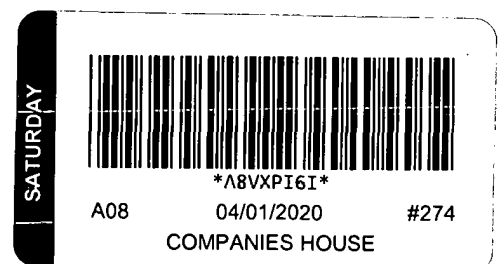


COMPANY REGISTRATION NUMBER: 01622534

Philip Grahame International Limited
Annual Report
For the year ended
31 May 2019



Philip Grahame International Limited

Annual Report

Year ended 31 May 2019

| Contents | Pages |
|---|-----------------|
| Officers and professional advisers | 1 |
| Directors' report | 2 to 3 |
| Independent auditor's report to the members | 4 to 7 |
| Profit and loss account | 8 |
| Balance sheet | 9 |
| Notes to the annual report | 10 to 14 |

Philip Grahame International Limited

Officers and Professional Advisers

The board of directors

D R Harding
P G Harding

Company secretary

Mr D Harding

Registered office

11 Queens Road
Brentwood
Essex
CM14 4HE

Auditor

Tiffin Green Limited
Chartered accountants & statutory auditor
11 Queens Road
Brentwood
Essex
CM14 4HE

Bankers

National Westminster Bank Plc
PO Box 12263
1 Princes Street
London
EC2R 8PH

Philip Grahame International Limited

Directors' Report

Year ended 31 May 2019

The directors present their report and the Annual Report of the company for the year ended 31 May 2019.

Directors

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

D R Harding
P G Harding

Directors' responsibilities statement

The directors are responsible for preparing the directors' report and the Annual Report in accordance with applicable law and regulations.

Company law requires the directors to prepare Annual Report for each financial year. Under that law the directors have elected to prepare the Annual Report 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 Annual Report unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these Annual Report, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the Annual Report 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 Annual Report 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

Philip Grahame International Limited

Directors' Report *(continued)*

Year ended 31 May 2019

This report was approved by the board of directors on 18/2/19 and signed on behalf of the board by:



D R Harding
Director



Mr D Harding
Company Secretary

Philip Grahame International Limited

Independent Auditor's Report to the Members of Philip Grahame International Limited

Year ended 31 May 2019

Opinion

We have audited the Annual Report of Philip Grahame International Limited (the 'company') for the year ended 31 May 2019 which comprise the profit and loss account, balance sheet and the related notes, 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 Annual Report:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 annual report section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the Annual Report 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 Annual Report is not appropriate; or
- the directors have not disclosed in the Annual Report 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 Annual Report are authorised for issue.

Philip Grahame International Limited

Independent Auditor's Report to the Members of Philip Grahame International Limited (continued)

Year ended 31 May 2019

Other information

The other information comprises the information included in the annual report, other than the Annual Report and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the Annual Report 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 Annual Report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Annual Report 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 Annual Report 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the directors' report for the financial year for which the Annual Report are prepared is consistent with the Annual Report; and
- the directors' report has 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 directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the Annual Report 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; or
- the directors were not entitled to prepare the Annual Report in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Philip Grahame International Limited

Independent Auditor's Report to the Members of Philip Grahame International Limited *(continued)*

Year ended 31 May 2019

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the Annual Report 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 Annual Report that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the annual report

Our objectives are to obtain reasonable assurance about whether the Annual Report 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 Annual Report.

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

- Identify and assess the risks of material misstatement of the Annual Report, 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 purpose of expressing an opinion on the effectiveness of the 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 Annual Report 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 Annual Report, including the disclosures, and whether the Annual Report represent the underlying transactions and events in a manner that achieves fair presentation.

Philip Grahame International Limited

Independent Auditor's Report to the Members of Philip Grahame International Limited *(continued)*

Year ended 31 May 2019

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.

