

A.G.POTTER (FRAMLINGHAM) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

PAGES FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 30 JUNE 2018

A.G.POTTER (FRAMLINGHAM) LIMITED

REGISTERED NUMBER:00227621

**BALANCE SHEET
AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	5	622,811	1,876,429
Investment property	6	2,745,669	1,500,000
		<u>3,368,480</u>	<u>3,376,429</u>
Current assets			
Stocks	7	47,098	40,674
Debtors	8	92,698	123,007
Cash at bank and in hand		6,426	4,157
		<u>146,222</u>	<u>167,838</u>
Creditors: amounts falling due within one year	9	(496,770)	(557,770)
Net current liabilities		<u>(350,548)</u>	<u>(389,932)</u>
Total assets less current liabilities		<u>3,017,932</u>	<u>2,986,497</u>
Creditors: amounts falling due after more than one year		(1,139,614)	(1,149,766)
Net assets		<u><u>1,878,318</u></u>	<u><u>1,836,731</u></u>

A.G.POTTER (FRAMLINGHAM) LIMITED

REGISTERED NUMBER:00227621

BALANCE SHEET (CONTINUED)**AS AT 30 JUNE 2018**

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	14	22,763	22,763
Share premium account		4,000	4,000
Capital redemption reserve		58,775	58,775
Profit and loss account		1,792,780	1,751,193
		<u>1,878,318</u>	<u>1,836,731</u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19 March 2019.

Allan J Potter

Director

The notes on pages 3 to 12 form part of these financial statements.

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

1. General information

A G Potter (Framlingham) Limited (the "Company") is a company limited by shares and incorporated and domiciled in England and Wales. The address of the registered office is Station Road, Framlingham, Suffolk, IP13 9EE.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Turnover

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

Sale of goods

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

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

2.3 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.4 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.5 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Current and deferred taxation

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

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

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

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

2.7 Tangible fixed assets

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

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following basis:

Plant, machinery and fittings	-	15% reducing balance
Motor vehicles	-	25% reducing balance
Computer equipment	-	28.57% (three and a half year basis) on cost

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

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

No depreciation is provided on freehold properties since the directors consider that residual values are such that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the profit and loss account.

2.8 Investment Property

Investment property is carried at fair value determined annually by directors and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

2.9 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.10 Debtors

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

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

2. Accounting policies (continued)

2.11 Cash and cash equivalents

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

2.12 Creditors

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

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements have been made include:

No depreciation is provided on freehold properties since the directors consider that residual values are such that their depreciation is insignificant. Any permanent diminution in the value of such properties is charged to the profit and loss account.

Investment property is carried at fair value determined annually by directors.

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

4. Employees

The average monthly number of employees, including directors, during the year was 7 (2017 - 6).

5. Tangible fixed assets

	Freehold property £	Plant and machinery £	Motor vehicles £	Computer equipment £	Total £
Cost or valuation					
At 1 July 2017	1,774,393	265,998	8,000	16,301	2,064,692
Additions	-	8,988	-	-	8,988
Transfers between classes	(1,245,669)	-	-	-	(1,245,669)
At 30 June 2018	<u>528,724</u>	<u>274,986</u>	<u>8,000</u>	<u>16,301</u>	<u>828,011</u>
Depreciation					
At 1 July 2017	-	166,124	5,838	16,301	188,263
Charge for the year on owned assets	-	16,397	540	-	16,937
At 30 June 2018	<u>-</u>	<u>182,521</u>	<u>6,378</u>	<u>16,301</u>	<u>205,200</u>
Net book value					
At 30 June 2018	<u>528,724</u>	<u>92,465</u>	<u>1,622</u>	<u>-</u>	<u>622,811</u>
At 30 June 2017	<u>1,774,393</u>	<u>99,874</u>	<u>2,162</u>	<u>-</u>	<u>1,876,429</u>

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

6. Investment property

	Freehold investment property £
Valuation	
At 1 July 2017	1,500,000
Transfers between classes	1,245,669
At 30 June 2018	2,745,669

The 2018 valuations were made by directors, on an open market value for existing use basis.

A transfer between freehold property in tangible fixed assets and freehold investment property was made during the year to reflect the nature of a showroom the company holds as an asset.

7. Stocks

	2018 £	2017 £
Finished goods and goods for resale	47,098	40,674
	47,098	40,674

8. Debtors

	2018 £	2017 £
Trade debtors	57,958	46,404
Other debtors	6,773	37,707
Prepayments and accrued income	22,383	26,624
Deferred taxation (note 15)	5,584	12,272
	92,698	123,007

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

9. Creditors: Amounts falling due within one year

	2018 £	2017 £
Bank loan and overdraft	88,054	161,309
Trade creditors	165,139	169,868
Amounts owed to group undertakings	153	153
Other taxation and social security	7,908	8,178
Obligations under finance lease and hire purchase contracts	17,986	17,923
Other creditors	147,527	128,202
Accruals and deferred income	36,119	38,253
Share capital treated as debt (note 15)	33,884	33,884
	<u>496,770</u>	<u>557,770</u>

10. Loans

Analysis of the maturity of loans is given below:

	2018 £	2017 £
Amounts falling due 1-2 years		
Bank loans	-	324,328
	<u>-</u>	<u>324,328</u>
Amounts falling due after more than 5 years		
Bank loans	1,134,478	778,162
	<u>1,134,478</u>	<u>778,162</u>
	<u>1,134,478</u>	<u>1,102,490</u>

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	19,333	17,923
Between 1-5 years	5,505	20,609
	<u>24,838</u>	<u>38,532</u>

12. Financial instruments

	2018 £	2017 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>6,426</u>	<u>4,157</u>

Financial assets measured at fair value through profit or loss comprise bank balances.

13. Deferred taxation

	2018 £
At beginning of year	12,272
Utilised in year	(6,688)
At end of year	<u>5,584</u>

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

13. Deferred taxation (continued)

The deferred tax asset is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(12,713)	(12,917)
Losses utilised S1409	51,409	60,365
CGT on sale of investment properties	(33,112)	(35,176)
	<u>5,584</u>	<u>12,272</u>

A.G.POTTER (FRAMLINGHAM) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2018

14. Share capital

	2018 £	2017 £
Shares classified as equity		
Allotted, called up and fully paid		
22,763 (2017 - 22,763) Ordinary shares of £1.00 each	<u>22,763</u>	<u>22,763</u>
	2018 £	2017 £
Shares classified as debt		
Allotted, called up and fully paid		
33,884 (2017 - 33,884) Preference shares of £1.00 each	<u>33,884</u>	<u>33,884</u>

15. Related party transactions

Included within other creditors is an amount of £129,042 (2017: £78,114) owed to A Potter which is repayable on demand.

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