

Report of the Directors and
Financial Statements for the Year Ended 31 March 2019
for
MANCHESTER ORGANICS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2019

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MANCHESTER ORGANICS LIMITED

Company Information
FOR THE YEAR ENDED 31 MARCH 2019

DIRECTORS:

Mr V P Mafatlal
Mr R R Welling
Mr S J Baird

REGISTERED OFFICE:

The Heath Business & Technical Park
Runcorn
Cheshire
WA7 4QX

REGISTERED NUMBER:

03290939 (England and Wales)

AUDITORS:

Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

BANKERS:

Lloyds Bank Plc
Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2019

The directors present their report with the financial statements of the company for the year ended 31 March 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of research, development, manufacture and supply of speciality chemicals.

DIVIDENDS

The directors propose to declare a final dividend of £Nil (2018: £75,000).

DIRECTORS

Mr V P Mafatlal has held office during the whole of the period from 1 April 2018 to the date of this report.

Other changes in directors holding office are as follows:

Mr S S Khanolkar - resigned 12 October 2018

Dr V Kabakov - resigned 14 December 2018

Mr R R Welling - appointed 1 March 2019

Mr S J Baird - appointed 1 March 2019

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc that arise directly from its operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, credit risk, and market risk.

Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by group company support.

Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are not generally hedged. The company's objective is to minimise the exposure of overseas trade to transaction risk by matching local currency income with local currency costs where possible.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's and or its parent company's website.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

MANCHESTER ORGANICS LIMITED

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2019

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



.....
Mr R R Welling - Director

Date: 5 May, 2019

Report of the Independent Auditors to the Members of
Manchester Organics Limited

Opinion

We have audited the financial statements of Manchester Organics Limited (the 'company') for the year ended 31 March 2019 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 31 March 2019 and of its loss 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 Auditors' 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors 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 Report of the Directors.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Report of the Independent Auditors to the Members of
Manchester Organics Limited

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, 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 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.

Auditors' 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 a Report of the Auditors 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.

Sanjeev Phadke (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE



Date: 5 May 2019

MANCHESTER ORGANICS LIMITED**Income Statement**
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
REVENUE	3	4,568,086	4,674,221
Cost of sales		<u>3,034,203</u>	<u>2,798,010</u>
GROSS PROFIT		1,533,883	1,876,211
Administrative expenses		<u>1,787,590</u>	<u>1,672,711</u>
		(253,707)	203,500
Other operating income		<u>(2,376)</u>	<u>6</u>
OPERATING (LOSS)/PROFIT	6	(256,083)	203,506
Interest receivable and similar income		<u>555</u>	<u>50</u>
		(255,528)	203,556
Interest payable and similar expenses	7	<u>-</u>	<u>436</u>
(LOSS)/PROFIT BEFORE TAXATION		(255,528)	203,120
Tax on (loss)/profit	8	<u>(52,461)</u>	<u>(61,851)</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR		<u>(203,067)</u>	<u>264,971</u>

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
(LOSS)/PROFIT FOR THE YEAR		(203,067)	264,971
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		<u>(203,067)</u>	<u>264,971</u>

The notes form part of these financial statements

Statement of Financial Position
31 MARCH 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Property, plant and equipment	10	592,802	683,167
CURRENT ASSETS			
Inventories	11	2,104,082	2,325,622
Debtors	12	947,152	1,453,678
Cash at bank and in hand		164,248	259,991
		<u>3,215,482</u>	<u>4,039,291</u>
CREDITORS			
Amounts falling due within one year	13	<u>770,591</u>	<u>1,392,337</u>
NET CURRENT ASSETS		<u>2,444,891</u>	<u>2,646,954</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,037,693</u>	<u>3,330,121</u>
PROVISIONS FOR LIABILITIES	15	<u>99,838</u>	<u>114,199</u>
NET ASSETS		<u><u>2,937,855</u></u>	<u><u>3,215,922</u></u>
CAPITAL AND RESERVES			
Called up share capital	16	100	100
Share premium	17	54,990	54,990
Retained earnings	17	<u>2,882,765</u>	<u>3,160,832</u>
SHAREHOLDERS' FUNDS		<u><u>2,937,855</u></u>	<u><u>3,215,922</u></u>

