

THE ASHFORD CATTLE MARKET COMPANY LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JULY 2013

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MAGEE GAMMON

Chartered Accountants
Henwood House
Henwood
Ashford
Kent
TN24 8DH



THE ASHFORD CATTLE MARKET COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2013

The directors present their report with the audited financial statements of the company for the year ended 31 July 2013.

Principal activity

The principal activity of the company in the year under review was that of the maintenance and improvement of facilities for the sale of livestock and general retail marketing and subsidiary business.

Directors

The directors who held office during the year and their interests in the share capital of the company were as follows:

	<u>Ordinary Shares of 5p each</u>	
	<u>31 July 2013</u>	<u>31 July 2012</u>
T J Richards (Chairman)	4,120	4120
W E Jeanes (Vice Chairman)	400	400
J S Lowings	5,400	5,800
I Kemsley	2,400	2,400
R J C Thompson	200	200
J B Rimmer	200	200
S Snart	200	200
W Geering	200	200
S Furnival	500	500

In addition to the above shareholdings, Messrs Rimmer and Snart have an interest in 128,460 shares owned by Hobbs Parker 2011 LLP.

In accordance with the Company's Articles of Association, R J C Thompson, J B Rimmer and S Snart retire by rotation and, being eligible, offer themselves for re-election

Share Dealing During the Year

During the year 1,723 Ordinary Shares of 5p each were sold at an average price of £18.

Managers

Your board wishes to express its gratitude to Roger Lightfoot and his team at Hobbs Parker 1850 LLP for the work they have put into the efficient running of the market.

Dividends

The directors have proposed a final dividend of £0 50 per ordinary share, which, if approved, will be paid in January 2014. No provision for this dividend has been made in these accounts.

THE ASHFORD CATTLE MARKET COMPANY LIMITED

REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 JULY 2013

Taxation

During the 2012 year the Board commissioned a detailed analysis of expenditure included within the structure of the market which was eligible for capital allowances. Upon completion of that report a claim was made to H M Revenue & Customs relating to some £2.2 million of qualifying expenditure.

H M Revenue & Customs have accepted the claim in principle, but have raised some queries concerning the details of the claim. The Board do not expect that the ultimate outcome will be different to that which was indicated in the 2012 accounts - namely that it is expected that there will be a refund of approximately £107,000 of previously paid corporation tax and that there will be no corporation tax payable for several years. The overall tax saving as a result of this claim will be in excess of £440,000.

Post balance sheet events

There have been no events since the Balance Sheet date that have materially altered the position of the company as represented within these financial statements.

Statement as to disclosure of information to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director to make himself or herself aware of any relevant information and to establish that the company's auditors are aware of that information.

Directors' responsibilities

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 and Loss Account 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 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;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the directors'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 ASHFORD CATTLE MARKET COMPANY LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 JULY 2013**

Auditors

The auditors, Magee Gammon Corporate Limited, will be proposed for reappointment in accordance with Section 487(2) of the the Companies Act 2006.

This report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime in Part 15 of the the Companies Act 2006.

Approved by the the board of directors on 8 October 2013 and signed on its behalf by -



T J Richards - Director

Registered office

11 Bank Street
Ashford
Kent
TN23 1DA

INDEPENDENT AUDITORS REPORT TO THE MEMBERS OF THE ASHFORD CATTLE MARKET COMPANY LIMITED

We have audited the financial statements of The Ashford Cattle Market Company Limited for the year ended 31 July 2013 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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.

Respective responsibilities of directors and auditors

As explained more fully in the statement of directors' responsibilities set out in the Report of the Directors, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the directors' circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 July 2013 and of its result 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.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion 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.

Matters on which we are required to report by exception

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.



