

The Symphony Group Plc

Annual report and financial statements

Registered number 01022506

31 December 2018

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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 sales and market share following the housing market collapse in 2008/09.

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 2019 and beyond.

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 2018 show a pre-tax profit of £15,782,000 (2017: *pre-tax profit of £15,506,000*) on sales of £245,720,000 (2017: *£218,781,000*). At the end of the year the Company has a cash balance of £9,042,000 (2017: *£222,000*).

2018 saw another strong year of sales growth, with turnover increasing by 12% to £245,720,000 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 £15,796,000 was again held back by a weak GBP. The change in operating profit from 2017 comprises an adverse foreign currency impact of approximately £2,100,000 offset by operational gains of approximately £2,300,000.

Cash flow was strong in 2018, with all borrowings eliminated during October and a year end net cash balance over £9,000,000.

KPIs

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

	2018	2017
% growth in turnover	+12.3%	+12.6%
Sales per employee	£147,700	£137,900
Interest Cover	1,128 times	273 times
EBITDA (operating profit plus depreciation)	<u>£18.675.000</u>	<u>£18.242.000</u>

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 outcomes.

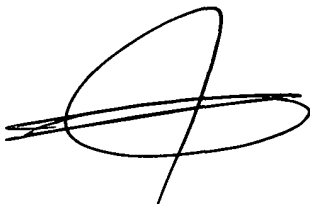
Future developments

The Private Development market is expected to continue to grow, 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.

Results and dividends

The Company's profit after tax for the year is £12,684,000 (2017: £12,445,000). The directors do not propose a final dividend for the year (2017: £nil). The profit after tax of £12,684,000 has been transferred to reserves (2017: £12,445,000 transferred to reserves).

By order of the Board.



G Smith
Director

29 April 2019

Directors' report

The directors present their report and the audited financial statements of the Company for the year ended 31 December 2018.

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 £13,600 (2017: £2,765).

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 2018 was 58 (2017: 53).

Directors' report *(continued)*

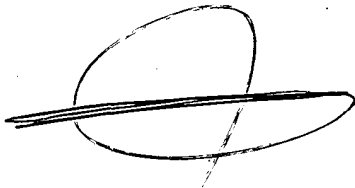
Disclosure of information to auditor

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

A handwritten signature in black ink, consisting of a large, stylized loop with a horizontal line through it, and a vertical line extending downwards from the center of the loop.

G Smith
Director

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

29 April 2019

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 2018 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 2018 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.

The impact of uncertainties due to the UK exiting the European Union on our audit

Uncertainties related to the effects of Brexit are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Brexit is one of the most significant economic events for the UK, and at the date of this report its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company and this is particularly the case in relation to Brexit.

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

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, including the impact of Brexit, 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.

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.

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

(continued)

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.

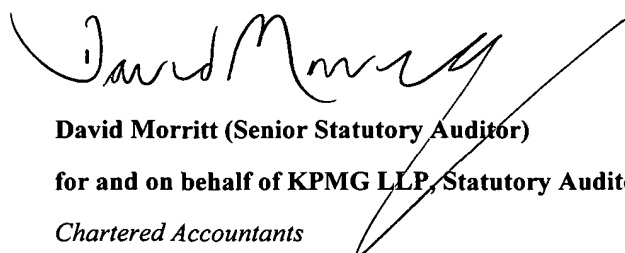
Auditor's responsibilities

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.

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 Morritt (Senior Statutory Auditor)

for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

29 April 2019

Profit and Loss Account
for the year ended 31 December 2018

	<i>Note</i>	2018 £'000	2017 £'000
Turnover	2	245,720	218,781
Costs and overheads	3	(229,924)	(203,223)
		<hr/>	<hr/>
Operating profit	4	15,796	15,558
		<hr/>	<hr/>
Bank interest receivable		28	5
Interest payable on overdrafts		(42)	(57)
		<hr/>	<hr/>
Profit before taxation		15,782	15,506
Tax on profit	7	(3,098)	(3,061)
		<hr/>	<hr/>
Profit for the financial year		12,684	12,445
		<hr/> <hr/>	<hr/> <hr/>

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.

