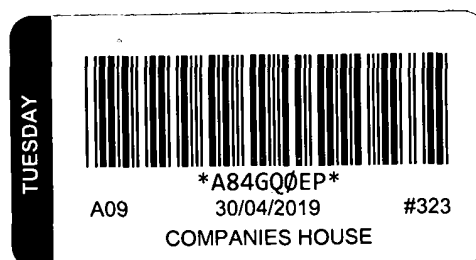


REGISTERED NUMBER: 02437178 (England and Wales)

COMPANIES HOUSE  
FINANCIAL STATEMENTS

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018  
FOR  
PORTWAY DOMESTIC APPLIANCES LIMITED

Langdowns DFK Limited  
Statutory Auditor  
Kingsgate House,  
North Wing, Ground Floor  
Newbury Road  
Andover  
Hampshire  
SP10 4DU



**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**CONTENTS OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

	<b>Page</b>
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Income Statement	8
Other Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Statement of Cash Flows	12
Notes to the Statement of Cash Flows	13
Notes to the Financial Statements	14

**PORTWAY DOMESTIC APPLIANCES LIMITED**

**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**DIRECTORS:**

Mr K White  
Mr J Bainbridge  
Mr J K V White  
Mr R J Pope

**SECRETARY:**

Mr K White

**REGISTERED OFFICE:**

Kingsgate House  
Newbury Road  
Andover  
Hampshire  
SP10 4DU

**BUSINESS ADDRESS:**

Centurion House  
Central Way  
Andover  
Hampshire  
SP10 5AN

**REGISTERED NUMBER:**

02437178 (England and Wales)

**SENIOR STATUTORY AUDITOR:**

Neil Raynsford

**AUDITORS:**

Langdowns DFK Limited  
Statutory Auditor  
Kingsgate House,  
North Wing, Ground Floor  
Newbury Road  
Andover  
Hampshire  
SP10 4DU

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors present their strategic report for the year ended 31 December 2018.

**REVIEW OF BUSINESS**

**Principal activity**

The principal activity of the company in the year under review was that of selling distribution of domestic appliances.

**Development and performance of the business**

During the year under review, the retail market for domestic appliances has continued to prove challenging. The ongoing uncertainty with regard to the Brexit situation has caused the company to increase its stock holding as a buffer against supply issues in the event of a no deal situation. From this we have increased our stock levels at pre-Brexit prices in order to prevent any supply chain issues as widely predicted.

The company has continued to invest in diversification with office space rentals. In the retail division we have invested in engineering to cover the local area and bordering counties to increase our margin and satisfy newly acquired contracts, such as the major manufacturer Miele. We are also entering the kitchen market by the selling of kitchen furniture alongside selling appliances. This highly profitable area of the business has already seen very encouraging results. We continue to grow our online sales capability and generally improve the company's website to enable the company to engage with the commercial sector and hospitality industry.

It is the intention of the directors to keep growing all divisions of the company to ensure maximum revenue streams as well as ensuring that the company is at the fore front of the latest market trends. Whilst the company is diversifying, all diversifications are within the current business sector which the director see as low risk growth potential.

Although there has been a small decline in sales of some 8% when compared with the previous year, the company continues to control and monitor its costs where practical without affecting the efficiency of its trading operations and investment in the future.

	<b><u>Year ended 31</u></b> <b><u>December 2018</u></b>	<b><u>Year ended 31</u></b> <b><u>December 2017</u></b>	<b><u>Year ended 31</u></b> <b><u>December 2016</u></b>
	<b>£</b>	<b>£</b>	<b>£</b>
Turnover	11,035,070	12,010,367	12,658,350
Turnover (decline)/growth	(8.1%)	(5.1%)	5.2%
Gross profit margin	15.4%	15.1%	14.8%
Profit/(Loss) before tax	47,649	39,187	45,713
Cash deficits	(904,721)	(835,639)	(920,697)

**Position of the business**

At the end of the year, net assets had increased by £45,059 from a net assets position of £1,403,560 in the prior year to net assets of £1,448,619.

