

The Symphony Group plc

Annual report and financial statements

Registered number 01022506

31 December 2019



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Directors and advisors

Directors

K M Gregory (non-executive)
M R Davis
G Smith
R Bunton

Company Secretary

A Murdoch

Registered Office

Pen Hill Estate
Park Spring Road
Barnsley
South Yorkshire
S72 7EZ

Independent auditor

KPMG LLP
Chartered Accountant
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Solicitor

Walker Morris
Kings Court
12 King Street
Leeds
LS1 2HL

Banker

Lloyds TSB Bank PLC
6-7 Park Row
Leeds
LS1 1NX

Strategic report

Business Model

The Symphony Group PLC (the “Company”) is unique in that it operates in four distinct market sectors; Retail, Private Development, Social Housing and Export. This is combined with customer and product diversification to minimise exposure to individual sector risk.

Focus on delivering excellent customer service has seen the Company continue to grow both sales and market share.

The Company continues to maintain a high level of resourcing and investment and as such is well placed to take advantage of the anticipated market growth in 2020 and beyond, notwithstanding the short-term disruptive effect of COVID-19.

Business review and results

The Company supplies fitted kitchen, bedroom and bathroom furniture and associated products to the Retail, Private Development, Social Housing and Export market sectors.

The results for 2019 show a pre-tax profit of £19,932,000 (2018: pre-tax profit of £15,782,000) on sales of £273,708,000 (2018: £245,720,000). At the end of the year the Company has a cash balance of £19,119,000 (2018: £9,042,000), along with £10,000,000 in a term deposit account.

2019 saw another strong year of sales growth, with turnover increasing by 11% as the Company benefited from growth in the Private Development market, and also increased its market share in both the Private Development and Retail sectors.

Operating profit of £19,796,000 was after a non-recurring charge of £2,287,000 in respect of a LTIS (which was based on achieving performance targets set in the Company’s three year plan) and a charge of £696,000 related to forward currency contracts which were taken out as a defensive Brexit strategy.

Cash flow was again strong in 2019, with a year end net cash balance over £19,000,000 and £10,000,000 in a term deposit account.

KPIs

Some of the Company’s relevant KPIs are given below:

	2019	2018
% growth in turnover	+11.4%	+12.3%
Sales per employee	£157,700	£147,700
EBITDA (operating profit plus depreciation)	£22,478,000	£18,675,000

Strategic report *(continued)*

Principal risks and uncertainty

The management of the business is subject to a number of risks. These relate mainly to competitor activity and the availability and price of raw materials.

The Company has taken all steps it believes are necessary to ensure supply chain continuity in the event of any of the currently anticipated Brexit transition outcomes.

The Company is well placed to withstand any adverse consequences of COVID-19. The Company temporarily paused manufacturing and distribution activities for a six week period and recommenced on Monday 11 May 2020 in line with construction market activity. Additional safety stocks are still in place. Employee segregation across sites and working from home have been implemented along with all necessary social distancing and PPE requirements. Cash resources remain strong.

Future developments

The Private Development market is expected to continue to grow, notwithstanding the short-term impact of COVID-19, and the Company expects to capitalise on that growth given recent market share gains. In addition the Company remains committed to developing its Retail business by offering high quality products at transparent prices to all of its Retail partners.

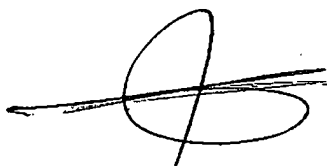
S172 Statement

The board of directors has always taken a long-term strategic approach to running the business. We have fostered strong partnerships with both our customers and suppliers over our 49 year history as we believe those relationships are key to our continued success. We also appreciate that our employees, workers and sub-contractors are our strength and ongoing engagement with them, alongside our wider business community, is important in any strategic decision making. We know that having regard to those relationships, as well as to our wider impact on the community and the environment, enables us to promote the success of the company for the benefit of its member (whilst taking in to account the matters set out in s172(a) – (f) of the Companies Act 2006).

Results and dividends

The Company's profit after tax for the year is £16,032,000 (2018: £12,684,000). The directors have paid a dividend of £1,004,000 (2018: £nil). The profit after tax and dividend of £15,027,000 has been transferred to reserves (2018: £12,684,000 transferred to reserves).