Use of our report

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



Lee Elsworth (Senior Statutory Auditor)

For and on behalf of
Tiffin Green Limited
Chartered accountants & statutory auditor
11 Queens Road
Brentwood
Essex
CM14 4HE

18/12/2019

Philip Grahame International Limited

Profit and Loss Account

Year ended 31 May 2019

| | Note | 2019 £ | 2018 £ |
|---|------|-------------------------|------------------|
| Turnover | | 6,537,011 | 6,258,146 |
| Cost of sales | | <u>3,811,320</u> | <u>3,564,210</u> |
| Gross profit | | 2,725,691 | 2,693,936 |
| Distribution costs | | <u>638,331</u> | 577,787 |
| Administrative expenses | | <u>1,316,056</u> | <u>1,267,412</u> |
| Operating profit | | 771,304 | 848,737 |
| Interest payable and similar expenses | | <u>53,103</u> | 66,041 |
| Profit before taxation | | 718,201 | 782,696 |
| Tax on profit | | <u>98,444</u> | 117,047 |
| Profit for the financial year and total comprehensive income | | <u>619,757</u> | <u>665,649</u> |
| Dividends paid and payable | | (590,000) | (570,000) |
| Retained earnings at the start of the year | | <u>1,119,507</u> | 1,023,858 |
| Retained earnings at the end of the year | | <u>1,149,264</u> | <u>1,119,507</u> |

All the activities of the company are from continuing operations.

The notes on pages 10 to 14 form part of these Annual Report.

Philip Grahame International Limited

Balance Sheet

31 May 2019

| | Note | 2019 £ | 2018 £ |
|--|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 6 | 1,838,202 | 1,888,360 |
| Current assets | | | |
| Stocks | | 580,419 | 586,533 |
| Debtors | 7 | 1,291,474 | 1,449,537 |
| Cash at bank and in hand | | 425,220 | 417,610 |
| | | <u>2,297,113</u> | <u>2,453,680</u> |
| Creditors: amounts falling due within one year | 8 | <u>2,275,597</u> | <u>2,410,978</u> |
| Net current assets | | <u>21,516</u> | <u>42,702</u> |
| Total assets less current liabilities | | <u>1,859,718</u> | <u>1,931,062</u> |
| Creditors: amounts falling due after more than one year | 9 | 434,159 | 538,652 |
| Provisions | | | |
| Taxation including deferred tax | | <u>236,295</u> | <u>232,903</u> |
| Net assets | | <u>1,189,264</u> | <u>1,159,507</u> |
| Capital and reserves | | | |
| Called up share capital | | 40,000 | 40,000 |
| Profit and loss account | | <u>1,149,264</u> | <u>1,119,507</u> |
| Shareholders funds | | <u>1,189,264</u> | <u>1,159,507</u> |

These Annual Report have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These Annual Report were approved by the board of directors and authorised for issue on 18/12/19, and are signed on behalf of the board by:

D R Harding
Director



P G Harding
Director



Company registration number: 01622534

The notes on pages 10 to 14 form part of these Annual Report.

Philip Grahame International Limited

Notes to the Annual Report

Year ended 31 May 2019

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 11 Queens Road, Brentwood, Essex, CM14 4HE.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in accordance with the Companies Act.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities measured at fair value through profit or loss.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents sales of goods net of VAT and trade discounts. Turnover is recognised when the goods are physically despatched to the customer.

Income tax

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date. Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax. Deferred tax is measured on a discounted/an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Philip Grahame International Limited

Notes to the Annual Report *(continued)*

Year ended 31 May 2019

3. Accounting policies *(continued)*

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

| | | |
|---------------------|---|---|
| Leasehold Property | - | 5% straight line |
| Plant & Machinery | - | 5% and 10% straight line |
| Fixtures & Fittings | - | 10% and 20% straight line |
| Motor Vehicles | - | over the length of the maintenance contract and 25% of written down value |

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stock is valued at the lower of cost and net realisable value. Cost is determined on a first in first out basis. Net realisable value represents estimated selling prices. Provision is made for slow moving, obsolete and damaged stock where the net realisable value is less than cost.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the balance sheet as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Philip Grahame International Limited

Notes to the Annual Report *(continued)*

Year ended 31 May 2019

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

The company only enters into basic non financial instruments.