**STRATEGIC REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal financial instruments of the business comprise bank balances, stock, trade debtors and trade creditors. The main purpose of these instruments are to finance the operations of the business.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

Trade debtors are managed in respect of credit and cash flow risk through observing policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

The amounts presented in the balance sheet are net of allowances for doubtful debts.

The trade debtors are insured against bad debt risk.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due through the use of the company overdraft facility.

Due to the nature of the company's activities, there is no significant exposure to foreign currency risk.

**GOING CONCERN**

The company's overdraft facility with its bankers comprises £1.2 million, which is as customary with such arrangements, subject to an annual review.

The review of the bank facility has taken place and has been renewed to 30 April 2020.

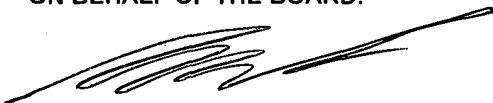
Despite the challenges faced by the industry in which the company operates, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Accordingly, the company continues to adopt the going concern basis in preparing the financial statements.

**SUPPLIER PAYMENT POLICY**

The company adheres to the settlement terms agreed with each of its suppliers.

**ON BEHALF OF THE BOARD:**



Mr K White - Secretary

25 April 2019

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2018.

**RESEARCH AND DEVELOPMENT**

The company does not undertake research and development activities.

**FUTURE DEVELOPMENTS**

There have been and are no anticipated significant future developments.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

Mr K White  
Mr J Bainbridge  
Mr J K V White  
Mr R J Pope

Other changes in directors holding office are as follows:

Mr N J Bradford - resigned 19 January 2018

**FIXED ASSETS**

In the opinion of the directors, the current open market value of the company's interest in land and buildings is equal to the net book value as at 31 December 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make 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.

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**REPORT OF THE DIRECTORS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director 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 company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**



Mr K White - Secretary

25 April 2019

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PORTWAY DOMESTIC APPLIANCES LIMITED**

---

### **Opinion**

We have audited the financial statements of Portway Domestic Appliances Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 company's affairs as at 31 December 2018 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 Auditors' 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 in the Strategic Report and the Report of the Directors, 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, 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.

### **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 Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 or the Report of the Directors.

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.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF PORTWAY DOMESTIC APPLIANCES LIMITED**

---

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

### **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](http://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.

Neil Raynsford (Senior Statutory Auditor)  
for and on behalf of Langdowns DFK Limited  
Statutory Auditor  
Kingsgate House,  
North Wing, Ground Floor  
Newbury Road  
Andover  
Hampshire  
SP10 4DU

Date: 26TH APRIL 2019 .

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**INCOME STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018	2017
		£	£
<b>TURNOVER</b>		<b>11,035,070</b>	<b>12,010,367</b>
Cost of sales		<b>9,335,187</b>	<b>10,197,636</b>
<b>GROSS PROFIT</b>		<b>1,699,883</b>	<b>1,812,731</b>
Distribution costs		<b>443,162</b>	<b>491,834</b>
Administrative expenses		<b>1,144,893</b>	<b>1,207,545</b>
		<b>1,588,055</b>	<b>1,699,379</b>
		<b>111,828</b>	<b>113,352</b>
Other operating income		<b>19,600</b>	<b>3,583</b>
<b>OPERATING PROFIT</b>	<b>4</b>	<b>131,428</b>	<b>116,935</b>
Interest payable and similar expenses	<b>5</b>	<b>83,779</b>	<b>77,748</b>
<b>PROFIT BEFORE TAXATION</b>		<b>47,649</b>	<b>39,187</b>
Tax on profit	<b>6</b>	<b>2,590</b>	<b>18,345</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>45,059</b>	<b>20,842</b>

The notes form part of these financial statements

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**OTHER COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
PROFIT FOR THE YEAR		45,059	20,842
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>45,059</u>	<u>20,842</u>

