

Consort Limited

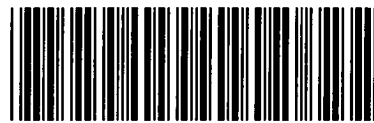
Report and Financial Statements

Year Ended

28 February 2019

Company Number 01574347

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Consort Limited

Report and financial statements for the year ended 28 February 2019

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Directors

M N Bolton
E A Houlihan
J S Houlihan
A J McKinley
S J Williams
M Handley

Company secretary and registered address

S J Williams, Unit 1-4 Export Drive, Huthwaite, Nottingham, Nottinghamshire, NG17 6AF

Registered number

01574347

Auditor

BDO LLP, Two Snowhill, Birmingham, B4 6GA

Consort Limited

Strategic report for the year ended 28 February 2019

Introduction

The directors present their strategic report together with the audited financial statements for the year ended 28 February 2019.

Principal activity and review of business

The principal activity of the company is the manufacture of UPVC windows, doors and conservatories.

Sales increased during the year by 4.8% from £15,098,662 to £15,815,253 due to increased sales to group companies. Gross margins decreased from 24.2% to 23% resulting in a decrease in operating profit from £517,451 to £489,169. Net assets have increased to £3,685,854 (2018 - £3,539,190).

Despite the current economic climate the company continues to trade profitably and the directors are confident the company will produce profits and positive cash flows in the next financial year.

Principal risks and uncertainties

General objectives, policies and procedures

The Board has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's management team. The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility.

Competitive risk

The company recognises the need to maintain levels of customer satisfaction in order to retain loyalty and, therefore, continuing business. Product enhancements and new products are constantly investigated to improve our offering to existing customers and new customers are routinely sought.

Credit risk

Exposure to credit risk arises principally from the company's trade receivables. To mitigate the effect of this the company has stringent credit control practices and insures all of its trade debtors.

Liquidity risk

The company monitors cash flows on a weekly basis and is determined to eliminate the dependence on external finance as soon as practicable.

Consort Limited

Strategic report (continued)
for the year ended 28 February 2019

Financial key performance indicators

Management review orders, sales, profitability and cash flow on a weekly basis which enables them to react promptly to any issues.

The company's key performance indicators during the period were:

| | 2019 £ | 2018 £ | Change % |
|------------------|------------|------------|-------------|
| Turnover | 15,815,253 | 15,098,662 | + 4.75 |
| Operating profit | 489,169 | 517,451 | - 5.47 |
| Cash balances | 1,127,885 | 1,115,399 | + 1.12 |

This report was approved by the board on *25th November 2019* and signed on its behalf.


Alistair McKinley

Director

Consort Limited

Directors' report for the year ended 28 February 2019

The directors present their report together with the audited financial statements for the year ended 28 February 2019.

Results and dividends

The profit for the year, after taxation, amounted to £396,664 (2018 - £416,077).

A dividend was paid during the year of £250,000 (2018 - £300,000). The directors do not recommend the payment of a final dividend (2018 - £Nil).

Financial risk management and principal risks and uncertainties

The group's financial risk management and principal risks and uncertainties are detailed in the strategic report on page 1.

Indemnity cover

Third party indemnity cover for the directors was in force during the year.

Directors

The directors who served during the year and up to the date of approval were:

M N Bolton
E A Houlihan
J S Houlihan
A J McKinley
S J Williams
J Dunn (Resigned 4 July 2018)
M Handley (Appointed 1 March 2019)

Future developments

Refer to the strategic report for future developments of the company.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 29 November 2019 and signed on its behalf.


A J McKinley
Director

Consort Limited

Directors' responsibilities statement for the year ended 28 February 2019

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent; 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.

Consort Limited

Independent auditor's report

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CONSORT LIMITED

Opinion

We have audited the financial statements of Consort Limited ("the Company") for the year ended 28 February 2019 which comprise the statement of comprehensive income, the statement of financial position, the 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).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Consort Limited

Independent auditor's report (continued)

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 Strategic and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic and 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 Strategic and 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 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 Director

As explained more fully in the Director's responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Consort Limited

Independent auditor's report (continued)

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Bao Luo

Samantha Lifford (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham, UK
Date: 29/10/2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Consort Limited

Statement of comprehensive income for the year ended 28 February 2019

| | Note | 2019 £ | 2018 £ |
|------------------------------------------------|------|------------------|------------------|
| Turnover | 3 | 15,815,253 | 15,098,662 |
| Cost of sales | | (12,174,165) | (11,412,366) |
| Gross profit | | 3,641,088 | 3,686,296 |
| Distribution costs | | (1,143,021) | (1,090,811) |
| Administrative expenses | | (2,008,898) | (2,078,034) |
| Operating profit | 6 | 489,169 | 517,451 |
| Interest payable and similar charges | 7 | (13) | (1,990) |
| Profit before taxation | | 489,156 | 515,461 |
| Taxation | 8 | (92,492) | (99,384) |
| Profit for the financial year | | 396,664 | 416,077 |
| Other comprehensive income | | - | - |
| Total comprehensive income for the year | | 396,664 | 416,077 |

All amounts relate to the continuing activities of the company.