The financial statements have been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

The financial statements were authorised for issue by the Board of Directors on 5 May, 2019 and were signed on its behalf by:



Mr R R Welliff - Director

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED**Statement of Changes in Equity**
FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2017	100	2,895,861	54,990	2,950,951
Changes in equity				
Total comprehensive income	-	264,971	-	264,971
Balance at 31 March 2018	100	3,160,832	54,990	3,215,922
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive loss	-	(203,067)	-	(203,067)
Balance at 31 March 2019	100	2,882,765	54,990	2,937,855

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	146,353	181,125
Interest paid		-	(436)
Tax paid		-	20,496
Net cash from operating activities		<u>146,353</u>	<u>201,185</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(60,052)	(285,734)
Interest received		555	50
Net cash from investing activities		<u>(59,497)</u>	<u>(285,684)</u>
Cash flows from financing activities			
Share issue		-	100
Advance from group company		(107,599)	200,000
Equity dividends paid		(75,000)	-
Net cash from financing activities		<u>(182,599)</u>	<u>200,100</u>
(Decrease)/increase in cash and cash equivalents		<u>(95,743)</u>	<u>115,601</u>
Cash and cash equivalents at beginning of year	2	259,991	144,390
Cash and cash equivalents at end of year	2	<u><u>164,248</u></u>	<u><u>259,991</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2019

1. RECONCILIATION OF (LOSS)/PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
	2019	2018
	£	£
(Loss)/profit before taxation	(255,528)	203,120
Depreciation charges	148,041	153,124
Loss on disposal of fixed assets	2,376	-
Finance costs	-	436
Finance income	(555)	(50)
	<u>(105,666)</u>	<u>356,630</u>
Decrease/(increase) in inventories	221,540	(613,844)
Decrease/(increase) in trade and other debtors	627,225	(23,995)
(Decrease)/increase in trade and other creditors	<u>(596,746)</u>	<u>462,334</u>
Cash generated from operations	<u><u>146,353</u></u>	<u><u>181,125</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>164,248</u>	<u>259,991</u>

Year ended 31 March 2018

	31/3/18	1/4/17
	£	£
Cash and cash equivalents	259,991	147,541
Bank overdrafts	-	(3,151)
	<u>259,991</u>	<u>144,390</u>

The notes form part of these financial statements

Notes to the Financial Statements
FOR THE YEAR ENDED 31 MARCH 2019

1. STATUTORY INFORMATION

Manchester Organics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue on goods delivered is recognised when the customer accepts delivery.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Laboratory equipment	- 10% and 25% on straight line
Fixtures and fittings	- 10% on straight line
Computer equipment	- 20% on straight line

Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2019

2. ACCOUNTING POLICIES - continued

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The company's budgets and projections suggest that the company will be well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

3. REVENUE

The revenue and loss (2018 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2019	2018
United Kingdom	24.45%	31.11%
Europe	40.09%	34.51%
United States of America	14.14%	13.58%
Rest of the World	21.33%	20.80%
	<u>100.00%</u>	<u>100.00%</u>

4. EMPLOYEES AND DIRECTORS

	2019	2018
	£	£
Wages and salaries	1,593,669	1,597,985
Social security costs	100,156	109,555
Other pension costs	21,397	92,045
	<u>1,715,222</u>	<u>1,799,585</u>

The average number of employees during the year was as follows:

	2019	2018
Production	19	26
Administration	24	20
	<u>43</u>	<u>46</u>

5. DIRECTORS' EMOLUMENTS

	2019	2018
	£	£
Directors' remuneration	<u>82,167</u>	<u>30,000</u>

During the year, directors received benefits in kind of £Nil (2018: £Nil) and pension of £1,560 (2018: £300).