The notes form part of these financial statements

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>FIXED ASSETS</b>			
Intangible assets	7	3,710	6,171
Tangible assets	8	1,248,757	1,155,949
Investments	9	23,575	24,665
		<u>1,276,042</u>	<u>1,186,785</u>
<b>CURRENT ASSETS</b>			
Stocks	10	2,707,958	2,625,693
Debtors	11	1,609,227	1,602,779
Cash at bank and in hand		977	1,161
		<u>4,318,162</u>	<u>4,229,633</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	3,339,945	3,177,808
<b>NET CURRENT ASSETS</b>		<u>978,217</u>	<u>1,051,825</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,254,259</u>	<u>2,238,610</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(781,054)	(813,054)
<b>PROVISIONS FOR LIABILITIES</b>	17	(24,586)	(21,996)
<b>NET ASSETS</b>		<u>1,448,619</u>	<u>1,403,560</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	85	85
Share premium	19	4,995	4,995
Capital redemption reserve	19	25	25
Retained earnings	19	1,443,514	1,398,455
<b>SHAREHOLDERS' FUNDS</b>		<u>1,448,619</u>	<u>1,403,560</u>

The financial statements were approved by the Board of Directors on 25 April 2019 and were signed on its behalf by:

  
Mr J Bainbridge - Director

  
Mr J K V White - Director

  
Mr R J Pope - Director

The notes form part of these financial statements

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Share premium £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2017</b>	85	1,377,613	4,995	25	1,382,718
<b>Changes in equity</b>					
Total comprehensive income	-	20,842	-	-	20,842
<b>Balance at 31 December 2017</b>	85	1,398,455	4,995	25	1,403,560
<b>Changes in equity</b>					
Total comprehensive income	-	45,059	-	-	45,059
<b>Balance at 31 December 2018</b>	85	1,443,514	4,995	25	1,448,619

The notes form part of these financial statements

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	169,854	476,806
Interest paid		(80,817)	(75,850)
Interest element of hire purchase payments paid		(2,962)	(1,898)
Tax paid		(690)	(18,877)
Net cash from operating activities		<u>85,385</u>	<u>380,181</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		-	(6,320)
Purchase of tangible fixed assets		(46,449)	(91,018)
Purchase of fixed asset investments		-	(70)
Sale of tangible fixed assets		-	8,199
Group loan repayment		1,090	10,070
Net cash from investing activities		<u>(45,359)</u>	<u>(79,139)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(85,461)	(123,738)
Capital repayments in year		(18,373)	(11,226)
Amount introduced by directors		9,184	5,517
Amount withdrawn by directors		(13,783)	(14,595)
Amounts due to group companies		(675)	(71,942)
Net cash from financing activities		<u>(109,108)</u>	<u>(215,984)</u>
(Decrease)/increase in cash and cash equivalents		<u>(69,082)</u>	<u>85,058</u>
Cash and cash equivalents at beginning of year	2	(835,639)	(920,697)
Cash and cash equivalents at end of year	2	<u>(904,721)</u>	<u>(835,639)</u>

The notes form part of these financial statements

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

**NOTES TO THE STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS**

	2018	2017
	£	£
Profit for the financial year	45,059	20,842
Depreciation charges	59,629	44,210
Profit on disposal of fixed assets	-	(1,473)
Finance costs	83,779	77,748
Taxation	2,590	18,345
	<u>191,057</u>	<u>159,672</u>
Increase in stocks	(82,265)	(3,385)
Decrease in trade and other debtors	1,133	117,385
Increase in trade and other creditors	59,929	203,134
	<u>169,854</u>	<u>476,806</u>
<b>Cash generated from operations</b>	<b>169,854</b>	<b>476,806</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	977	1,161
Bank overdrafts	(905,698)	(836,800)
	<u>(904,721)</u>	<u>(835,639)</u>

**Year ended 31 December 2017**

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	1,161	2,235
Bank overdrafts	(836,800)	(922,932)
	<u>(835,639)</u>	<u>(920,697)</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

---

**1. STATUTORY INFORMATION**

Portway Domestic Appliances Limited is a private company, limited by shares, registered in England and Wales. The company's registered number, registered office address and business address can be found on the company information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**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.