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Auditor's remuneration

| | 2019 | 2018 |
|---|--------------|---------------|
| | £ | £ |
| Fees payable for the audit of the annual report | <u>9,334</u> | <u>10,389</u> |

Philip Grahame International Limited

Notes to the Annual Report *(continued)*

Year ended 31 May 2019

5. Employee numbers

The average number of persons employed by the company during the year amounted to 54 (2018: 52).

6. Tangible assets

| | Land and buildings £ | Plant and machinery £ | Fixtures and fittings £ | Motor vehicles £ | Total £ |
|------------------------|----------------------------|-----------------------------|-------------------------------|------------------------|------------------|
| Cost | | | | | |
| At 1 June 2018 | 412,055 | 2,922,655 | 542,230 | 367,089 | 4,244,029 |
| Additions | 1,519 | 26,749 | 52,472 | 152,064 | 232,804 |
| Disposals | — | — | — | (141,429) | (141,429) |
| At 31 May 2019 | 413,574 | 2,949,404 | 594,702 | 377,724 | 4,335,404 |
| Depreciation | | | | | |
| At 1 June 2018 | 178,002 | 1,443,901 | 504,342 | 229,424 | 2,355,669 |
| Charge for the year | 16,093 | 157,150 | 16,444 | 82,204 | 271,891 |
| Disposals | — | — | — | (130,358) | (130,358) |
| At 31 May 2019 | 194,095 | 1,601,051 | 520,786 | 181,270 | 2,497,202 |
| Carrying amount | | | | | |
| At 31 May 2019 | 219,479 | 1,348,353 | 73,916 | 196,454 | 1,838,202 |
| At 31 May 2018 | 234,053 | 1,478,754 | 37,888 | 137,665 | 1,888,360 |

7. Debtors

| | 2019 £ | 2018 £ |
|---------------|------------------|------------------|
| Trade debtors | 1,210,060 | 1,357,360 |
| Other debtors | 81,414 | 92,177 |
| | 1,291,474 | 1,449,537 |

8. Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|---------------------------------|------------------|------------------|
| Trade creditors | 788,766 | 903,146 |
| Corporation tax | 95,052 | 115,874 |
| Social security and other taxes | 135,376 | 135,708 |
| Other creditors | 1,256,403 | 1,256,250 |
| | 2,275,597 | 2,410,978 |

Included in other creditors are the following secured creditors

- Invoice discounting secured by a fixed and floating charge over the company's assets.
- Hire purchase secured on the related assets.

The total value of secured creditors is £1,276,828, (2018 - £1,144,576).

Philip Grahame International Limited

Notes to the Annual Report *(continued)*

Year ended 31 May 2019

9. Creditors: amounts falling due after more than one year

| | 2019 | 2018 |
|-----------------|----------------|----------------|
| | £ | £ |
| Other creditors | <u>434,159</u> | <u>538,652</u> |

Hire purchase included in other creditors, is secured on the related fixed assets.

10. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

| | 2019 | 2018 |
|--|----------------|----------------|
| | £ | £ |
| Not later than 1 year | 106,500 | 106,500 |
| Later than 1 year and not later than 5 years | 426,000 | 426,000 |
| Later than 5 years | 88,750 | 195,250 |
| | <u>621,250</u> | <u>727,750</u> |

11. Related party transactions

Included in creditors due within one year are the following current account balances due to the directors:

| | 2019 | 2018 |
|-------------|--------|------|
| | £ | £ |
| D R Harding | 10,444 | 544 |
| P H Harding | 10,444 | 544 |

12. Controlling party

The distribution of the shareholding is such that there is no overall controlling party in the current or previous year.