By order of the Board.



G Smith
Director

15 June 2020

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2019.

Principal activities

The Company's principal activity during the year was the manufacture and sale of kitchen, bedroom and bathroom furniture.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

K M Gregory (non-executive)

M R Davis

G Smith

R Bunton

Employees

Applications for employment by disabled persons are always fully considered, bearing in mind the respective aptitudes and abilities of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and the appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of a disabled person should, as far as possible, be identical to that of a person who does not suffer from a disability.

The Company continues its practice of keeping all its employees informed on matters affecting them.

Political and charitable donations

The Company made no political donations during the period. Donations to UK charities amounted to £14,400 (2018: £13,600).

Policy and practice on payment of creditors

The Company policy is to make its suppliers aware of the terms of payment, to agree such terms with its suppliers for each business transaction and to make payments to suppliers in accordance with these terms, provided that the supplier is also complying with all relevant terms. The average number of day's purchases outstanding at 31 December 2019 was 50 (2018: 58).

Directors' report *(continued)*

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the 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.

Independent auditor

Pursuant to section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed as independent auditor and KPMG LLP will therefore continue in office.

By order of the Board



G Smith
Director

The Symphony Group plc
Pen Hill Estate
Park Spring Road
Barnsley
South Yorkshire
S72 7EZ

15 June 2020

Statement of Directors' Responsibilities in Respect of the Strategic Report, the Directors' Report and the Financial Statements

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of their profit or loss for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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 its financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of The Symphony Group plc

Opinion

We have audited the financial statements of The Symphony Group plc ("the company") for the year ended 31 December 2019 which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Independents auditor's report to the members of The Symphony Group plc *(continued)*

Strategic report and directors' report

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement 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; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independents auditor's report to the members of The Symphony Group plc
(continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



David Morrith (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

15 June 2020

Profit and Loss Account
for the year ended 31 December 2019

	<i>Note</i>	2019 £'000	2018 £'000
Turnover	2	273,708	245,720
Costs and overheads	3	(251,625)	(229,924)
Long term incentive bonus		(2,287)	-
		<hr/>	<hr/>
Operating profit	4	19,796	15,796
		<hr/>	<hr/>
Bank interest receivable		165	28
Interest payable on overdrafts		(29)	(42)
		<hr/>	<hr/>
Profit before taxation		19,932	15,782
Tax on profit	7	(3,901)	(3,098)
		<hr/>	<hr/>
Profit for the financial year		<u>16,031</u>	<u>12,684</u>

All items dealt with in arriving at operating profit above relate to continuing operations.

There were no gains or losses in the year other than those included in the above profit and loss account.

There is no difference between the profit before taxation and the profit for the year stated above and their historical cost equivalents.


The notes on pages 13 to 22 form part of these financial statements.

Balance sheet
as at 31 December 2019

	<i>Note</i>	2019 £'000	2019 £'000	2018 £'000	2018 £'000
Fixed assets					
Tangible assets	8		12,526		13,743
Current assets					
Stocks	9	25,553		23,117	
Debtors	10	70,603		63,256	
Cash at bank and in hand		19,119		9,042	
		115,275		95,415	
Creditors - amounts falling due within one year					
Derivatives	11 16	(39,803) (800)		(36,422) (104)	
Net current assets			74,672		58,889
Total assets less current liabilities			87,198		72,632
Provision for deferred tax	12		(90)		(551)
Net assets			87,108		72,081
Capital and reserves					
Called up share capital	13		253		253
Capital redemption reserve			10		10
Profit and loss reserve			86,845		71,818
Total shareholders' funds			87,108		72,081

The notes on pages 13 to 22 form part of these financial statements.