The notes on pages 11 to 23 form part of these financial statements.

Consort Limited

Statement of financial position at 28 February 2019

| <i>Company number 01574347</i> | Note | 2019 £ | 2019 £ | 2018 £ | 2018 £ |
|-------------------------------------------------------|------|--------------------|------------------|--------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 355,558 | | 317,064 |
| Current assets | | | | | |
| Stocks | 11 | 576,386 | | 581,213 | |
| Debtors | 12 | 4,078,789 | | 3,899,092 | |
| Cash at bank and in hand | | 1,127,885 | | 1,115,399 | |
| | | <u>5,783,060</u> | | <u>5,595,704</u> | |
| Creditors: amounts falling due within one year | 13 | <u>(2,446,706)</u> | | <u>(2,373,578)</u> | |
| Net current assets | | | <u>3,336,354</u> | | <u>3,222,126</u> |
| Total assets less current liabilities | | | <u>3,691,912</u> | | <u>3,539,190</u> |
| Provisions for liabilities | | | | | |
| Deferred tax | 14 | | (6,058) | | - |
| Net assets | | | <u>3,685,854</u> | | <u>3,539,190</u> |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 50,000 | | 50,000 |
| Profit and loss account | 17 | | 3,635,854 | | 3,489,190 |
| Shareholders' funds | | | <u>3,685,854</u> | | <u>3,539,190</u> |

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 November 2019.


A J McKinley
Director

The notes on pages 11 to 23 form part of these financial statements.

Consort Limited

Statement of changes in equity for the year ended 28 February 2019

| | Share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------------------|-----------------------|---------------------------|----------------------|
| At 1 March 2018 | 50,000 | 3,489,190 | 3,539,190 |
| Comprehensive income for the year: | | | |
| Profit for the year | - | 396,664 | 396,664 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | 396,664 | 396,664 |
| Dividends paid (note 9) | - | (250,000) | (250,000) |
| | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | - | (250,000) | (250,000) |
| | <hr/> | <hr/> | <hr/> |
| At 28 February 2019 | 50,000 | 3,635,854 | 3,685,854 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Statement of changes in equity for the year ended 28 February 2018

| | Share capital £ | Retained earnings £ | Total equity £ |
|------------------------------------------------|-----------------------|---------------------------|----------------------|
| At 1 March 2017 | 50,000 | 3,373,113 | 3,423,113 |
| Comprehensive income for the year: | | | |
| Profit for the year | - | 416,077 | 416,077 |
| | <hr/> | <hr/> | <hr/> |
| Total comprehensive income for the year | - | 416,077 | 416,077 |
| Dividends paid (note 9) | - | (300,000) | (300,000) |
| | <hr/> | <hr/> | <hr/> |
| Total transactions with owners | - | (300,000) | (300,000) |
| | <hr/> | <hr/> | <hr/> |
| At 28 February 2018 | 50,000 | 3,489,190 | 3,539,190 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

The notes on pages 11 to 23 form part of these financial statements.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019

1 Accounting policies

Consort Limited is a private limited company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company information page. The nature of the group's operations and its principal activities are the manufacture of aluminium windows, doors and curtain walling and PVCu windows, doors and conservatories for the house building industry.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied consistently:

Financial reporting standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of JBS Industries Limited as at 28 February 2019 and these financial statements may be obtained from Companies House.

Going concern

The Company meets its day to day working capital requirements through a combination of a group overdraft facility and other loans, including group loans with its parent company. The company is also party to a group banking guarantee as detailed in note 18. The directors have prepared profit and cash flow forecasts which show that the Company has sufficient working capital to continue to operate for at least 12 months from the date of approval of these financial statements.