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2019

6. OPERATING (LOSS)/PROFIT

The operating loss (2018 - operating profit) is stated after charging:

	2019	2018
	£	£
Depreciation - owned assets	148,041	153,124
Auditors' remuneration	13,800	13,800
Auditors' remuneration for non audit work	2,975	2,975
Foreign exchange differences	1,167	15,367
	<u>148,041</u>	<u>153,124</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019	2018
	£	£
Other interest	-	436
	<u>-</u>	<u>436</u>

8. TAXATION

Analysis of the tax credit

The tax credit on the loss for the year was as follows:

	2019	2018
	£	£
Current tax:		
UK corporation tax	(33,000)	(48,325)
Corporation tax - PYA	(5,100)	(20,496)
Total current tax	<u>(38,100)</u>	<u>(68,821)</u>
Deferred tax	<u>(14,361)</u>	<u>6,970</u>
Tax on (loss)/profit	<u>(52,461)</u>	<u>(61,851)</u>

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2019	2018
	£	£
(Loss)/profit before tax	<u>(255,528)</u>	<u>203,120</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	<u>(48,550)</u>	<u>38,593</u>
Effects of:		
Expenses not deductible for tax purposes	78	94
Capital allowances in excess of depreciation	-	(12,332)
Depreciation in excess of capital allowances	13,909	-
Profit or Loss on disposal of tangible fixed assets	451	-
R&D enhanced credits	(26,730)	(62,370)
Group relief	-	(12,310)
Other - PYA	(5,100)	(20,496)
Deferred tax charge	(14,361)	6,970
Losses c/f	<u>27,842</u>	<u>-</u>
Total tax credit	<u>(52,461)</u>	<u>(61,851)</u>

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2019

9. DIVIDENDS

	2019 £	2018 £
Ordinary shares of £0.01 each		
Dividends Paid	75,000	-

10. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2018	1,649,441	41,273	92,640	1,783,354
Additions	55,817	1,466	2,769	60,052
Disposals	(96,000)	-	-	(96,000)
At 31 March 2019	1,609,258	42,739	95,409	1,747,406
DEPRECIATION				
At 1 April 2018	1,020,812	38,850	40,525	1,100,187
Charge for year	132,009	402	15,630	148,041
Eliminated on disposal	(93,624)	-	-	(93,624)
At 31 March 2019	1,059,197	39,252	56,155	1,154,604
NET BOOK VALUE				
At 31 March 2019	550,061	3,487	39,254	592,802
At 31 March 2018	628,629	2,423	52,115	683,167

11. INVENTORIES

	2019 £	2018 £
Raw materials	144,611	104,105
Work-in-progress	24,561	197,860
Traded goods	1,934,910	2,023,657
	2,104,082	2,325,622

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	567,535	987,162
Amounts owed by group undertakings	88,113	5,514
Other debtors	22,543	-
Tax	86,425	48,325
VAT	52,587	305,262
Prepayments	129,949	107,415
	947,152	1,453,678

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2019

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade creditors	418,430	497,504
Sales ledger credit balances	56,223	290,460
Amounts owed to group undertakings	175,000	200,000
Social security and other taxes	46,337	45,462
Pension fund control A/c	-	7,429
Other creditors	243	309
Net wages	-	858
Accrued expenses	74,358	350,315
	<u>770,591</u>	<u>1,392,337</u>

14. LEASING AGREEMENTS

The following operating lease payments are committed to be paid within one year:

	2019	2018
	£	£
Expiring:		
Between one and five years - Others	-	6,784
In more than five years - Land & buildings	348,960	348,960
	<u>348,960</u>	<u>355,744</u>

15. PROVISIONS FOR LIABILITIES

	2019	2018
	£	£
Deferred tax	<u>99,838</u>	<u>114,199</u>
		Deferred tax
		£
Balance at 1 April 2018		114,199
Provided during year		(14,361)
Balance at 31 March 2019		<u>99,838</u>

16. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2019	2018
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	£0.01	<u>100</u>	<u>100</u>

Each share is entitled to one vote and entitled to dividend payment or any other distribution on a pari passu basis including distribution arising from a winding up of the company.