The bank overdraft facility has been renewed to 30 June 2019 and the directors have no reason to doubt that the company's bankers will not continue to support the company beyond that date. Therefore, the directors believe that it is appropriate to prepare the financial statements on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

**Preparation of consolidated financial statements**

The financial statements contain information about Portway Domestic Appliances Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Ken White Holdings Limited, Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU.

**Turnover**

Turnover represents net invoiced sales of domestic appliances, excluding value added tax and is reduced for estimated customer returns and sales settlement discounts.

Turnover is recognised when all the following conditions are satisfied:-

- 1) the company has transferred to the customer the significant risks and rewards of ownership of the goods;
- 2) the amount of turnover can be measured reliably;
- 3) it is probable that the economic benefits associated with the transaction will flow to the company; and
- 4) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Specifically, turnover is recognised when the domestic appliances are delivered to the customer and legal title is passed.

**Intangible assets**

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

**Goodwill**

Goodwill arising on the amount paid in connection with the acquisition of a business in June 2006 is carried at cost less accumulated amortisation and impairment losses if any.

This has been amortised evenly over its estimated useful life of ten years and ended during 2016.

**Website costs**

Website development, design and content costs are capitalised due to the website having the capability to be used for direct selling and is classified as an identifiable non-monetary asset without physical substance.

Website costs are stated at cost less accumulated amortisation and are amortised, using the straight line method, over its appropriate useful life of 3 years.



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

---

**2. ACCOUNTING POLICIES - continued**

**Tangible fixed assets**

Long leasehold building is held and used in the company's own activities for supply of goods or for administrative purposes and is stated in the statement of financial position at cost less accumulated depreciation.

Depreciation on this building is charged to the income statement so as to write off its value less residual value, over the estimated useful life, being the lease term, using the straight line method.

Fixtures and fittings, plant and motor vehicles and computer equipment are stated at cost less accumulated depreciation.

Depreciation is charged to the income statement so as to write off their value less residual value, over the estimated useful lives, using the straight line method, with fixtures and fittings at 10%, 15% and 20%, plant and motor vehicles at 15%, 20% and 25% and computer equipment at 33%.

At the end of each reporting period, the company reviews the carrying amounts of its property, fixtures and fittings, plant and motor vehicles and computer equipment to determine whether there is any indication that any items 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.

**Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

**Stocks**

Stock is stated at the lower of cost and estimated selling price less costs to complete and sell. Estimated selling price less costs to complete and sell is ascertained by the review of post balance sheet selling prices.

Cost is ascertained on a First In First Out basis from the invoiced amount charged by suppliers.

The amount of any write-downs of stocks to estimated selling price less costs to complete and sell and all losses of stocks are recognised as an expense in the period in which the write-down or loss occurs.

**Financial instruments**

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting its liabilities.

**Taxation**

Taxation expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. The taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax is recognised on timing differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all deductible temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible timing differences can be utilised. The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates and laws enacted or substantively enacted by the end of the reporting period.

Current or deferred tax for the year is recognised in the income statement, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax is also recognised in other comprehensive income or directly in equity respectively.

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

**2. ACCOUNTING POLICIES - continued**

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position 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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised at their fair value at the inception of the hire purchase contract or finance lease in the statement of financial position when all the risks and rewards of ownership are substantially transferred to the company.

Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The corresponding liability of the future payments to the lessor is recognised in the statement of financial position as a hire purchase or finance lease obligation.

The interest element of these obligations is charged to the income statement over the relevant period.

Leases which do not transfer substantially all the risks and rewards of ownership to the company are classified as operating leases. Rentals paid under operating leases are charged to the income statement as incurred.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the scheme are recognised as an expense as incurred. The assets of the scheme are held separately from those of the company in an independent administered fund.

**Trade and other debtors**

Short term trade and other debtors are measured at transaction value less impairment losses for bad and doubtful debts.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank and on hand and bank overdrafts. In the statement of financial position, bank overdrafts are shown within current liabilities.

**Trade and other creditors**

Short-term trade and other creditors are measured at transaction value. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and subsequently at amortised cost using the effective interest method.