On this basis the directors consider that it remains appropriate to prepare the financial statements on the going concern basis.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (continued)

1 Accounting policies (continued)

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- The Company has transferred the significant risks and rewards of ownership to the buyer;
- The Company retains neither the continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the Company will receive the consideration due under the transaction;
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. Depreciation is provided on the following basis:

| | | |
|---------------------|---|-----------------------|
| Leasehold property | - | the life of the lease |
| Plant and machinery | - | 3 - 10 years |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within administrative expenses in the Statement of Comprehensive Income.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include attributable labour cost. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

Basic Financial Instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors, other debtors and amounts owed by group undertakings these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The Company considers evidence of impairment for all individual trade and other debtors and any subsequent impairment is recognised in profit or loss.

Impairment of financial assets carried at amortised cost.

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise bank loans and overdrafts, other loans, trade creditors, amounts owed to group undertakings, other creditors and accruals; these are initially recorded at cost on the date they originate and are subsequently carried at amortised cost under the effective interest rate method.

Creditors

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

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (*continued*)

1 Accounting policies (*continued*)

Foreign currency translation

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Leased assets: Lessee

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to profit or loss over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

Rentals paid under operating leases are charged to the Statement of Comprehensive Income over the period of the lease.

Pensions

The company participates in a defined benefit pension scheme which is operated by the parent undertaking, JBS Industries Limited. There is no stated policy for charging the net defined benefit scheme between the group companies that are party to the scheme and hence no proportion of the defined scheme assets, liabilities, income and costs are recognised in the individual group companies in accordance with that policy.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the statement of financial position date.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (continued)

1 Accounting policies (continued)

Borrowing costs

All borrowing costs are recognised in the Income Statement in the year in which they are incurred.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income 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 income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Related party transactions

The Company is a wholly owned subsidiary of JBS Industries Limited and has taken advantage of the exemption covered by section 33.1 A of FRS 102 not to disclose transactions with JBS Industries Limited or other wholly owned subsidiaries within the group.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (*continued*)

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The Company makes certain estimates and assumptions regarding the future. These judgements and estimates affect the application of policies and reported amounts of assets, liabilities, income and expenses. Estimates are continually evaluated based on historical experience and expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. In preparing these financial statements, the directors have had to make the following judgements and estimates:

Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking in account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Trade debtors

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Stock

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

3 Analysis of turnover

Analysis of turnover by country of destination:

| | 2019 £ | 2018 £ |
|----------------|------------|------------|
| United Kingdom | 15,648,949 | 14,903,712 |
| Europe | 166,304 | 194,950 |
| | <hr/> | <hr/> |
| | 15,815,253 | 15,098,662 |
| | <hr/> | <hr/> |

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (continued)

4 Employees

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Staff costs were as follows | | |
| Wages and salaries | 3,711,205 | 3,625,119 |
| Social security costs | 337,415 | 326,131 |
| Cost of defined contribution scheme | 77,566 | 61,109 |
| | 4,126,186 | 4,012,359 |

The average monthly number of employees, including directors, during the year was as follows:

| | Number | Number |
|----------------|--------|--------|
| Production | 137 | 138 |
| Sales | 15 | 15 |
| Administration | 20 | 21 |
| | 172 | 174 |

5 Directors' remuneration

| | 2019 £ | 2018 £ |
|--------------------------------------------------------|-----------|-----------|
| Directors' emoluments | 228,098 | 261,329 |
| Company contribution to money purchase pension schemes | 6,807 | 8,845 |
| | 234,905 | 270,174 |

There were 2 directors in the company's defined benefit pension scheme (2018 - 2) and 2 directors in the company's defined contribution pension scheme (2018 - 3) during the year.

The highest paid director received remuneration of £88,048 (2018 - £78,938).

Emoluments represent amounts paid to 4 directors (2018 - 3). The remaining directors are remunerated by the parent company, JBS Industries Limited.

6 Operating profit

| | 2019 £ | 2018 £ |
|--------------------------------------------------------------------------------------|-----------|-----------|
| The operating profit is stated after charging: | | |
| Depreciation of tangible fixed assets | 134,862 | 132,535 |
| Hire of plant and machinery – operating leases | 172,736 | 155,700 |
| Hire of other assets – operating leases | 248,469 | 249,400 |
| Fees payable to the company's auditor for the audit of the company's annual accounts | 11,000 | 10,500 |
| Defined contribution pension cost | 77,566 | 61,109 |
| Inventory recognised as an expense | 9,093,973 | 8,600,269 |

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (*continued*)

7 Interest payable and similar expenses

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
|--|-----------|-----------|

| | | |
|--------------------------------------------|----|-------|
| Finance leases and hire purchase contracts | 13 | 1,990 |
|--------------------------------------------|----|-------|

8 Taxation

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
|--|-----------|-----------|