Jonathan Michael Gammon F.C.A. (Senior Statutory Auditor)

for and on behalf of

Magee Gammon Corporate Limited

Chartered Accountants and Statutory Auditors

Date : 8 October 2013

THE ASHFORD CATTLE MARKET COMPANY LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2013**

	Notes	2013	2012
TURNOVER	2	<u>952,690</u>	<u>948,885</u>
GROSS PROFIT		952,690	948,885
Administrative expenses		<u>(657,728)</u>	<u>(692,848)</u>
OPERATING PROFIT	3	294,962	256,037
Other interest receivable and similar income		<u>170</u>	<u>305</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		295,132	256,342
Tax on profit on ordinary activities	4	<u>(24,290)</u>	<u>524,014</u>
PROFIT FOR THE FINANCIAL YEAR		<u><u>£270,842</u></u>	<u><u>£780,356</u></u>

Continuing operations

All the above amounts are in respect of continuing operations

Total recognised gains and losses

There are no other recognised or unrecognised gains or losses included in these financial statements


The accompanying notes form an integral part of these audited financial statements

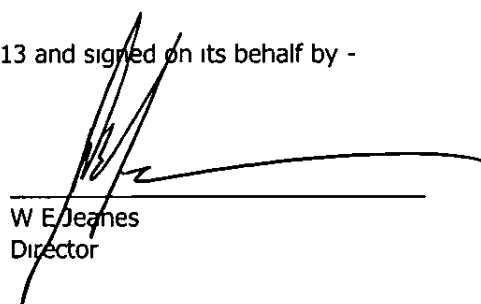
THE ASHFORD CATTLE MARKET COMPANY LIMITED**BALANCE SHEET
AS AT 31 JULY 2013**

	Notes	2013	2012
FIXED ASSETS			
Tangible assets	6	8,002,369	7,787,681
Investments	7	<u>319</u>	<u>319</u>
		8,002,688	7,788,000
CURRENT ASSETS			
Debtors	8	351,450	299,435
Cash at bank and in hand		<u>317,076</u>	<u>439,888</u>
		668,526	739,323
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(254,598)</u>	<u>(224,959)</u>
NET CURRENT ASSETS		<u>413,928</u>	<u>514,364</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		8,416,616	8,302,364
PROVISIONS FOR LIABILITIES AND CHARGES	10	<u>(2,177,597)</u>	<u>(2,153,307)</u>
NET ASSETS		<u><u>£6,239,019</u></u>	<u><u>£6,149,057</u></u>
CAPITAL AND RESERVES			
Called up share capital	11	18,088	18,088
Share premium account	12	107	107
Other reserves	13	5,109,230	5,109,230
Profit and loss account	14	<u>1,111,594</u>	<u>1,021,632</u>
SHAREHOLDERS FUNDS	15	<u><u>£6,239,019</u></u>	<u><u>£6,149,057</u></u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime of the Companies Act 2006

Approved by the board of directors on 8 October 2013 and signed on its behalf by -


T J Richards
Director


W E Jeanes
Director

The accompanying notes form an integral part of these audited financial statements

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

1 Accounting policies

The financial statements have been prepared in accordance with applicable accounting standards. The principal accounting policies are as follows:-

Basis of preparation

The financial statements have been prepared under the historical cost convention

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement.

Turnover

Turnover comprises the amounts receivable for supplies of goods and services, excluding VAT and net of trade discounts.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land and after taking account of any grants receivable, at the following annual rates in order to write off each asset over its estimated useful life:

Freehold Buildings	2% - 10% straight line basis
Plant and machinery	15% straight line basis
Solar panels	over 20 years straight line basis

No depreciation is provided in respect of freehold land or buildings, other than fixed plant included in the cost of the buildings, because in the opinion of the directors, the cost of freehold land and buildings, shown in the accounts, is not less than their expected residual value at the end of the assets useful lives. This is a departure from the general requirement of the Companies Act 2006 for all tangible fixed assets to be depreciated. In the opinion of the directors this policy is necessary for the financial statements to give a true and fair view.

Investments

Current asset investments are stated at the lower of cost and net realisable value.