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2019**17. RESERVES**

	Retained earnings £	Share premium £	Totals £
At 1 April 2018	3,160,832	54,990	3,215,822
Deficit for the year	(203,067)		(203,067)
Dividends	(75,000)		(75,000)
	<hr/>	<hr/>	<hr/>
At 31 March 2019	<u>2,882,765</u>	<u>54,990</u>	<u>2,937,755</u>

18. ULTIMATE PARENT COMPANY

The ultimate controlling party and ultimate parent company is Navin Fluorine International Limited, a company registered in India.

Navin Fluorine International Limited is the parent undertaking of the only group for which consolidated financial statements are prepared. These financial statements may be obtained by the public at 2nd floor Sunteck Centre, 37/40 Subhash Road, Vile Parle (East), Mumbai 400057, India.

MANCHESTER ORGANICS LIMITED**Trading and Profit and Loss Account**
FOR THE YEAR ENDED 31 MARCH 2019

	2019		2018	
	£	£	£	£
Sales		4,568,086		4,674,221
Cost of sales				
Opening stock	2,325,622		1,711,778	
Purchases	2,200,961		2,778,100	
Production salaries	611,702		633,754	
	<u>5,138,285</u>		<u>5,123,632</u>	
Closing stock	(2,079,521)		(2,127,762)	
Closing work in progress	(24,561)		(197,860)	
	<u></u>	<u>3,034,203</u>	<u></u>	<u>2,798,010</u>
GROSS PROFIT		1,533,883		1,876,211
Other income				
Sundry receipts	-		6	
Profit on sale of tangible fixed assets	(2,376)		-	
Deposit account interest	555		50	
	<u></u>	<u>(1,821)</u>	<u></u>	<u>56</u>
		1,532,062		1,876,267
Expenditure				
Salaries	899,800		934,231	
Social security	90,555		105,718	
Pensions	21,397		92,045	
Company Health Plan	12,736		15,960	
Directors' salaries	82,167		30,000	
Directors' social security	9,601		3,837	
Rent	383,550		351,953	
Telephone	13,584		16,229	
Post and stationery	17,489		12,949	
Travelling	73,655		68,768	
Motor expenses	11,012		3,887	
Repairs and renewals	77,056		27,974	
Household and cleaning	6,867		5,827	
Computer costs	7,833		10,041	
Motor car leasing rentals	6,765		6,784	
Sundry expenses	16,006		9,150	
Training and recruitment	45,186		36,857	
Redundancy costs- settlement	5,000		8,800	
Accountancy	3,000		5,400	
Consultancy fees	38,418		22,713	
Subscription	2,987		812	
Legal fees	3,447		5,541	
Auditors' remuneration	13,800		13,800	
Auditors' remuneration for non audit work	2,975		2,975	
Foreign exchange losses	1,167		15,367	
Entertainment	413		497	
Bad debts	6,012		21,261	
Promotions and exhibitions	73,463		81,182	
Group cost recharges	(365,706)		(472,868)	
Insurance	58,637		62,788	
	<u></u>	<u>1,618,872</u>	<u></u>	<u>1,500,478</u>
Carried forward		(86,810)		375,789

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MANCHESTER ORGANICS LIMITED**Trading and Profit and Loss Account**
FOR THE YEAR ENDED 31 MARCH 2019

	2019		2018	
	£	£	£	£
Brought forward		(86,810)		375,789
Finance costs				
Bank charges	20,677		19,109	
Other interest	-		436	
	<u> </u>	<u>20,677</u>	<u> </u>	<u>19,545</u>
		(107,487)		356,244
Depreciation				
Plant and machinery	132,009		137,412	
Fixtures and fittings	402		503	
Computer equipment	15,630		15,209	
	<u> </u>	<u>148,041</u>	<u> </u>	<u>153,124</u>
NET (LOSS)/PROFIT		<u><u>(255,528)</u></u>		<u><u>203,120</u></u>

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