and 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 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 state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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. 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.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

Korda Developments Limited

Independent Auditor's Report (Continued)

To the Members of Korda Developments Limited

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the 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 the Directors' Report.

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

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, 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.

Korda Developments Limited

Independent Auditor's Report (Continued)

To the Members of Korda Developments Limited

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.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Korda Developments Limited

Independent Auditor's Report (Continued)

To the Members of Korda Developments Limited

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 for no purpose other than to draw to the attention of the company's members those matters which we are required to include in an auditor's report addressed to them. To the fullest extent permitted by law, we do not accept or assume responsibility to any party other than the company and company's members as a body, for our work, for this report, or for the opinions we have formed.

Daniel Martine (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP

25 September 2018

Chartered Accountants
Statutory Auditor

Orbital House
20 Eastern Road
Romford
Essex
RM1 3PJ

Korda Developments Limited

Statement of Income and Retained Earnings

For the year ended 31 December 2017

	Notes	2017 £	2016 £
Turnover	3	19,327,154	16,983,564
Cost of sales		(15,128,591)	(11,405,502)
Gross profit		4,198,563	5,578,062
Administrative expenses		(3,313,413)	(3,143,572)
Other operating income		34,528	35,444
Operating profit	4	919,678	2,469,934
Interest receivable and similar income	8	21,726	38,099
Profit before taxation		941,404	2,508,033
Tax on profit	9	(121,036)	(457,246)
Profit for the financial year		820,368	2,050,787
Retained earnings brought forward		12,367,157	10,316,370
Retained earnings carried forward		13,187,525	12,367,157

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

Korda Developments Limited

Balance Sheet

As at 31 December 2017

	Notes	2017		2016	
		£	£	£	£
Fixed assets					
Intangible assets	10		10,200		13,600
Tangible assets	11		1,842,725		251,260
			<u>1,852,925</u>		<u>264,860</u>
Current assets					
Stock	12	4,214,376		5,162,836	
Debtors	14	7,444,516		6,266,187	
Cash at bank and in hand		4,662,933		2,062,221	
		<u>16,321,825</u>		<u>13,491,244</u>	
Creditors: amounts falling due within one year	15	<u>(4,887,255)</u>		<u>(1,199,590)</u>	
Net current assets			<u>11,434,570</u>		<u>12,291,654</u>
Total assets less current liabilities			<u>13,287,495</u>		<u>12,556,514</u>
Provisions for liabilities	16		<u>(89,533)</u>		<u>(178,920)</u>
Net assets			<u><u>13,197,962</u></u>		<u><u>12,377,594</u></u>
Capital and reserves					
Called up share capital	19		10,437		10,437
Profit and loss reserves			13,187,525		12,367,157
Total equity			<u><u>13,197,962</u></u>		<u><u>12,377,594</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 September 2018 and are signed on its behalf by:

D Fairbrass
Director

Company Registration No. 04336137

Korda Developments Limited

Statement of Cash Flows

For the year ended 31 December 2017

	Notes	2017		2016	
		£	£	£	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	26		1,905,548		(1,092,650)
Interest paid			-		(46)
Income taxes paid			(372,008)		(328,000)
			<u> </u>		<u> </u>
Net cash inflow/(outflow) from operating activities			1,533,540		(1,420,696)
Investing activities					
Purchase of intangible assets			-		(17,000)
Purchase of tangible fixed assets		(876,724)		(1,085,996)	
Proceeds on disposal of tangible fixed assets		2,170		587	
Interest received		21,726		38,099	
			<u> </u>	<u> </u>	
Net cash used in investing activities			(852,828)		(1,064,310)
Financing activities					
Proceeds from borrowings		1,920,000		-	
			<u> </u>	<u> </u>	
Net cash generated from/(used in) financing activities			1,920,000		-
Net increase/(decrease) in cash and cash equivalents			2,600,712		(2,485,006)
Cash and cash equivalents at beginning of year			2,062,221		4,547,227
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			<u><u>4,662,933</u></u>		<u><u>2,062,221</u></u>

Korda Developments Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Accounting policies

Company information

Korda Developments Limited is a company limited by shares incorporated in England and Wales. The registered office is Orbital House, 20 Eastern Road, Romford, Essex, RM1 3PJ and its business address is Kazoku House, Honywood Road, Basildon, Essex, SS14 3DS.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

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

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.

1.2 Turnover

Turnover from the sale of goods represents amounts receivable for the sale of specialist fishing tackle and equipment, net of VAT and trade discounts. Income is recognised when the goods are dispatched, and a right to income arises.

Turnover from the rendering of services represents amounts receivable for the production of fishing television programmes. Income is recognised when the programmes are aired, and a right to income arises.

