

Registration number: 01562118

Avon Group Manufacturing Limited

Annual Report and Financial Statements

for the Year Ended 31 March 2018

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Avon Group Manufacturing Limited

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Avon Group Manufacturing Limited

Company Information

Directors M A Rushin
A R Patel
M Lewis

Company secretary A R Patel

Registered office The Avon Building
Units 137-145
South Liberty Lane
Bedminster
Bristol
BS3 2TL

Solicitors Star Legal
11 Great George Street
Clifton
Bristol
BS1 5RR

Bankers Barclays Bank Plc
Corporate Banking
4th Floor
Bridgwater House
Finzels Reach
Counterslip
Bristol
BS1 6BX

Auditors Burton Sweet
Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

Avon Group Manufacturing Limited

Strategic Report

Year Ended 31 March 2018

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

Principal activity

The principal activity of the company is that of manufacture of water cut, knife cut and hydraulic cut seals, gaskets, washers and high temperature insulation

Fair review of the business

The Directors are pleased to report the continuation of the trend of another good performance, including the provision of services to the group, where component sales (excluding sales of Tools) increased by more than 2% and the Net Assets on the Balance Sheet have increased by more than £250,000.

The benefits of moving to the modern 25,000 square foot industrial complex in 2017 are beginning to be seen with the financial improvement. Further benefits were obtained in the reduction of the administrative expenses in year.

During the year the Avon Group restructured its property holdings into a separate company. As part of this process, the Company sold its property, realizing a £26,000 gain. The Directors remain committed to making further investment whenever it is considered appropriate.

The strong cash generation brought about a significant increase in Net Current Assets of more than £500k. Although it is not noted as a "Principal risk" the Directors are conscious that interest rates are expected to rise at some future date, possibly during 2018, and consider the balance sheet to be sufficiently healthy to meet any possible rate rise.

The Directors consider this to be an exciting time for the Company and look forward with optimism.

Results and key performance indicators

Management have KPIs upon which their and the company's performance is monitored. Bank reconciliations are completed daily as well as the cash balances being notified daily to Directors. The company operates within its monthly cash flow plan and working capital measures are regularly monitored.

Throughout the year, directors and the senior management team review the effectiveness of the company, based on a number of internal and external factors, together with detailed management data and comparisons with budget from which revised projections are regularly prepared.

The trading results and the company's financial position at the end of the period are in line with the annual budget and forecasts.

Avon Group Manufacturing Limited

Strategic Report

Year Ended 31 March 2018

Principal risks and uncertainties

The company operates in a challenging environment which has many risks and uncertainties, examples of some of the main risks are as follows:-

Fluctuations in foreign currency exchange rates affecting operational results or the outcomes of financial transactions

If the products, services and pricing do not remain competitive, this could result in the loss of market share, with attendant impact on long-term financial performance.

Product performance not meeting expectations affecting safety and reliability with adverse long-term financial consequences.

Disruption of supply chain due to external factors or failure to deliver parts to committed costs and quality reducing the ability to meet customer commitments, win future business or achieve operational results.

Failure to execute the programme to modernise infrastructure impacting efficiency and effectiveness of business operations.

Failure to minimise the environmental impact of the Company's products and operations leading to reputational damage and ultimately loss of market share.

Avon Group Manufacturing Limited

Strategic Report

Year Ended 31 March 2018

Risk Management

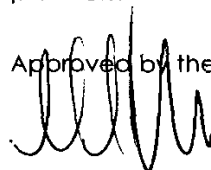
During the period the Directors continued to review the fundamental risks to the Company.

Risk management is discussed and addressed regularly by senior management.

Specific mitigation against the principal risks and uncertainties include:

- Certain companies within the group hold bank balances in the main foreign currencies used by the group, allowing group companies to effectively hedge against any short term impact of large currency movements.
- The company has progressively entered into "partnership" type arrangements with an increasing quality customer base improving more certainty around the trading relationships.
- The company, in line with the Group evolution, has and continues to invest in training and quality improvements, liaising closely with key customers on quality issues and the design improvements in next generation products.
- A company can only successfully trade for over 30 years when it has established and maintains good relations with critical suppliers, a number of whom have supplied into the company for decades. Notwithstanding these close relations, alternative sources of the supply of materials and services is regularly reviewed and tested as well as discussing required actions to meet any possible breakdowns in supply with our major suppliers.
- Investment in equipment, technology and staff has always been recognised as vitally important not only to maintain efficiency but to ensure the company differentiates itself, enabling new business to be won. The financial statements clearly demonstrate the Directors act decisively in this matter when appropriate.
- Environmental concerns are an integral part of our quality department's remit, ensuring these are addressed at an early stage in the design of next generation components and products.