The financial statements on pages 10 to 22 were approved by the board of directors on 15 June 2020 and were signed on its behalf by:



G Smith
Director

The Symphony Group plc
Registered number: 01022506

Statement of Changes in Equity
for the year ended 31 December 2019

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2018	253	10	59,134	59,397
Total comprehensive income for the period	-	-	-	-
Profit or loss	-	-	12,684	12,684
Total comprehensive income for the period	-	-	12,684	12,684
Balance at 31 December 2018	253	10	71,818	72,081
Balance at 1 January 2019	253	10	71,818	72,081
Total comprehensive income for the period	-	-	-	-
Profit or loss	-	-	16,031	16,031
Dividend	-	-	(1,004)	(1,004)
Total comprehensive income for the period	-	-	15,027	15,027
Balance at 31 December 2019	253	10	86,845	87,108

The notes on pages 13 to 22 form part of these financial statements.

Notes

(forming part of these financial statements)

1 Accounting policies

The Symphony Group PLC (the "Company") is a public company limited by shares, incorporated, domiciled and registered in England and Wales in the UK. The registered number is 01022506 and the registered address is Pen Hill Estate, Park Spring Road, Barnsley, South Yorkshire, S72 7EZ.

The financial statements were prepared in accordance with Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102"). The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The Company's parent undertaking, Symphony Holdings Limited includes the Company in its consolidated financial statements. The consolidated financial statements of Symphony Holdings Limited are available to the public and may be obtained from Pen Hill Estate, Park Spring Road, Barnsley, South Yorkshire, S72 7EZ. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Judgements made by the directors, in the application of these accounting policies that have a significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are the assessment of provisions required against book debts and inventory. In both of these areas the Company applies consistent judgements using tested models.

Measurement convention

The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments and financial instruments classified at fair value through the profit or loss.

Going concern

These financial statements have been prepared on the going concern basis. In determining whether the going concern basis continues to be appropriate, the directors have prepared forecasts including severe but plausible scenarios, taking into consideration the uncertainty surrounding the current COVID-19 pandemic. The conclusion is that the group has adequate resources to continue in operational existence for at least 12 months from the approval of the financial statements.

As at 31 December 2019, the group has net assets of £87,108,000 which include cash and cash equivalents of £19,119,000 and cash in short term deposit account of £10,000,000.

Notes (continued)

1 Accounting policies (continued)

Revenue recognition

Revenue from the supply of furniture is recognised upon delivery to a customer. Revenue from the supply and installation of furniture is recognised when the installation has been completed to the satisfaction of the customer.

Fixed assets and depreciation

Fixed assets are stated at cost. The cost or valuation, less residual value, is depreciated by equal annual instalments over the estimated useful lives of the assets which are:

Plant and equipment	-	3-10 years
Motor vehicles	-	3-7 years

The Company assesses at each reporting date whether the tangible fixed assets (including those under finance leases) are impaired.

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since the last annual reporting date.

Display set-up costs

All display set-up costs are written off to the profit and loss account as incurred, as the useful life of displays is considered to be short term.

Pensions

Money purchase pension arrangements, with defined company contributions, are operated for certain directors and senior employees. The profit and loss account charge represents the amount of contributions payable under such arrangements. The Company's obligations are limited to the amount of such contributions payable.

Stocks

Stocks are stated at the lower of cost and net realisable value including an appropriate assessment of provision against slow moving and obsolete stock items. Cost of finished goods stock and manufactured items includes an appropriate proportion of labour and overhead expenses.

Cost is based on the first-in first-out principle and includes expenditure incurred in acquiring the stocks, production or conversion costs and other costs in bringing them to their existing location and condition.

Currency translation

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the transaction dates. Assets and liabilities expressed in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Gains and losses arising from currency translation are reflected in operating profit.

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 102.

Hire purchase and leasing arrangements

Assets obtained under hire purchase agreements and finance leases are included in fixed assets and the related obligations are included in creditors. Interest charges are allocated to the profit and loss account so as to give a constant rate of charge on the capital balance outstanding.

Operating lease rentals are charged to the profit and loss account as incurred.

Segmental reporting

The Company's activities consist solely of the manufacture and sale of kitchen, bedroom and bathroom furniture and associated products.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Other financial instruments

Derivative financial instruments and hedging

Derivative financial instruments are recognised at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

2 Turnover

Turnover, which arises substantially within the United Kingdom, represents the invoiced value of goods supplied to customers net of discounts allowable and value added tax. Export sales in the period were £208,000 (2018: £470,000).