1.3 Intangible assets - Patents

Patents are valued at cost less accumulated amortisation. Amortisation is calculated to write off the cost in equal annual instalments over their estimated useful lives of 5 years.

1.4 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:

Leasehold improvements - Kazoku House	15 years straight line
Plant and machinery	25% reducing balance
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 the profit and loss account.

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.5 Stock

Stock are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stock to their present location and condition.

Net realisable value is the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

1.6 Stock provision

For each line of stock, a provision is made where the Net Realisable Value is less than cost. Net Realisable Value is the estimated selling price for stocks less all estimated costs of completion and costs necessary to make the sale. The estimated selling price for each stock line is a judgement based mainly on recent selling patterns for that product.

1.7 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.

1.8 Financial instruments

The Company only has basic financial instruments measured at amortised cost, with no financial instruments classified as other or basic instruments measured at fair value.

1.9 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.

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

1 Accounting policies

(Continued)

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.12 Leases

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

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.14 Research and development

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

Development expenditure incurred on an individual project is carried forward when its future recoverability can be foreseen with reasonable assurance. Any expenditure carried forward is amortised in line with the sales received from the related project.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

2 Judgements and key sources of estimation uncertainty (Continued)**Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Useful economic lives of tangible fixed assets

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 11 for the carrying amount of the property, plant and equipment and note 1.4 for the useful economic lives for each class of asset.

Stock Provision

For each line of stock, a provision is made where the Net Realisable Value is less than cost. Net Realisable Value is the estimated selling price for stocks less all estimated costs of completion and costs necessary to make the sale. The estimated selling price for each stock line is a judgement based mainly on recent selling patterns for that product.

3 Turnover and other revenue

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

	2017	2016
	£	£
Turnover analysed by class of business		
Sale of goods	18,950,516	16,738,114
Television production services	376,638	245,450
	<u>19,327,154</u>	<u>16,983,564</u>
	<u><u>19,327,154</u></u>	<u><u>16,983,564</u></u>
	2017	2016
	£	£
Other significant revenue		
Interest income	21,726	38,099
	<u>21,726</u>	<u>38,099</u>
	<u><u>21,726</u></u>	<u><u>38,099</u></u>
	2017	2016
	£	£
Turnover analysed by geographical market		
UK sales	13,249,643	12,091,925
European sales	5,987,798	4,798,809
Other region sales	89,713	92,830
	<u>19,327,154</u>	<u>16,983,564</u>
	<u><u>19,327,154</u></u>	<u><u>16,983,564</u></u>

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

4 Operating profit	2017	2016
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(294,859)	(51,892)
Depreciation of owned tangible fixed assets	210,697	83,949
Loss on disposal of tangible fixed assets	22,748	766
Amortisation of intangible assets	3,400	3,400
Cost of stock recognised as an expense	12,755,880	9,428,088
Operating lease charges	600,278	263,268
	<u><u> </u></u>	<u><u> </u></u>
 5 Auditor's remuneration		
	2017	2016
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	17,500	16,500
	<u><u> </u></u>	<u><u> </u></u>
For other services		
All other non-audit services	22,133	28,552
	<u><u> </u></u>	<u><u> </u></u>

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

6 Employees

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

	2017	2016
	Number	Number
Sales and marketing	29	26
Warehouse and dispatch	17	17
Admin and finance	10	10
Product development	11	8
	<u>67</u>	<u>61</u>

Their aggregate remuneration comprised:

	2017	2016
	£	£
Wages and salaries	2,354,886	2,057,518
Social security costs	263,848	220,087
Pension costs	92,732	82,239
	<u>2,711,466</u>	<u>2,359,844</u>

7 Directors' remuneration

	2017	2016
	£	£
Remuneration for qualifying services	<u>353,171</u>	<u>394,704</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

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

Remuneration for qualifying services	344,901	386,435
Company pension contributions to defined contribution schemes	8,270	8,270
	<u>353,171</u>	<u>394,704</u>

The remuneration of key management personnel during the year amounted to £868,608 (2016: £736,862).