Approved by the Board on 5.11.18 and signed on its behalf by:



M A Rushin
Director

Avon Group Manufacturing Limited

Directors' Report

Year Ended 31 March 2018

The directors present their report and the financial statements for the year ended 31 March 2018.

Directors of the company

The directors who held office during the year were as follows:

M A Rushin

A R Patel - Company secretary and director

M Lewis

Dividends

The directors recommended a final dividend in respect of the financial year ended 31 March 2018 of £195,000.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Reappointment of auditors

The auditors Burton Sweet are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 5.11.18 and signed on its behalf by:



M A Rushin
Director

Avon Group Manufacturing Limited

Statement of Directors' Responsibilities

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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Avon Group Manufacturing Limited

Independent Auditor's Report to the Members of Avon Group Manufacturing Limited

Opinion

We have audited the financial statements of Avon Group Manufacturing Limited (the 'company') for the year ended 31 March 2018, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, 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 Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 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 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.

Avon Group Manufacturing Limited

Independent Auditor's Report to the Members of Avon Group Manufacturing Limited

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.

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 Statement of Directors' Responsibilities [set out on page 6], 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.

Avon Group Manufacturing Limited

Independent Auditor's Report to the Members of Avon Group Manufacturing Limited

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.

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 judgment and maintain professional scepticism throughout the audit. We also:

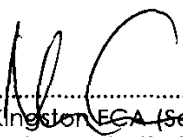
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 purpose 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.

Avon Group Manufacturing Limited

Independent Auditor's Report to the Members of Avon Group Manufacturing Limited

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- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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.


.....
Neil Kingston FCA (Senior Statutory Auditor)
For and on behalf of Burton Sweet, Statutory Auditor

Cooper House
Lower Charlton Estate
Shepton Mallet
Somerset
BA4 5QE

Date: 5.11.18.....

Avon Group Manufacturing Limited
Profit and Loss Account
Year Ended 31 March 2018

	Note	2018 £	2017 £
Turnover	4	3,986,418	4,157,107
Cost of sales		<u>(3,303,351)</u>	<u>(3,697,091)</u>
Gross profit		683,067	460,016
Distribution costs		(306,762)	(257,398)
Administrative expenses		(704,292)	(846,781)
Other operating income	6	<u>773,150</u>	<u>1,059,297</u>
Operating profit		<u>445,163</u>	<u>415,134</u>
Interest payable and similar charges	8	<u>-</u>	<u>(1,505)</u>
		<u>-</u>	<u>(1,505)</u>
Profit before tax		445,163	413,629
Taxation	12	<u>(89,477)</u>	<u>(91,949)</u>
Profit for the financial year		<u>355,686</u>	<u>321,680</u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

The notes on pages 15 to 28 form an integral part of these financial statements.

Avon Group Manufacturing Limited
Statement of Comprehensive Income
Year Ended 31 March 2018

	Note	2018 £	2017 £
Profit for the year		<u>355,686</u>	<u>321,680</u>
Total comprehensive income for the year		<u>355,686</u>	<u>321,680</u>

The notes on pages 15 to 28 form an integral part of these financial statements.

Avon Group Manufacturing Limited**(Registration number: 01562118)****Balance Sheet****31 March 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	13	703,488	811,846
Investment property	14	-	169,000
		<u>703,488</u>	<u>980,846</u>
Current assets			
Stocks	15	381,316	391,184
Debtors	16	1,839,543	1,749,849
Cash at bank and in hand		<u>81,655</u>	<u>75,704</u>
		2,302,514	2,216,737
Creditors: Amounts falling due within one year	21	<u>(1,554,702)</u>	<u>(1,901,711)</u>
Net current assets		<u>747,812</u>	<u>315,026</u>
Total assets less current liabilities		1,451,300	1,295,872
Provisions for liabilities	19	<u>(2,937)</u>	<u>(8,195)</u>
Net assets		<u>1,448,363</u>	<u>1,287,677</u>
Capital and reserves			
Called up share capital	22	10,000	10,000
Profit and loss account		<u>1,438,363</u>	<u>1,277,677</u>
Total equity		<u>1,448,363</u>	<u>1,287,677</u>

Approved and authorised by the Board on 5.11.18 and signed on its behalf by:M A Rushin
Director

The notes on pages 15 to 28 form an integral part of these financial statements.