Corporation tax

| | | |
|-------------------------------------------|--------|---------|
| Current tax on profits for the year | 81,130 | 102,389 |
| Adjustment in respect of previous periods | (211) | (9,405) |

| | | |
|-------------------|--------|--------|
| Total current tax | 80,919 | 92,984 |
|-------------------|--------|--------|

Deferred tax

| | | |
|------------------------------------------------|--------|---------|
| Origination and reversal of timing differences | 11,573 | (1,594) |
| Adjustment in respect of previous periods | - | 7,994 |

| | | |
|--------------------|--------|-------|
| Total deferred tax | 11,573 | 6,400 |
|--------------------|--------|-------|

| | | |
|----------|--------|--------|
| Taxation | 92,492 | 99,384 |
|----------|--------|--------|

Factors affecting tax charge in the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK. The differences are explained below:

| | 2019 £ | 2018 £ |
|--|-----------|-----------|
|--|-----------|-----------|

| | | |
|-------------------|---------|---------|
| Profit before tax | 489,156 | 515,461 |
|-------------------|---------|---------|

| | | |
|---------------------------------------------------------------------------------------------------|--------|--------|
| Profit before tax multiplied by standard rate of corporation tax in the UK of 19% (2018 – 19.08%) | 92,940 | 98,375 |
|---------------------------------------------------------------------------------------------------|--------|--------|

Effects of:

| | | |
|-------------------------------------------|---------|---------|
| Expenses not deductible for tax purposes | 1,124 | 2,225 |
| Adjustment in respect of previous periods | (211) | (1,140) |
| Difference in tax rates | (1,361) | - |
| Other differences | - | (76) |

| | | |
|---------------------------|--------|--------|
| Total tax charge for year | 92,492 | 99,384 |
|---------------------------|--------|--------|

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 *(continued)*

8 Taxation *(continued)*

Factors that may affect future tax charges

The reduction in the UK corporation tax rate to 17% from 1 April 2020, was substantively enacted at the year end. Accordingly, this rate has been applied in the measurement of the Company's deferred tax assets and liabilities at 28 February 2019.

9 Dividends

| | 2019 £ | 2018 £ |
|-------------------------------------------------------------------------|-----------|-----------|
| Ordinary shares | | |
| Interim dividend paid of £250,000 at £5 per share (2018 - £6) per share | 250,000 | 300,000 |
| | 250,000 | 300,000 |

10 Tangible assets

| | Leasehold property £ | Plant and Machinery £ | Total £ |
|--------------------------|----------------------------|-----------------------------|------------|
| <i>Cost or valuation</i> | | | |
| At 1 March 2018 | 456,517 | 2,125,788 | 2,582,305 |
| Additions | - | 173,356 | 173,356 |
| Disposals | - | (123,842) | (123,842) |
| | 456,517 | 2,175,302 | 2,631,819 |
| At 28 February 2019 | | | |
| <i>Depreciation</i> | | | |
| At 1 March 2018 | 447,122 | 1,818,119 | 2,265,241 |
| Charge for the year | 9,395 | 125,467 | 134,862 |
| Disposals | - | (123,842) | (123,842) |
| | 456,517 | 1,819,744 | 2,276,261 |
| At 28 February 2019 | | | |
| <i>Net book value</i> | | | |
| At 28 February 2019 | - | 355,558 | 355,558 |
| At 28 February 2018 | 9,395 | 307,669 | 317,064 |

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (continued)

11 Stocks

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables | 399,330 | 422,861 |
| Work in progress (goods to be sold) | 174,787 | 158,352 |
| Finished goods | 2,269 | - |
| | 576,386 | 581,213 |

There is no material difference between the replacement cost of stocks and the amounts stated above.

An impairment reversal of £Nil (2018 - £4,000) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

12 Debtors

| | 2019 £ | 2018 £ |
|-------------------------------------|-----------|-----------|
| Due after more than one year | | |
| Deferred tax (note 15) | - | 5,515 |
| Due within one year | | |
| Trade debtors | 1,739,473 | 1,700,976 |
| Amounts owed by group undertakings | 2,272,119 | 2,108,945 |
| Prepayments and accrued income | 67,197 | 83,656 |
| | 4,078,789 | 3,899,092 |

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the statement of comprehensive income for the year in respect of bad and doubtful trade debtors was £9,964 (2018 - £34,553).