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

8 Interest receivable and similar income	2017	2016
	£	£
Interest income		
Interest on bank deposits	14,457	23,569
Other interest income	7,269	14,530
	<u>21,726</u>	<u>38,099</u>
Total interest revenue	<u><u>21,726</u></u>	<u><u>38,099</u></u>
9 Taxation	2017	2016
	£	£
Current tax		
UK corporation tax on profits for the current period	66,818	444,831
	<u>66,818</u>	<u>444,831</u>
Deferred tax		
Origination and reversal of timing differences	54,218	12,415
	<u>54,218</u>	<u>12,415</u>
Total tax charge	<u><u>121,036</u></u>	<u><u>457,246</u></u>

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

	2017	2016
	£	£
Profit before taxation	941,404	2,508,033
	<u>941,404</u>	<u>2,508,033</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)</i>	178,867	501,607
Tax effect of expenses that are not deductible in determining taxable profit	15,276	5,085
Depreciation on assets not qualifying for tax allowances	54,218	12,415
Research and development tax credit	(61,403)	(48,676)
Capital allowances	(106,810)	(29,975)
Depreciation add back	40,032	16,790
Effect of change in corporation tax rate	856	-
	<u>121,036</u>	<u>457,246</u>
Taxation charge for the year	<u><u>121,036</u></u>	<u><u>457,246</u></u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £248,595 (2016: £161,158).

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

10 Intangible fixed assets

	Patents
	£
Cost	
At 1 January 2017 and 31 December 2017	17,000
Amortisation and impairment	
At 1 January 2017	3,400
Amortisation charged for the year	3,400
At 31 December 2017	6,800
Carrying amount	
At 31 December 2017	10,200
At 31 December 2016	13,600

11 Tangible fixed assets

	Leasehold	Plant and	Motor	Total
	improvements	machinery	vehicles	£
	£	£	£	£
Cost				
At 1 January 2017	20,875	871,839	73,398	966,112
Additions	1,665,892	141,933	19,255	1,827,080
Disposals	(17,653)	(106,540)	(15,500)	(139,693)
At 31 December 2017	1,669,114	907,232	77,153	2,653,499
Depreciation and impairment				
At 1 January 2017	20,875	646,641	47,336	714,852
Depreciation charged in the year	113,815	86,189	10,693	210,697
Eliminated in respect of disposals	(17,653)	(84,165)	(12,957)	(114,775)
At 31 December 2017	117,037	648,665	45,072	810,774
Carrying amount				
At 31 December 2017	1,552,077	258,567	32,081	1,842,725
At 31 December 2016	-	225,198	26,062	251,260

12 Stock

	2017	2016
	£	£
Finished goods and raw materials	4,214,376	5,162,836

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

13 Financial instruments

	2017	2016
	£	£
Carrying amount of financial assets		
Debt instruments measured at amortised cost	7,151,374	4,893,656
Carrying amount of financial liabilities		
Measured at amortised cost	4,643,442	850,818

14 Debtors

	2017	2016
	£	£
Amounts falling due within one year:		
Trade debtors	4,394,338	2,773,392
Corporation tax recoverable	120,166	99,746
Other debtors	2,757,036	2,367,264
Prepayments and accrued income	172,976	1,025,785
	<u>7,444,516</u>	<u>6,266,187</u>

Trade debtors disclosed above are measured at amortised cost.

15 Creditors: amounts falling due within one year

	2017	2016
	£	£
Loans and overdrafts	7,585	-
Trade creditors	2,428,691	631,932
Corporation tax	-	284,770
Other taxation and social security	243,813	64,002
Other creditors	1,915,283	13,006
Accruals and deferred income	291,883	205,880
	<u>4,887,255</u>	<u>1,199,590</u>

16 Provisions for liabilities

	2017	2016
	£	£
Dilapidations provision	-	143,605
Deferred tax liabilities	17 89,533	35,315
	<u>89,533</u>	<u>178,920</u>

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

17 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
Accelerated capital allowances	89,533	35,315
	<u> </u>	<u> </u>
		2017 £
Movements in the year:		
Liability at 1 January 2017		35,315
Charge to profit and loss account		54,218
		<u> </u>
Liability at 31 December 2017		89,533
		<u> </u>

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

18 Retirement benefit schemes

	2017 £	2016 £
Defined contribution schemes		
Charge to the profit or loss account in respect of defined contribution schemes	92,732	82,239
	<u> </u>	<u> </u>

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

Included in other creditors at the balance sheet date is £15,283 (2016: £13,064) of unpaid pension contributions.

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

19 Share capital	2017	2016
	£	£
Ordinary share capital Issued and fully paid		
30,000 Ordinary A shares of 1p each	300	300
10,000 Ordinary B shares of 1p each	100	100
43,677 Ordinary D shares of 1p each	437	437
960,000 Ordinary E shares of 1p each	9,600	9,600
	<u>10,437</u>	<u>10,437</u>

All ordinary shares have full voting and capital distribution rights. The shares rank pari passu in all respects.

20 Financial commitments, guarantees and contingent liabilities

There is a fixed and floating charge in favour of the bank, held over all the property and assets of the company.

There is a cross guarantee, in favour of the bank, between Korda Developments Limited, Tackle Guru Limited, Gigantica Carp Limited and Carpfest Limited. The facility in use at the year end was £nil (2016: £nil).