Avon Group Manufacturing Limited
Statement of Changes in Equity
Year Ended 31 March 2018

	Share capital £	Profit and loss account £	Total £
At 1 April 2017	10,000	1,277,677	1,287,677
Profit for the year	-	355,686	355,686
Total comprehensive income	-	355,686	355,686
Dividends	-	(195,000)	(195,000)
At 31 March 2018	10,000	1,438,363	1,448,363
	Share capital £	Profit and loss account £	Total £
At 1 April 2016	10,000	955,997	965,997
Profit for the year	-	321,680	321,680
Total comprehensive income	-	321,680	321,680
At 31 March 2017	10,000	1,277,677	1,287,677

The notes on pages 15 to 28 form an integral part of these financial statements.

Avon Group Manufacturing Limited

Notes to the Financial Statements

Year Ended 31 March 2018

1 General information

The company is incorporated and domiciled in England.

The address of its registered office is:

The Avon Building
Units 137-145
South Liberty Lane
Bedminster
Bristol
BS3 2TL

2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

3 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

Foreign currency transactions and balances

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

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Leasehold improvements	5%-25% per annum straight line
Other property, plant and equipment	10%-25% per annum straight line and 15% per annum reducing balance
Motor vehicles	20%-25% per annum straight line and 25% per annum reducing balance
Furniture, fittings and equipment	10%-33% per annum straight line and 15% per annum reducing balance

Avon Group Manufacturing Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Avon Group Manufacturing Limited

Notes to the Financial Statements

Year Ended 31 March 2018

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2018	2017
	£	£
Sale of goods	<u>3,986,418</u>	<u>4,157,107</u>

The analysis of the company's revenue for the year by market is as follows:

	2018	2017
	£	£
UK	3,812,395	3,924,701
Rest of world	<u>174,023</u>	<u>232,406</u>
	<u>3,986,418</u>	<u>4,157,107</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the year is as follows:

	2018	2017
	£	£
Gain (loss) on disposal of property, plant and equipment	<u>29,170</u>	<u>9,152</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

6 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2018	2017
	£	£
Miscellaneous other operating income	<u>773,150</u>	<u>1,059,297</u>

7 Operating profit

Arrived at after charging/(crediting)

	2018	2017
	£	£
Depreciation expense	152,500	142,073
Profit on disposal of property, plant and equipment	<u>(29,170)</u>	<u>(9,152)</u>

8 Interest payable and similar expenses

	2018	2017
	£	£
Interest on obligations under finance leases and hire purchase contracts	<u>-</u>	<u>1,505</u>

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2018	2017
	£	£
Wages and salaries	1,024,195	1,073,440
Social security costs	112,459	113,165
Pension costs, defined contribution scheme	<u>78,672</u>	<u>60,762</u>
	<u>1,215,326</u>	<u>1,247,367</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

The average number of persons employed by the company (including directors) during the year, analysed by category was as follows:

	2018 No.	2017 No.
Production	35	36
Administration and support	16	16
	<u>51</u>	<u>52</u>

10 Directors' remuneration

The directors' remuneration for the year was as follows:

	2018 £	2017 £
Remuneration	58,246	51,407
Contributions paid to money purchase schemes	14,899	14,094
	<u>73,145</u>	<u>65,501</u>

11 Auditors' remuneration

	2018 £	2017 £
Audit of the financial statements	<u>7,500</u>	<u>7,250</u>

12 Taxation

Tax charged/(credited) in the income statement

	2018 £	2017 £
Current taxation		
UK corporation tax	92,251	83,416
UK corporation tax adjustment to prior periods	2,484	-
	<u>94,735</u>	<u>83,416</u>
Deferred taxation		
Arising from origination and reversal of timing differences	(5,258)	8,533
Tax expense in the income statement	<u>89,477</u>	<u>91,949</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2017 - the same as the standard rate of corporation tax in the UK) of 19% (2017 - 20%).

The differences are reconciled below:

	2018	2017
	£	£
Profit before tax	<u>445,163</u>	<u>413,629</u>
Corporation tax at standard rate	84,581	82,726
Effect of expense not deductible in determining taxable profit (tax loss)	4,350	4,993
Deferred tax expense/(credit) relating to changes in tax rates or laws	196	(646)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>350</u>	<u>4,876</u>
Total tax charge	<u>89,477</u>	<u>91,949</u>
Deferred tax		
Deferred tax assets and liabilities		
2018		Liability
		£
Accelerated tax depreciation		<u>2,937</u>
2017		Liability
		£
Accelerated tax depreciation		<u>8,096</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