Deferred taxation

The company has included a provision for deferred tax on gains which are subject to rollover relief. This is not in accordance with Financial Reporting Standard No. 19 - Deferred Tax (FRS19). FRS 19 states that the provision for the recognition of deferred tax on timing differences arising when the gain on the sale of an asset is rolled over into replacement assets is not required when there is no intention or obligation to sell the asset. The effect on the financial statements would be to increase the 'Capital Reserve' by £2,512,465 and to decrease 'Provisions for Liabilities and Charges' by a similar amount.

In the opinion of the directors, departure from this standard is necessary for the financial statements to give a true and fair view. The directors believe the sale of the old market was as a result of a unique situation and the resulting deferred tax on the rolled over gain is a material and integral part of the sale and should be provided to give a more true and fair view of the transaction.

Provision is made in full for all taxation deferred in respect of timing differences that have originated but not reversed by the balance sheet date, except for gains on disposal of fixed assets which will be rolled over into replacement assets. No provision is made for taxation on permanent differences.

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

2 Turnover

Turnover arises from sales generated from its principal activity and wholly within the United Kingdom

The analysis of turnover by business segment is as follows

	2013	2012
Livestock, stall market and boot fair income	435,081	460,410
Rents and other income	502,066	488,475
	<u>£937,147</u>	<u>£948,885</u>

3 Operating profit

Operating profit is stated after charging / (crediting)

	2013 £	2012 £
Directors Remuneration	36,000	30,000
Depreciation	23,473	24,348
Profit on disposal of fixed assets	(386)	-
Audit fees	<u>4,700</u>	<u>4,700</u>

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

4 Tax on profit on ordinary activities

	2013	2012
<u>Current tax</u>		
Adjustments in respect of prior years	-	(164,856)
<u>Total current tax</u>	-	(164,856)
<u>Deferred tax</u>		
Origination and reversal of timing differences	24,290	(702)
Effect of change of tax rate on opening liability	-	(358,456)
<u>Total deferred tax</u>	24,290	(359,158)
<u>Tax on profit on ordinary activities</u>	<u>£24,290</u>	<u>(£524,014)</u>

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

	2013	2012
Profit on ordinary activities before taxation	<u>£295,132</u>	<u>£256,342</u>
Tax on profit on ordinary activities at UK standard rate of 23.67% (2012 25%)	69,858	64,931
<u>Effects of</u>		
Capital allowances in excess of depreciation	(67,031)	(64,931)
Adjustments in respect of prior years	-	(164,856)
<u>Current tax</u>	<u>£2,827</u>	<u>(£164,856)</u>

5 Dividends

Aggregate dividends paid during the year were as follows

	2013	2012
£0.50 (2012 £1.25) per ordinary share	180,880	452,200
	<u>£180,880</u>	<u>£452,200</u>

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

6 Tangible fixed assets

	<u>Land & Buildings</u>	<u>Plant & Machinery</u>	<u>Total</u>
<u>Cost or valuation</u>			
At 1 August 2012	12,005,145	106,082	12,111,227
Additions	17,500	224,075	241,575
Disposals	-	(7,805)	(7,805)
At 31 July 2013	12,022,645	322,352	12,344,997
<u>Depreciation</u>			
At 1 August 2012	4,241,578	81,968	4,323,546
Charge for the year	16,710	6,763	23,473
Disposals	-	(4,391)	(4,391)
At 31 July 2013	4,258,288	84,340	4,342,628
<u>Net book value :</u>			
As at 31 July 2013	<u>£7,764,357</u>	<u>£238,012</u>	<u>£8,002,369</u>
As at 31 July 2012	<u>£7,763,567</u>	<u>£24,114</u>	<u>£7,787,681</u>

Following the completion of the present market, impairment reviews have been undertaken in relation to the value of the Freehold Property owned by the Company. The basis of the impairment review, as required by FRS 11, is the greater of Net Realisable Value and Value in Use. Previous impairment reviews have been based on Net Realisable Value, supported initially by Hobbs Parker, Chartered Surveyors and Valuers. More recently impairment reviews have been conducted by the Directors.