13 Creditors: amounts falling due within one year

| | 2019 £ | 2018 £ |
|-------------------------------------------------------------|-----------|-----------|
| Other loans | 8,242 | 19,186 |
| Trade creditors | 1,706,391 | 1,718,047 |
| Amounts owed to group undertakings | 89,778 | 93,803 |
| Corporation tax | 69,548 | - |
| Taxation and social security | 228,946 | 202,584 |
| Obligations under finance lease and hire purchase contracts | - | 3,467 |
| Other creditors | 96,000 | 61,794 |
| Accruals and deferred income | 247,801 | 274,697 |
| | 2,446,706 | 2,373,578 |

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 *(continued)*

13 Creditors: amounts falling due within one year

The amounts included within other loans are secured against the trading debts of the Company.

Although amounts owed to group undertakings are technically due for repayment in less than one year the directors do not expect to make a substantial repayment within 12 months of the date of approval of the financial statements.

14 Provisions for liabilities

| | 2019 £ | 2018 £ |
|------------------------|-----------|-----------|
| Deferred tax (note 15) | 6,058 | - |
| | 6,058 | - |

15 Deferred taxation

| | Deferred tax £ |
|--------------------------------------------------|----------------------|
| At 1 March 2018 | 5,515 |
| Charged to the Statement of comprehensive income | (11,573) |
| | (6,058) |
| At 28 February 2019 | (6,058) |

The deferred tax (liability) / asset is made up as follows:

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-----------|
| Accelerated capital allowances | (33,806) | (21,415) |
| Short term timing differences | 27,748 | 26,930 |
| | (6,058) | 5,515 |
| | (6,058) | 5,515 |

16 Share capital

| | 2019 £ | 2018 £ |
|--------------------------------------------------------------------------------|-----------|-----------|
| <i>Allotted, called up and fully paid</i> 50,000 Ordinary shares of £1 each | 50,000 | 50,000 |
| | 50,000 | 50,000 |

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (*continued*)

17 Reserves

Share capital

Called up share capital reserve represents the nominal value of the shares issued.

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and other adjustments.

18 Contingent liabilities

At 28 February 2019 there was a composite guarantee and debenture between group undertakings and the Royal Bank of Scotland plc. The total gross indebtedness of the group at 28 February 2019 amounted to £1,006,764 (2018 - £1,430,821).

The company is a member of the JBS Industries Limited VAT registration scheme and is therefore jointly and severally liable for all liabilities of other group companies within this scheme. As at 28 February 2019 the total of this group liability was £101,708 (2018 - £106,022).

The directors do not believe that the company will be called upon under the guarantee to repay these amounts. Further information regarding the overall group performance can be found in the JBS Industries Limited consolidated financial statements.

19 Pension commitments

The company is a member of the JBS Industries Limited defined contribution and defined benefit pension schemes.

Defined contribution scheme

The assets of the defined contribution scheme are held separately in an independently administered fund. The total pension charge during the period includes contributions payable by the company to the fund and amounted to £77,566 (2018 - £61,109). At 28 February 2019 there was an accrual of £13,225 (2018 - £8,408) which is included within creditors.

Defined benefit scheme

It is not possible to identify the company's share of the underlying assets and liabilities in respect of the defined benefit scheme on a consistent and reasonable basis. Contributions to the scheme by the company are based on professional and independent actuarial advice. During the period the contributions payable by the company to the fund amounted to £Nil (2018 - £Nil). At 28 February 2019 there was an accrual of £Nil (2018 - £Nil) which is included within creditors. The last valuation was performed at 31 March 2016 and updated on 28 February 2019 by a qualified actuary in accordance with FRS 102, and shows a deficit on the scheme of £2,833,000 (2018 - £2,426,000). Further details of the scheme are contained in the financial statements of JBS Industries Limited.

Consort Limited

Notes forming part of the financial statements for the year ended 28 February 2019 (continued)

20 Commitments under operating leases

The Company had future minimum lease payments under non-cancellable operating leases as follows:

| | 2019 £ | 2018 £ |
|----------------------------------------------|----------------|----------------|
| Not later than 1 year | 131,664 | 297,540 |
| Later than 1 year and not later than 5 years | 164,431 | 99,785 |
| | <u>296,095</u> | <u>397,325</u> |

21 Related party transactions

The Company is a wholly owned subsidiary of JBS Industries Ltd and has taken advantage of the exemption covered by section 33.1 A of FRS 102 not to disclose transactions with JBS Industries Limited or other wholly owned subsidiaries within the group. No other related party transactions have taken place in the year.

Key management personnel are considered to be the statutory directors of the company. The directors are remunerated by the parent company, no cost is borne by Consort Limited.

22 Ultimate parent company and parent undertaking of larger group

The Company is a wholly owned subsidiary of JBS Industries Limited, a company incorporated in England and Wales, which is the Company's ultimate parent company.

The ultimate controlling party is J S Houlihan.