13 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Other property, plant and equipment £
Cost or valuation				
At 1 April 2017	449,649	51,384	192,815	930,286
Additions	1,762	5,500	19,072	23,939
Disposals	-	-	(35,622)	-
At 31 March 2018	<u>451,411</u>	<u>56,884</u>	<u>176,265</u>	<u>954,225</u>
Depreciation				
At 1 April 2017	42,228	21,368	43,678	705,017
Charge for the year	46,717	11,338	58,662	35,781
Eliminated on disposal	-	-	(29,492)	-
At 31 March 2018	<u>88,945</u>	<u>32,706</u>	<u>72,848</u>	<u>740,798</u>
Carrying amount				
At 31 March 2018	<u>362,466</u>	<u>24,178</u>	<u>103,417</u>	<u>213,427</u>
At 31 March 2017	<u>407,421</u>	<u>30,019</u>	<u>149,137</u>	<u>225,269</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

	Total £
Cost or valuation	
At 1 April 2017	1,624,134
Additions	50,273
Disposals	<u>(35,622)</u>
At 31 March 2018	<u>1,638,785</u>
Depreciation	
At 1 April 2017	812,291
Charge for the year	152,498
Eliminated on disposal	<u>(29,492)</u>
At 31 March 2018	<u>935,297</u>
Carrying amount	
At 31 March 2018	<u>703,488</u>
At 31 March 2017	<u>811,846</u>

Included within the net book value of land and buildings above is £Nil (2017 - £Nil) in respect of freehold land and buildings and £362,466 (2017 - £407,421) in respect of long leasehold land and buildings.

14 Investment properties

	2018 £
At 1 April	169,000
Disposals	<u>(169,000)</u>
At 31 March	<u>-</u>
There has been no valuation of investment property by an independent valuer.	

15 Stocks

	2018 £	2017 £
Stock	<u>381,316</u>	<u>391,184</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

16 Debtors

	Note	2018 £	2017 £
Trade debtors		561,319	821,766
Amounts owed by related parties	25	1,247,826	14,923
Prepayments		<u>30,398</u>	<u>913,160</u>
Total current trade and other debtors		<u>1,839,543</u>	<u>1,749,849</u>

17 Cash and cash equivalents

	2018 £	2017 £
Cash on hand	325	281
Cash at bank	<u>81,330</u>	<u>75,423</u>
	<u>81,655</u>	<u>75,704</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

18 Obligations under leases and hire purchase contracts

Operating leases

The total of future minimum lease payments is as follows:

	2018	2017
	£	£
Not later than one year	107,460	107,460
Later than one year and not later than five years	429,840	429,840
Later than five years	376,110	483,570
	<u>913,410</u>	<u>1,020,870</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £99,738 (2017 - £94,212).

19 Deferred tax and other provisions

	Deferred tax	Total
	£	£
At 1 April 2017	8,195	8,195
Increase (decrease) in existing provisions	<u>(5,258)</u>	<u>(5,258)</u>
At 31 March 2018	<u>2,937</u>	<u>2,937</u>

20 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £78,672 (2017 - £60,762).

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

21 Creditors

	Note	2018 £	2017 £
Due within one year			
Trade creditors		659,343	661,027
Amounts due to related parties	25	130,612	501,759
Social security and other taxes		169,100	91,002
Other payables		356,625	407,007
Accrued expenses		219,273	157,500
Corporation tax liability	12	<u>19,749</u>	<u>83,416</u>
		<u>1,554,702</u>	<u>1,901,711</u>

Included in other payables is £349,707 (2017 - £400,074) relating to a confidential invoice discount agreement with Barclays Bank Plc, this balance is secured on the trade debts of the company.

22 Share capital

Allotted, called up and fully paid shares

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

Avon Group Manufacturing Limited
Notes to the Financial Statements
Year Ended 31 March 2018

23 Dividends

Final dividends paid

	2018 £	2017 £
Final dividend of £19.50 (2017 - £0) per each Ordinary share	<u>195,000</u>	<u>-</u>

24 Commitments

Capital commitments

Plant, vehicles and leasehold improvement assets;

The total amount contracted for but not provided in the financial statements was £Nil (2017 - £Nil).

25 Related party transactions

Where the company has trading transactions and debtor and creditor balances with other 100% wholly owned subsidiaries within the group the company has taken advantage of the exemption from disclosure as consolidated accounts are available. Although no detail is given the total balances can be seen in the debtor and creditor notes to the accounts. All group balances are considered fully recoverable and are reviewed on a group level and each company is fully supported within the group.

26 Parent and ultimate parent undertaking

The company's immediate parent is Avon Group Manufacturing (Holdings) Limited, incorporated in England.

The ultimate controlling party is Mr M Rushin.



Companies House

COMPANY NAME: AVON GROUP MANUFACTURING
LIMITED
COMPANY NUMBER: 01562118

**Pages containing unnecessary material in the accounts were
administratively removed from the public register on 07/12/2018**