Company Registration No. 00331221 (England and Wales)

T FORREST & SONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

PAGES FOR FILING WITH REGISTRAR

PM+M Solutions for Business LLP
Chartered Accountants
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T FORREST & SONS LIMITED

COMPANY INFORMATION

Directors	K Wallbank S Wallbank
Secretary	K Wallbank
Company number	00331221
Registered office	Samlesbury Mill Goose Foot Lane Samlesbury Preston Lancashire PR5 0RN
Accountants	PM+M Solutions for Business LLP Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB

T FORREST & SONS LIMITED

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T FORREST & SONS LIMITED

BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	3		**664,058**		709,157
Current assets					
Stocks		**228,737**		290,681	
Debtors	4	**521,638**		389,268	
Cash at bank and in hand		**29,101**		468	
		779,476		680,417	
Creditors: amounts falling due within one year	5	**(765,567)**		(659,631)	
Net current assets			**13,909**		20,786
Total assets less current liabilities			**677,967**		729,943
Creditors: amounts falling due after more than one year	6		**(70,463)**		(71,434)
Provisions for liabilities			**(28,611)**		(33,781)
Net assets			**578,893**		624,728
Capital and reserves					
Called up share capital	7		**730**		730
Other reserves			**172,853**		172,853
Profit and loss reserves			**405,310**		451,145
Total equity			**578,893**		624,728

T FORREST & SONS LIMITED

BALANCE SHEET (CONTINUED)

AS AT 30 SEPTEMBER 2017

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 15 February 2018 and are signed on its behalf by:

K Wallbank
Director

S Wallbank
Director

Company Registration No. 00331221

1 Accounting policies

Company information

T Forrest & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Samlesbury Mill, Goose Foot Lane, Samlesbury, Preston, Lancashire, PR5 0RN.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2017 are the first financial statements of T Forrest & Sons Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 10.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1 **Accounting policies** **(Continued)**

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	Not depreciated
Plant and equipment	20% reducing balance
Fixtures and fittings	20% reducing balance
Motor vehicles	25% reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 **Accounting policies** **(Continued)**

1.7 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.8 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1 **Accounting policies** **(Continued)**

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The cost of providing benefits under defined benefit plans is determined separately for each plan using the projected unit credit method, and is based on actuarial advice.

The change in the net defined benefit liability arising from employee service during the year is recognised as an employee cost. The cost of plan introductions, benefit changes, settlements and curtailments are recognised as an expense in measuring profit or loss in the period in which they arise.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

1 Accounting policies **(Continued)**

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 22 (2016 - 20).

3 Tangible fixed assets

	Freehold land and buildings	Plant and equipment	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 October 2016	**470,000**	**885,838**	**23,185**	**82,253**	**1,461,276**
Additions	**5,664**	**12,977**	**-**	**7,100**	**25,741**
Disposals	**(5,748)**	**-**	**-**	**(18,329)**	**(24,077)**
At 30 September 2017	**469,916**	**898,815**	**23,185**	**71,024**	**1,462,940**
Depreciation and impairment					
At 1 October 2016	**-**	**694,551**	**6,072**	**51,496**	**752,119**
Depreciation charged in the year	**-**	**44,496**	**3,422**	**7,878**	**55,796**
Eliminated in respect of disposals	**-**	**-**	**-**	**(9,033)**	**(9,033)**
At 30 September 2017	**-**	**739,047**	**9,494**	**50,341**	**798,882**
Carrying amount					
At 30 September 2017	**469,916**	**159,768**	**13,691**	**20,683**	**664,058**
At 30 September 2016	470,000	191,287	17,113	30,757	709,157

4 Debtors

Amounts falling due within one year:	2017 £	2016 £
Trade debtors	**484,247**	373,557
Other debtors	**18,617**	12,545
Prepayments and accrued income	**18,774**	3,166
	521,638	389,268

5 Creditors: amounts falling due within one year

	2017 £	2016 £
Bank loans and overdrafts	**49,623**	66,348
Obligations under finance leases	**29,730**	25,679
Trade creditors	**245,258**	221,933
Corporation tax	**21,863**	13,139
Other taxation and social security	**53,909**	52,534
Other creditors	**341,959**	245,661
Accruals and deferred income	**23,225**	34,337
	765,567	659,631

Obligations under finance leases amounting to £29,730 (2016: £25,679) are secured by the assets to which they relate.