The Directors have undertaken a review of the carrying value of Freehold Property as at 31 July 2013 and have concluded that no adjustment to the impairment charges previously made is required.

7 Fixed asset investments

	<u>Other Investments</u>	<u>Total</u>
<u>Cost</u>		
At 1 August 2012	319	319
At 31 July 2013	319	319

8 Debtors

	2013	2012
Trade debtors	215,154	174,548
Corporation tax repayable	107,894	107,894
Prepayments and accrued income	28,402	16,993
	<u>£351,450</u>	<u>£299,435</u>

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

9 Creditors : amounts falling due within one year

	2013	2012
Trade creditors	20,670	44,467
Other taxation and social security	35,084	27,102
Other creditors	40,143	34,267
Accruals and deferred income	158,701	119,123
	<u>£254,598</u>	<u>£224,959</u>

10 Provisions for liabilities and charges

	<u>Deferred Taxation</u>	<u>Total</u>
At 1 August 2012	2,153,307	2,153,307
Transfer to profit and loss account	5,369	5,369
At 31 July 2013	<u>£2,158,676</u>	<u>£2,158,676</u>

Deferred tax is provided as follows:

	2013	2012
Accelerated capital allowances	27,667	3,377
Other timing differences	2,149,930	2,149,930
Provision for deferred tax	<u>£2,177,597</u>	<u>£2,153,307</u>

11 Share capital

	2013	2012
<u>Allotted, called up and fully paid.</u>		
361,760 ordinary shares of £0.05 each	18,088	18,088
	<u>£18,088</u>	<u>£18,088</u>

All ordinary shares rank pari passu.

12 Share premium

	2013
At 1 August 2012	107
At 31 July 2013	<u>£107</u>

THE ASHFORD CATTLE MARKET COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2013

13 Other reserves

	2013
At 1 August 2012	5,109,230
Transfer from the profit and loss account	-
At 31 July 2013	<u>£5,109,230</u>

The other reserves represent the net profit (after providing for related tax) on the sale of an old market site, the proceeds of which were almost entirely expended on the acquisition and construction of the present market.

Following the completion of the present market, impairment reviews have been carried out. Aggregate losses are transferred from fixed assets through depreciation to the Capital Reserve.

14 Profit and loss account

	2013
At 1 August 2012	1,021,632
Profit for the financial year	270,842
Dividends paid on equity shares	(180,880)
At 31 July 2013	<u>£1,111,594</u>

15 Shareholders funds

	2013	2012
Profit for the financial year after taxation	270,842	780,356
Dividends paid on equity shares	(180,880)	(452,200)
Net addition to shareholders funds	89,962	328,156
Opening shareholders funds	6,149,057	5,820,901
Closing shareholders funds	<u>£6,239,019</u>	<u>£6,149,057</u>

THE ASHFORD CATTLE MARKET COMPANY LIMITED
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FOR THE YEAR ENDED 31 JULY 2013

16 Related party transactions

The Company is managed on a day to day basis by Hobbs Parker 1850 LLP (HP). During the year, the Company derived income from HP comprising rent, tolls and levies with a value of £446,795. The toll element was collected from the vendors by HP on behalf of the Company.

The company obtained supplies and services totalling £243,346 from Hobbs Parker1850 LLP. The amount due to Hobbs Parker1850 LLP at the balance sheet date was £14,000 . Hobbs Parker 1850 LLP has a material interest in the transactions by virtue of its shareholding in the Company.

These payments were made up as follows -

	2013	2012
Reimbursement of employing market staff	£152,385	£159,319
Management fees	£90,000	£85,000
Other expenses	£5,960	£20,483

17 Controlling party

In the opinion of the directors there is no ultimate controlling party.