Notes (continued)

3 Costs and overheads

	2019 £'000	2018 £'000
Operating expenses		
Change in stocks of finished goods and work in progress	(119)	(61)
Purchase of raw materials and consumables	158,167	143,746
Other external and operating charges	35,743	34,234
Staff costs (note 5)	54,457	49,092
Depreciation (note 8)	2,681	2,879
Change in fair value of derivatives (note 16)	696	34
	<u>251,625</u>	<u>229,924</u>

4 Expenses & Auditor's remuneration

	2019 £'000	2018 £'000
Operating profit is stated after charging:		
Depreciation of tangible assets (note 8)	2,681	2,879
(Loss) on disposal of fixed assets	-	(1)
Property rentals	4,244	3,527
Hire of plant, machinery and vehicles	6,010	5,722
Auditor's remuneration		
Audit of these financial statements	50	45
Amounts receivable by the Company's auditor and its associates in respect of:		
Tax compliance services	84	20
	<u>84</u>	<u>20</u>

5 Staff numbers and costs

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

	2019 No	2018 No
Production	1,018	969
Administration	718	695
	<u>1,736</u>	<u>1,664</u>
Average number of employees	<u>1,736</u>	<u>1,664</u>

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2019 £'000	2018 £'000
Wages and salaries	49,785	44,993
Social security costs	3,822	3,499
Other pensions costs	850	600
	<u>54,457</u>	<u>49,092</u>
Long term incentive bonus	2,287	-
	<u>56,744</u>	<u>49,092</u>

The long term incentive scheme is a non-recurring charge and was based on achieving performance targets set in the Company's three year plan.

6 Remuneration of directors

	2019 £'000	2018 £'000
Aggregate emoluments	2,167	588
Company contributions to money purchase pension schemes	10	14
	<u>2,177</u>	<u>602</u>

Aggregate emoluments include £1,267,650 in respect of the long term incentive scheme. The aggregate emoluments of the highest paid director were £1,271,000 (2018: £261,600). Retirement benefits are accruing to the following number of directors under:

	2019 No	2018 No
Money purchase schemes	1	2

Notes *(continued)*

7 Tax on profit

	2019 £'000	2018 £'000
United Kingdom corporation tax at 19% <i>(2018: 19%)</i>	4,362	3,095
Adjustment relating to an earlier year	-	(14)
	<hr/>	<hr/>
Current taxation charge	4,362	3,081
Deferred taxation	(461)	17
	<hr/>	<hr/>
Tax on profit	<u>3,901</u>	<u>3,098</u>

The tax assessed for the year is higher than *(2018: higher)* the standard rate of corporation tax of 19% *(2018: 19%)*. The differences are explained below:

	2019 £'000	2018 £'000
Profit before taxation	19,932	15,782
	<hr/>	<hr/>
Profit multiplied by standard rate in the United Kingdom of 19% <i>(2018: 19%)</i>	3,787	2,999
Explained by:		
Expenditure not deductible for tax purposes	215	79
Income not taxable for tax purposes	-	-
Transfer pricing adjustments	23	22
Fixed asset differences	11	19
Adjustments to tax charge in respect of previous period – deferred tax	(35)	(2)
Adjust closing deferred tax to average rate of 17%	-	(65)
Adjust opening deferred tax to average rate of 17%	-	63
Timing differences	-	(9)
Group relief claimed	(18)	(8)
Deferred tax on derivative fair value movement	(132)	-
Deferred tax rate movement	50	-
	<hr/>	<hr/>
Total tax charge for the year	<u>3,901</u>	<u>3,098</u>

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the Company's future tax charge accordingly. The deferred tax liability at 31 December 2019 has been calculated based on these rates.