The bank loans and overdrafts amounting to £49,623 (2016: £66,348) are secured by (i) a legal charge on Salmesbury Mill, Goosefoot Lane, Houghton and (ii) the bank's standard debenture.

6 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Bank loans and overdrafts	**36,470**	34,790
Other creditors	**33,993**	36,644
	70,463	71,434

Obligations under finance leases amounting to £33,993 (2016: £36,664) are secured by the assets to which they relate.

The bank loans and overdrafts amounting to £36,470 (2016: £34,790) are secured by (i) a legal charge on Salmesbury Mill, Goosefoot Lane, Houghton and (ii) the bank's standard debenture.

7 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
382 ordinary A of £1 each	**382**	382
308 ordinary B of £1 each	**308**	308
40 ordinary C of £1 each	**40**	40
	730	730

8 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

2017	2016
£	£
12,319	14,363

9 Related party transactions

Transactions with related parties

Dividends totalling £106,250 (2016: £105,278) were paid in respect of shares held.

10 Reconciliations on adoption of FRS 102

Reconciliation of equity

	At 1 October 2015			At 30 September 2016		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£	£	£	£
Fixed assets						
Tangible assets	456,202	-	456,202	527,263	181,894	709,157
Current assets						
Stocks	245,064	-	245,064	290,681	-	290,681
Debtors	320,880	-	320,880	389,268	-	389,268
Bank and cash	16,608	-	16,608	468	-	468
	582,552	-	582,552	680,417	-	680,417
Creditors due within one year						
Loans and overdrafts	(27,361)	-	(27,361)	(62,045)	-	(62,045)
Finance leases	(8,257)	-	(8,257)	(25,679)	-	(25,679)
Taxation	(81,206)	-	(81,206)	(65,673)	-	(65,673)
Other creditors	(346,420)	-	(346,420)	(506,234)	-	(506,234)
	(463,244)	-	(463,244)	(659,631)	-	(659,631)
Net current assets	119,308	-	119,308	20,786	-	20,786
Total assets less current liabilities	575,510	-	575,510	548,049	181,894	729,943
Creditors due after one year						
Loans and overdrafts	(71,855)	-	(71,855)	(34,790)	-	(34,790)
Finance leases	(19,126)	-	(19,126)	(36,644)	-	(36,644)
	(90,981)	-	(90,981)	(71,434)	-	(71,434)
Provisions for liabilities						
Deferred tax	(27,860)	-	(27,860)	(33,781)	-	(33,781)
Net assets	456,669	-	456,669	442,834	181,894	624,728
Capital and reserves						
Share capital	730	-	730	730	-	730
Other reserves	5,018	-	5,018	5,018	167,835	172,853
Profit and loss	450,921	-	450,921	437,086	14,059	451,145
Total equity	456,669	-	456,669	442,834	181,894	624,728

10 Reconciliations on adoption of FRS 102 **(Continued)**

Reconciliation of profit for the financial period

	Year ended 30 September 2016		
	Previous UK GAAP	Effect of transition	FRS 102
	£	£	£
Turnover	1,724,598	-	1,724,598
Cost of sales	(1,062,947)	-	(1,062,947)
Gross profit	661,651	-	661,651
Administrative expenses	(546,882)	14,059	(532,823)
Interest payable and similar expenses	(4,266)	-	(4,266)
Taxation	(19,060)	-	(19,060)
Profit for the financial period	91,443	14,059	105,502

Notes to reconciliations on adoption of FRS 102

On transition to FRS102 the company increased the value of its property from cost and accumulated depreciation to its fair value.

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