21 Operating leases commitments**Lessee**

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

	2017	2016
	£	£
Within one year	511,594	524,769
Between two and five years	1,731,316	1,618,348
In over five years	3,610,072	3,985,241
	<u>5,852,982</u>	<u>6,128,358</u>

22 Capital commitments

	2017	2016
	£	£
Amounts contracted for but not provided in the financial statements:		
Contracted for but not provided in the financial statements:		
Acquisition of leasehold improvements	-	422,747
	<u>-</u>	<u>422,747</u>

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

23 Controlling party

D Fairbrass is considered to be the controlling party by virtue of his majority shareholding.

24 Related party transactions

The following entities are related by virtue of common control: Gigantica Carp Limited, Gigantica Carp SARL, Tackle Guru Limited, Carpfest Limited, Korda Europe BV, Korda Holdings BV and Embryo Angling Habitats Limited.

At the year end included in other debtors is an amount of £122,091 (2016: £112,490) owed by Gigantica Carp Limited. No interest is being charged on this loan. During the year, the company made sales of £55,766 (2016: £48,959) to and purchases of £nil (2016: £9,450) on behalf of Gigantica Carp SARL. During the year the company loaned Gigantica Carp SARL an amount of £8,880 (2016: £102,140) and received repayments of £nil (2016: £47,564). No interest is being charged on this loan. At the year end the company was owed a net amount of £227,404 (2016: £182,043) by Gigantica Carp SARL.

During the year, the company made sales to Tackle Guru Limited of £2,502,264 (2016: £2,440,749) and made purchases from Tackle Guru Limited of £4,015,511 (2016: £3,130,097). At the balance sheet date the company was due a net amount in respect of trading balances of £467,927 (2016: £191,107) from Tackle Guru Limited. Included within other creditors was a balance of £1,900,000 (2016: £nil) due to Tackle Guru Limited. During the year the company paid a management charge of £307,800 (2016: £307,800) to Tackle Guru Limited in respect of management services provided.

During the year the company made sales of £5,961,086 (2016: £4,866,520) to Korda Europe BV and purchases of £2,672 (2016: £1,972) from Korda Europe BV. At the balance sheet date, the company was owed £1,094,331 (2016: £1,507,506) by Korda Europe BV. Also at the balance sheet date the company was owed £187,403 (2016: £368,747) by Korda Holdings BV. During the year the company received repayments of the loan of £195,356 (2016: £59,717) from Korda Holdings BV. Interest was charged at normal commercial rates of £5,758 (2016: £8,120) on this loan.

During the year the company made sales of £116,961 (2016: £170,335) to and purchases of £11,318 (2016: £14,561) from Embryo Angling Habitats Limited. The company also loaned an amount of £430,000 (2016: £670,000) to Embryo Angling Habitats Limited. At the balance sheet date the company was owed a net amount of £1,531,903 (2016: £1,172,638) by Embryo Angling Habitats Limited.

Korda Developments Limited

Notes to the Financial Statements (Continued)

For the year ended 31 December 2017

25 Directors' transactions

During the year, the company paid rent at market value for their office space amounting to £21,000 (2016: £84,000) to D Fairbrass, a director of the company. Included within other creditors is an amount of £7,585 (2016: £49,715 debtor) owed to D Fairbrass. Interest of £1,511 (2016: £6,365) at a rate of 3% (2016: 3%) was charged on this balance during the year. Transactions in relation to overdrawn directors loan accounts balances during the year are outlined below:

Description	% Rate	Opening Balance £	Amounts Advanced £	Interest Charged £	Amounts Repaid £	Closing Balance £
D Fairbrass	3	49,715	44,149	1,511	102,960	(7,585)
		<u>49,715</u>	<u>44,149</u>	<u>1,511</u>	<u>102,960</u>	<u>(7,585)</u>

Also included in other debtors in an amounts of £10,338 (2016: £3,715) owed by D Clarke, a director of the company. This amount has been repaid in full within 9 months of the year end.

26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	820,368	2,050,787
Adjustments for:		
Taxation charged	121,036	457,246
Investment income	(21,726)	(38,099)
Loss on disposal of tangible fixed assets	22,748	766
Amortisation and impairment of intangible assets	3,400	3,400
Depreciation and impairment of tangible fixed assets	210,697	83,949
(Decrease)/increase in provisions	(143,605)	143,605
Movements in working capital:		
Decrease/(increase) in stock	948,460	(1,754,521)
(Increase) in debtors	(2,108,265)	(559,058)
Increase/(decrease) in creditors	2,052,435	(1,480,725)
Cash generated from/(absorbed by) operations	<u>1,905,548</u>	<u>(1,092,650)</u>

