

Farr End Enterprises Limited
Filleted Unaudited Financial Statements
31 August 2017

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RITSONS

Chartered Accountants
Forbes House
36 Huntly Street
Inverness
IV3 5PR

Farr End Enterprises Limited

Statement of Financial Position

31 August 2017

	Note	2017 £	2016 £
Fixed assets			
Intangible assets	5	–	1,080
Tangible assets	6	10,666	650
		<u>10,666</u>	<u>1,730</u>
Current assets			
Stocks		8,515	9,775
Debtors	7	2,795	2,890
Cash at bank and in hand		5,531	3,630
		<u>16,841</u>	<u>16,295</u>
Creditors: amounts falling due within one year	8	<u>42,708</u>	<u>20,714</u>
Net current liabilities		<u>25,867</u>	<u>4,419</u>
Total assets less current liabilities		<u>(15,201)</u>	<u>(2,689)</u>
Provisions			
Taxation including deferred tax		1,223	–
Net liabilities		<u>(16,424)</u>	<u>(2,689)</u>
Capital and reserves			
Called up share capital		2	2
Profit and loss account		(16,426)	(2,691)
Shareholders deficit		<u>(16,424)</u>	<u>(2,689)</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

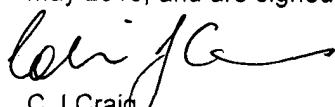
In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 August 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on 23 May 2018, and are signed on behalf of the board by:


C J Craig
Director

Company registration number: SC299366

The notes on pages 2 to 7 form part of these financial statements.

Farr End Enterprises Limited

Notes to the Financial Statements

Year ended 31 August 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is The Farr End, Culduthel Road, Inverness, IV2 4BH.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

The financial statements have been prepared under the going concern basis on the grounds that the funding agreed with the company's bankers where required along with the continued support of the directors will enable the company to meet its liabilities as they fall due. The directors are optimistic that the company will continue to be profitable in the future.

Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 September 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 11.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

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

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Farr End Enterprises Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Income tax *(continued)*

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are recorded at the fair value at the acquisition date.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Amortisation of Patents - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Farr End Enterprises Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Tenants Improvement	-	10-20% Straight line
Fixtures & Fittings	-	15% reducing balance
Computer Equipment	-	20% straight line

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Farr End Enterprises Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

3. Accounting policies *(continued)*

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 5 (2016: 4).

5. Intangible assets

	Patents £
Cost	
At 1 September 2016 and 31 August 2017	<u>16,800</u>
Amortisation	
At 1 September 2016	15,720
Charge for the year	<u>1,080</u>
At 31 August 2017	<u>16,800</u>
Carrying amount	
At 31 August 2017	<u>—</u>
At 31 August 2016	<u>1,080</u>

Farr End Enterprises Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

6. Tangible assets

	Tenant Improvements £	Fixtures & Fittings £	Computer Equipment £	Total £
Cost				
At 1 September 2016	51,816	3,411	5,660	60,887
Additions	–	12,548	–	12,548
Disposals	–	(3,411)	(5,660)	(9,071)
At 31 August 2017	51,816	12,548	–	64,364
Depreciation				
At 1 September 2016	51,816	2,761	5,660	60,237
Charge for the year	–	1,882	–	1,882
Disposals	–	(2,761)	(5,660)	(8,421)
At 31 August 2017	51,816	1,882	–	53,698
Carrying amount				
At 31 August 2017	–	10,666	–	10,666
At 31 August 2016	–	650	–	650

7. Debtors

	2017 £	2016 £
Other debtors	2,795	2,890

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	7,505	4,121
Amounts owed to group undertakings and undertakings in which the company has a participating interest	20,000	–
Corporation tax	–	1,177
Social security and other taxes	42	287
Other creditors	15,161	15,129
	42,708	20,714

9. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Not later than 1 year	21,000	21,000
Later than 1 year and not later than 5 years	70,000	70,000
Later than 5 years	–	21,000
	91,000	112,000

Farr End Enterprises Limited

Notes to the Financial Statements *(continued)*

Year ended 31 August 2017

10. Related party transactions

Included in creditors is a loan due to the directors of £11,960 (2016 - £11,960). This is unsecured, interest free and has no fixed terms of repayment.

During the year a company, in which one of the director's is also a director, provided the company with a loan for £20,000. This loan is unsecured, interest free and has no definite terms of repayment. At the year end £20,000 is due from the company.

The company's directors have provided personal guarantees and security for the company's overdraft facility up to a maximum of £60,000.

During the year, one of the directors received remuneration amounting to £12,000 (2016: £12,000).

11. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 September 2015.

No transitional adjustments were required in equity or profit or loss for the year.