Notes (continued)

8 Tangible assets

	Plant and equipment £'000	Motor vehicles £'000	Total £'000
Cost or valuation			
At 31 December 2018	30,996	53	31,049
Additions	1,959	-	1,959
Disposals	(587)	-	(587)
Transfers	(495)	-	(495)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	31,873	53	31,926
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 31 December 2018	17,289	17	17,306
Charge for the year	2,673	8	2,681
Disposals	(587)	-	(587)
	<hr/>	<hr/>	<hr/>
At 31 December 2019	19,375	25	19,400
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2019	12,498	28	12,526
	<hr/>	<hr/>	<hr/>
At 31 December 2018	13,707	36	13,743
	<hr/>	<hr/>	<hr/>

9 Stocks

	2019 £'000	2018 £'000
Raw materials and consumables	22,404	20,121
Work in progress	300	419
Finished goods and goods for resale	2,849	2,577
	<hr/>	<hr/>
	25,553	23,117
	<hr/>	<hr/>

Notes *(continued)*

10 Debtors

	2019 £'000	2018 £'000
Trade debtors	48,030	51,751
Other debtors	2,977	2,252
Amounts owed by group undertakings	6,599	6,217
Deposit Account	10,000	-
Social security and other taxation	-	315
Prepayments and accrued income	2,997	2,721
	<u>70,603</u>	<u>63,256</u>

The deposit account is a 95 day notice account paying interest at 1.1%. Amounts owed by group undertakings are unsecured, interest free and have no fixed date of repayment and are repayable on demand.

11 Creditors - amounts falling due within one year

	2019 £'000	2018 £'000
Trade creditors	25,152	28,087
Corporation Tax	2,162	1,395
Social security and other taxation	107	-
Accruals and deferred income	12,382	6,940
	<u>39,803</u>	<u>36,422</u>

12 Deferred tax

	2019 £'000	2018 £'000
Provision for deferred tax		
At 1 January	551	534
Charge to profit and loss account	(461)	17
	<u>90</u>	<u>551</u>
At 31 December	<u>90</u>	<u>551</u>

Notes *(continued)*

12 Deferred tax *(continued)*

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2019 Provided £'000	2019 Unprovided £'000	2018 Provided £'000	2018 Unprovided £'000
Difference between accumulated depreciation and capital allowances	90	-	551	-
	<u>90</u>	<u>-</u>	<u>551</u>	<u>-</u>

13 Called up share capital

	2019 £000	2018 £000
<i>Authorised</i> 4,000,000 (2018: 4,000,000) ordinary shares of 25p each	1,000	1,000
<i>Allotted and fully paid</i> 1,013,730 (2018: 1,013,730) ordinary shares of 25p each	253	253

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

14 Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2019 Land and buildings £'000	2019 Other £'000	2018 Land and buildings £'000	2018 Other £'000
Less than one year	3,060	5,211	3,060	4,690
Between one and five years	12,240	8,766	12,240	6,494
More than five years	23,670	579	26,730	338
	<u>38,970</u>	<u>14,556</u>	<u>42,030</u>	<u>11,522</u>

During the year £10,254,000 was recognised as an expense in the profit and loss account in respect of operating leases (2018: £9,249,000).

Notes *(continued)*

15 Commitments

Capital commitments at the end of the financial year for which no provision has been made:

	2019 £'000	2018 £'000
Contracted	1,364	574
	<u>1,364</u>	<u>574</u>

16 Financial instruments measured at fair value

Derivative financial instruments

The fair value of forward exchange contracts is based on their listed market price.

The amounts for all financial assets and financial liabilities carried at fair value are as follows:

	Fair value	
	2019 £'000	2018 £'000
Forward Exchange Contracts	(800)	(104)
	<u>(800)</u>	<u>(104)</u>

17 Related party disclosures

A Group company paid £30,500 (2018: £50,800) to Haule (Jersey) Limited and £22,500 (2018: £90,000) to Swarthmoor Investments Limited for the consultancy and related services of Mr D S Gregory, a director of a Group company (but these arrangements ceased in April 2019).

18 Ultimate parent company

Throughout the year ended 31 December 2019, the directors consider that the ultimate controlling party is Rysaffe Trustee Company (C.L.) Limited as trustee of the St Helier 2015 Trust, a discretionary trust. The immediate parent company is Symphony Holdings Limited, a company registered in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by Symphony Holdings Limited.

Copies of the consolidated accounts of Symphony Holdings Limited can be obtained on application to The Company Secretary, Symphony Holdings Limited, Pen Hill Estate, Park Spring Road, Barnsley, South Yorkshire, S72 7EZ.