Statement of Changes in Equity
for the year ended 31 December 2018

	Called up share capital £000	Capital redemption reserve £000	Profit and loss account £000	Total equity £000
Balance at 1 January 2017	253	10	46,689	46,952
Total comprehensive income for the period	-	-	-	-
Profit or loss	-	-	12,445	12,445
Total comprehensive income for the period	-	-	12,445	12,445
Balance at 31 December 2017	253	10	59,134	59,397
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

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.

These 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. The use of going concern accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors have prepared cash flow forecasts that indicate the Company is able to meet its liabilities as they fall due, and the Company will continue in operation for the foreseeable future. Accordingly, the directors are satisfied that it is appropriate to prepare the accounts on the going concern basis.

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 £470,000 (2017: £545,000).

Notes (continued)

3 Costs and overheads

	2018 £'000	2017 £'000
Operating expenses		
Change in stocks of finished goods and work in progress	(61)	461
Purchase of raw materials and consumables	143,746	124,766
Other external and operating charges	34,234	31,640
Staff costs (note 5)	49,092	43,624
Depreciation (note 8)	2,879	2,684
Change in fair value of derivatives (note 16)	34	48
	<u>229,924</u>	<u>203,223</u>

4 Expenses & Auditor's remuneration

	2018 £'000	2017 £'000
Operating profit is stated after charging:		
Depreciation of tangible assets (note 8)	2,879	2,684
Loss/(profit) on disposal of fixed assets	1	(45)
Property rentals	3,527	3,586
Hire of plant, machinery and vehicles	5,722	5,382
Auditor's remuneration		
Audit of these financial statements	45	41
Amounts receivable by the Company's auditor and its associates in respect of:		
Tax compliance services	20	56
	<u>20</u>	<u>56</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:

	2018 No	2017 No
Production	969	935
Administration	695	651
	<u>1,664</u>	<u>1,586</u>
Average number of employees	<u>1,664</u>	<u>1,586</u>

Notes *(continued)*

5 Staff numbers and costs *(continued)*

The aggregate payroll costs of these persons were as follows:

	2018 £'000	2017 £'000
Wages and salaries	44,993	40,147
Social security costs	3,499	3,076
Other pensions costs	600	401
	<u>49,092</u>	<u>43,624</u>

6 Remuneration of directors

	2018 £'000	2017 £'000
Aggregate emoluments	588	673
Company contributions to money purchase pension schemes	14	15
	<u>602</u>	<u>688</u>

The aggregate emoluments of the highest paid director were £261,600 (2017: £386,000). Retirement benefits are accruing to the following number of directors under:

	2018 No	2017 No
Money purchase schemes	2	2
	<u>2</u>	<u>2</u>

7 Tax on profit

	2018 £'000	2017 £'000
United Kingdom corporation tax at 19.00% (2017: 19.25%)	3,095	3,130
Adjustment relating to an earlier year	(14)	65
	<u>3,081</u>	<u>3,195</u>
Current taxation charge	3,081	3,195
Deferred taxation	17	(134)
	<u>3,098</u>	<u>3,061</u>

Notes *(continued)*

7 Tax on profit *(continued)*

The tax assessed for the year is higher than *(2017: higher)* the standard rate of corporation tax of 19.00% *(2017: 19.25%)*. The differences are explained below:

	2018 £'000	2017 £'000
Profit before taxation	15,782	15,506
Profit multiplied by standard rate in the United Kingdom of 19.00% <i>(2017: 19.25%)</i>	2,999	2,985
Explained by:		
Expenditure not deductible for tax purposes	79	79
Income not taxable for tax purposes	-	-
Transfer pricing adjustments	22	22
Fixed asset differences	19	12
Adjustments to tax charge in respect of previous period – deferred tax	(2)	(65)
Adjust closing deferred tax to average rate of 17%	(65)	(70)
Adjust opening deferred tax to average rate of 17%	63	74
Timing differences	(9)	34
Group relief claimed	(8)	(10)
Total tax charge for the year	3,098	3,061