**3. EMPLOYEES AND DIRECTORS**

	2018	2017
	£	£
Wages and salaries	472,197	534,041
Social security costs	43,591	52,116
Other pension costs	12,606	11,052
	<u>528,394</u>	<u>597,209</u>

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

	2018	2017
Directors	4	5
Office	16	16
	<u>20</u>	<u>21</u>

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**3. EMPLOYEES AND DIRECTORS - continued**

	2018 £	2017 £
Directors' remuneration	140,894	199,116
Directors' pension contributions to money purchase schemes	7,717	7,463

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	3	1
------------------------	---	---

**4. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2018 £	2017 £
Hire of plant and machinery	2,976	3,259
Other operating leases	16,482	27,990
Depreciation - owned assets	44,651	33,071
Depreciation - assets on hire purchase contracts	12,517	9,113
Profit on disposal of fixed assets	-	(1,473)
Website costs amortisation	2,461	2,026
Auditors' remuneration - prior year under provision	1,200	1,158
Auditors' remuneration	14,635	13,800
Other operating leases - land and buildings	74,820	74,820

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2018 £	2017 £
Bank interest	33,076	24,810
Bank loan interest	23,546	23,805
Loan	24,474	26,985
Directors' loan interest	(279)	250
Hire purchase	2,962	1,898
	83,779	77,748

**6. 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	-	690
Deferred tax	2,590	17,655
Tax on profit	2,590	18,345

UK corporation tax has been charged at 19%.

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**6. 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>47,649</u>	<u>39,187</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%)	9,053	7,446
Effects of:		
Expenses not deductible for tax purposes	2,183	3,761
Capital allowances in excess of depreciation	-	(14,159)
Depreciation in excess of capital allowances	2,255	-
Utilisation of tax losses	(3,001)	4,190
Deferred tax asset charge/ (credit)	(21,996)	(4,342)
Deferred tax liability charge now deductible	24,586	21,996
Profit on disposal of assets	-	(280)
Balancing charge	-	285
Revenue expenditure capitalised	(10,490)	(552)
Total tax charge	<u>2,590</u>	<u>18,345</u>

**7. INTANGIBLE FIXED ASSETS**

	Goodwill £	Website costs £	Totals £
<b>COST</b>			
At 1 January 2018 and 31 December 2018	<u>95,302</u>	<u>25,500</u>	<u>120,802</u>
<b>AMORTISATION</b>			
At 1 January 2018	95,302	19,329	114,631
Amortisation for year	-	2,461	2,461
At 31 December 2018	<u>95,302</u>	<u>21,790</u>	<u>117,092</u>
<b>NET BOOK VALUE</b>			
At 31 December 2018	<u>-</u>	<u>3,710</u>	<u>3,710</u>
At 31 December 2017	<u>-</u>	<u>6,171</u>	<u>6,171</u>

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**8. TANGIBLE FIXED ASSETS**

	Long leasehold £	Improvements to property £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2018	1,168,313	2,905	88,120
Additions	-	61,836	7,202
At 31 December 2018	1,168,313	64,741	95,322
<b>DEPRECIATION</b>			
At 1 January 2018	151,933	37	49,306
Charge for year	20,957	2,225	6,406
At 31 December 2018	172,890	2,262	55,712
<b>NET BOOK VALUE</b>			
At 31 December 2018	995,423	62,479	39,610
At 31 December 2017	1,016,380	2,868	38,814
	<b>Plant and motor vehicles £</b>	<b>Computer equipment £</b>	<b>Totals £</b>
<b>COST</b>			
At 1 January 2018	184,830	97,745	1,541,913
Additions	58,172	22,766	149,976
At 31 December 2018	243,002	120,511	1,691,889
<b>DEPRECIATION</b>			
At 1 January 2018	104,091	80,597	385,964
Charge for year	21,499	6,081	57,168
At 31 December 2018	125,590	86,678	443,132
<b>NET BOOK VALUE</b>			
At 31 December 2018	117,412	33,833	1,248,757
At 31 December 2017	80,739	17,148	1,155,949

The net book value of assets held under hire purchase contracts is £106,459 (2017 - £60,803).

**9. FIXED ASSET INVESTMENTS**

	2018 £	2017 £
Shares in group undertakings	200	200
Loans to group undertakings	23,375	24,465
	<b>23,575</b>	<b>24,665</b>

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**9. FIXED ASSET INVESTMENTS - continued**

Additional information is as follows:

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2018 and 31 December 2018	<u>200</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>200</u>
At 31 December 2017	<u>200</u>

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

**Panda Appliances Limited**

Registered office: Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU

Nature of business: Sale of domestic and commercial appliances

	% holding	2018 £	2017 £
Class of shares:			
Ordinary A	100.00		
Ordinary B	100.00		
Aggregate capital and reserves		(23,833)	(24,092)
Profit for the year		<u>259</u>	<u>3,787</u>
			<b>Loans to group undertakings £</b>
At 1 January 2018			24,465
Repayment in year			(4,000)
Other movement			<u>2,910</u>
At 31 December 2018			<u>23,375</u>

**10. STOCKS**

	2018 £	2017 £
Finished goods	2,593,348	2,617,625
Goods in transit	<u>114,610</u>	<u>8,068</u>
	<u>2,707,958</u>	<u>2,625,693</u>

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Trade debtors	1,468,878	1,469,377
Amounts owed by group undertakings	-	1,177
Other debtors	4,236	1,389
Directors' current accounts	11,006	2,248
Other taxes	36,384	27,185
Prepayments	88,723	101,403
	<u>1,609,227</u>	<u>1,602,779</u>

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Bank loans and overdrafts (see note 14)	957,654	875,840
Loan from group undertaking (see note 14)	41,642	39,040
Hire purchase contracts (see note 15)	32,771	16,596
Trade creditors	1,917,190	1,861,396
Amounts owed to group undertakings	273,254	275,106
Tax	-	690
Social security and other taxes	10,293	19,791
Other creditors	4,238	4,337
Directors' current accounts	5,173	1,014
Accrued expenses	97,730	83,998
	<u>3,339,945</u>	<u>3,177,808</u>

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Bank loans (see note 14)	335,870	340,208
Loan from group undertaking (see note 14)	398,567	440,208
Hire purchase contracts (see note 15)	46,617	32,638
	<u>781,054</u>	<u>813,054</u>

The bank loan and loan from the group undertaking are repayable over 15 years commencing 1 October 2010 and interest is payable on the loans at a fixed rate of 6.04%.

A second bank loan is repayable over 5 years commencing April 2018 and interest is payable on the loan at a fixed rate of 5.03%.

For details for security held for the bank loans and bank overdraft - See note 16.

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**14. LOANS**

An analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due within one year or on demand:		
Bank overdrafts	905,698	836,800
Bank loans	51,956	39,040
Loan from group undertaking	41,642	39,040
	<u>999,296</u>	<u>914,880</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	54,985	41,642
Loan from group undertaking	44,152	41,642
	<u>99,137</u>	<u>83,284</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	176,016	140,825
Loan from group undertaking	249,546	240,825
	<u>425,562</u>	<u>381,650</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans more than 5 years		
by instalments	104,869	157,741
Loan from group undertaking	104,869	157,741
	<u>209,738</u>	<u>315,482</u>

**15. LEASING AGREEMENTS**

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2018 £	2017 £
Net obligations repayable:		
Within one year	32,771	16,596
Between one and five years	46,617	32,638
	<u>79,388</u>	<u>49,234</u>



**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**15. LEASING AGREEMENTS - continued**

	<b>Non-cancellable operating leases</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Within one year	<b>75,975</b>	<b>80,709</b>
Between one and five years	<b>301,878</b>	<b>303,032</b>
In more than five years	<b>3,105,030</b>	<b>3,179,850</b>
	<b><u>3,482,883</u></b>	<b><u>3,563,591</u></b>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	<b>905,698</b>	<b>836,800</b>
Bank loans	<b>387,826</b>	<b>379,248</b>
Hire purchase contracts	<b>79,388</b>	<b>49,234</b>
Loan from group undertaking	<b>440,209</b>	<b>479,248</b>
	<b><u>1,813,121</u></b>	<b><u>1,744,530</u></b>

The bank overdraft is secured by a fixed and floating charge over the assets and undertakings of the company.