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 2018 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 2017	28,072	53	28,125
Additions	4,092	-	4,092
Disposals	(1,168)	-	(1,168)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	30,996	53	31,049
	<hr/>	<hr/>	<hr/>
Accumulated depreciation			
At 31 December 2017	15,586	8	15,594
Charge for the year	2,870	9	2,879
Disposals	(1,167)	-	(1,167)
	<hr/>	<hr/>	<hr/>
At 31 December 2018	17,289	17	17,306
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2018	13,707	36	13,743
	<hr/>	<hr/>	<hr/>
At 31 December 2017	12,486	45	12,531
	<hr/>	<hr/>	<hr/>

9 Stocks

	2018 £'000	2017 £'000
Raw materials and consumables	20,121	18,910
Work in progress	419	482
Finished goods and goods for resale	2,577	2,575
	<hr/>	<hr/>
	23,117	21,967
	<hr/>	<hr/>

Notes (continued)

10 Debtors

	2018 £'000	2017 £'000
Trade debtors	51,751	48,564
Other debtors	2,252	2,165
Amounts owed by group undertakings	6,217	6,322
Social security and other taxation	315	-
Prepayments and accrued income	2,721	2,485
	<u>63,256</u>	<u>59,536</u>

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

	2018 £'000	2017 £'000
Trade creditors	28,087	25,878
Corporation Tax	1,395	1,304
Social security and other taxation	-	340
Accruals and deferred income	6,940	6,733
	<u>36,422</u>	<u>34,255</u>

The Company has a £10m bank overdraft facility in place which is repayable on demand and secured by a fixed charge against the assets of the business. This was unutilised at 31 December 2018.

12 Deferred tax

	2018 £'000	2017 £'000
Provision for deferred tax		
At 1 January	534	668
Charge to profit and loss account	17	(134)
	<u>551</u>	<u>534</u>
At 31 December		

Notes (continued)

12 Deferred tax (continued)

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

	2018 Provided £'000	2018 Unprovided £'000	2017 Provided £'000	2017 Unprovided £'000
Difference between accumulated depreciation and capital allowances	551	-	534	-
	<u>551</u>	<u>-</u>	<u>534</u>	<u>-</u>

13 Called up share capital

	2018 £000	2017 £000
<i>Authorised</i> 4,000,000 (2017: 4,000,000) ordinary shares of 25p each	<u>1,000</u>	<u>1,000</u>
<i>Allotted and fully paid</i> 1,013,730 (2017: 1,013,730) ordinary shares of 25p each	<u>253</u>	<u>253</u>

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:

	2018 Land and buildings £'000	2018 Other £'000	2017 Land and buildings £'000	2017 Other £'000
Less than one year	3,060	4,690	3,171	4,456
Between one and five years	12,240	6,494	12,240	7,282
More than five years	26,730	338	29,790	229
	<u>42,030</u>	<u>11,522</u>	<u>45,201</u>	<u>11,967</u>

During the year £9,249,000 was recognised as an expense in the profit and loss account in respect of operating leases (2017: £8,968,000).

Notes *(continued)*

15 Commitments

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

	2018 £'000	2017 £'000
Contracted	574	1,433

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	
	2018 £'000	2017 £'000
Forward Exchange Contracts	(104)	(70)

17 Related party disclosures

A Group company pays £50,800 (2017: £49,440) per annum to Haule (Jersey) Limited and £90,000 (2017: £90,000) per annum to Swarthmoor Investments Limited for the consultancy and related services of Mr D S Gregory, a director of a Group company (but has served notice to terminate those arrangements).

18 Ultimate parent company

Throughout the year ended 31 December 2018, the directors consider that the ultimate controlling party is Rysaffe Trustee Company (C.I.) 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.