The bank loans are secured by a first legal charge over the commercial leasehold property and the loan from the group undertaking is secured by a second legal charge over the commercial leasehold property.

The hire purchase contracts are secured on the fixed assets for which they were used to purchase.

**17. PROVISIONS FOR LIABILITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Deferred tax	<b><u>24,586</u></b>	<b><u>21,996</u></b>
		<b>Deferred tax</b>
		<b>£</b>
Balance at 1 January 2018		<b>21,996</b>
Provided during year		<b>2,590</b>
Balance at 31 December 2018		<b><u>24,586</u></b>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2018</b>	<b>2017</b>
Number:	Class:	Nominal value:	<b>£</b>	<b>£</b>
85	Ordinary	£1	<b><u>85</u></b>	<b><u>85</u></b>

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**19. RESERVES**

	Retained earnings £	Share premium £	Capital redemption reserve £	Totals £
At 1 January 2018	1,398,455	4,995	25	1,403,475
Profit for the year	45,059			45,059
At 31 December 2018	1,443,514	4,995	25	1,448,534

**20. ULTIMATE PARENT COMPANY**

Ken White Holdings Limited (incorporated in Great Britain) is regarded by the directors as being the company's ultimate parent company.

It has included the company in its group financial statements, copies of which are available from Kingsgate House, Newbury Road, Andover, Hampshire, SP10 4DU.

**21. CAPITAL COMMITMENTS**

	2018 £	2017 £
Contracted but not provided for in the financial statements	-	48,349

**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES**

The following advances and credits to directors subsisted during the years ended 31 December 2018 and 31 December 2017:

	2018 £	2017 £
<b>Mr J Bainbridge</b>		
Balance outstanding at start of year	2,146	-
Amounts advanced	2,872	2,146
Amounts repaid	(2,146)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	2,872	2,146
<b>Mr N J Bradford</b>		
Balance outstanding at start of year	102	-
Amounts advanced	-	102
Amounts repaid	(102)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	-	102

**PORTWAY DOMESTIC APPLIANCES LIMITED (REGISTERED NUMBER: 02437178)**

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

**22. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

**Mr J K V White**

Balance outstanding at start of year	-	-
Amounts advanced	6,316	-
Amounts repaid	(1,340)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>4,976</u>	<u>-</u>

**Mr R J Pope**

Balance outstanding at start of year	-	-
Amounts advanced	3,158	-
Amounts repaid	-	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>3,158</u>	<u>-</u>

All loans were unsecured and were repaid in full by 28 March 2019. No interest was charged.

**23. RELATED PARTY DISCLOSURES**

**Entities with control, joint control or significant influence over the entity**

	2018	2017
	£	£
Vehicle rental charges	8,990	26,873
Loan interest payable	24,474	26,985

At the year end there was a loan creditor of £41,642 (2017:£39,040) from a group undertaking falling due within one year, and £398,567 (2017:£440,208) from a group undertaking falling due after more than one year. The loan is secured by a second legal charge over the commercial leasehold property owned by the company and interest is charged at market rate.

At the year end there was a creditor balance of £10,657 (2017:£13,059) owed to a group undertaking.

The indebtedness of a main supplier of the company is guaranteed by a group undertaking. The amount due to the supplier at the year end was £133,533 (2017:£265,782).

**Entities over which the entity has control, joint control or significant influence**

	2018	2017
	£	£
Sales and other recharges	4,000	7,499

**Key management personnel of the entity or its parent (in the aggregate)**

The directors of the company are considered to be the key management personnel of the company and their remuneration is detailed in note 3.

**Other related parties**

	2018	2017
	£	£
Distribution services charged by related party	448,031	491,176
Warehousing / Handling charges and rent charged to a related party	8,346	0

At the year end there was a creditor balance of £262,597 (2017: £262,047) owed to a group undertaking.

**24. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is Mr K White.

Mr K White maintained control of the company during the current and previous period by virtue of the fact that he owns 100% of the issued shares in the parent company, Ken White Holdings Limited.