

The Clitheroe Auction Mart Company Limited
Filleted Financial Statements
For the Year Ended
31 December 2018



BEEVER AND STRUTHERS
Chartered accountants & statutory auditor
Central Buildings
Richmond Terrace
Blackburn
BB1 7AP

The Clitheroe Auction Mart Company Limited

Statement of Financial Position

31 December 2018

	Note	2018 £	2017 £
Fixed assets			
Tangible assets	6	2,032,150	1,966,521
Investments	7	<u>1</u>	<u>1</u>
		2,032,151	1,966,522
 Current assets			
Debtors	8	324,554	310,541
Investments	9	36,334	92,440
Cash at bank and in hand		<u>6,510</u>	<u>8,868</u>
		367,398	411,849
 Creditors: Amounts Falling due Within One Year	10	<u>(165,271)</u>	<u>(133,627)</u>
Net current assets		202,127	278,222
Total assets less current liabilities		<u>2,234,278</u>	<u>2,244,744</u>
 Creditors: Amounts Falling due after More than One Year	11	(250,000)	(250,000)
 Provisions			
Taxation including deferred tax		<u>(55,934)</u>	<u>(59,226)</u>
Net assets		<u><u>1,928,344</u></u>	<u><u>1,935,518</u></u>

The statement of financial position
continues on the following page.

The notes on pages 3 to 9 form part of these financial statements.

The Clitheroe Auction Mart Company Limited

Statement of Financial Position *(continued)*

31 December 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital		386,880	386,880
Share premium account		1,167	1,167
Revaluation reserve		981,998	989,133
Capital redemption reserve		110,000	110,000
Profit and loss account		448,299	448,338
Shareholders funds		<u>1,928,344</u>	<u>1,935,518</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.

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.

These financial statements were approved by the board of directors and authorised for issue on 26.3.19, and are signed on behalf of the board by:


R R Parker
Director

Company registration number: 00054139

The notes on pages 3 to 9 form part of these financial statements.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements

Year Ended 31 December 2018

1. General Information

The Clitheroe Auction Mart Company Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the company's principal activities are those of auctioneering of livestock, furniture and deadstock, the provision of services for the agricultural community and dealing in Real Property.

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.

Consolidation

The company has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and Key Sources of Estimation Uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Significant judgements

The directors do not consider there are any significant judgements (apart from those involving estimations) that management has made in the process of applying the entity's accounting policies.

Revenue Recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax. Commissions are recognised on the day that the livestock or non-livestock is sold at the auction. Non-commissions are recognised as the right to the income is earned.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

3. Accounting Policies *(continued)*

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.

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. Deferred tax on revalued land and buildings is charged against the revaluation reserve.

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.

Goodwill

Goodwill arises on business acquisitions and represents the excess of the cost of the acquisition over the company's interest in the net amount of the identifiable assets, liabilities and contingent liabilities of the acquired business.

All goodwill has been fully amortised and thus has a carrying value of nil.

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.

The land and buildings valuation in May 2015 has been adopted as 'deemed cost' at the date of transition to FRS 102.

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.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

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:

Freehold property	-	2% straight line
Fixtures and fittings	-	10% - 25% Straight line

Freehold land and associated costs stated at £110,000 (2017: £108,000) are not depreciated.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

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.

Financial Instruments

A financial asset or a financial liability is recognised only when the company 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.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

3. Accounting Policies *(continued)*

Defined Contribution Plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee Numbers

The average number of persons employed by the company during the year amounted to 55 (2017: 51).

5. Intangible Assets

	Goodwill £
Cost	
At 1 January 2018 and 31 December 2018	<u>34,000</u>
Amortisation	
At 1 January 2018 and 31 December 2018	<u>34,000</u>
Carrying amount	
At 31 December 2018	<u>—</u>
At 31 December 2017	<u>—</u>

Goodwill acquired in respect of the Auction Mart café Bar.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

6. Tangible Assets

	Land and buildings £	Fixtures and fittings £	Total £
Cost			
At 1 January 2018	1,958,829	468,851	2,427,680
Additions	1,266	107,704	108,970
At 31 December 2018	<u>1,960,095</u>	<u>576,555</u>	<u>2,536,650</u>
Depreciation			
At 1 January 2018	65,429	395,730	461,159
Charge for the year	13,401	29,940	43,341
At 31 December 2018	<u>78,830</u>	<u>425,670</u>	<u>504,500</u>
Carrying amount			
At 31 December 2018	<u>1,881,265</u>	<u>150,885</u>	<u>2,032,150</u>
At 31 December 2017	<u>1,893,400</u>	<u>73,121</u>	<u>1,966,521</u>

Tangible assets held at valuation

Land and buildings utilised in the operations of the business have been revalued on 18 May 2015 at an open market value of £1,850,000, by Trevor Dawson, a firm of Chartered Surveyors. The directors believe this is a reasonable value of those properties at the company's FRS 102 transition date and as such have adopted this valuation as 'deemed cost' on transition to FRS 102.

In respect of tangible assets held at valuation, the aggregate cost, depreciation and comparable carrying amount that would have been recognised if the assets had been carried under the historical cost model are as follows:

	Freehold property £
At 31 December 2018	
Aggregate cost	1,061,094
Aggregate depreciation	<u>(270,680)</u>
Carrying value	<u>790,414</u>
At 31 December 2017	
Aggregate cost	1,061,094
Aggregate depreciation	<u>(264,416)</u>
Carrying value	<u>796,678</u>

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

7. Investments

	Shares in group undertakings £
Cost	
At 1 January 2018 and 31 December 2018	<u>1</u>
Impairment	
At 1 January 2018 and 31 December 2018	<u>—</u>
Carrying amount	
At 31 December 2018	<u>1</u>
At 31 December 2017	<u>1</u>

8. Debtors

	2018 £	2017 £
Trade debtors	270,765	281,429
Other debtors	<u>53,789</u>	<u>29,112</u>
	<u>324,554</u>	<u>310,541</u>

9. Investments

	2018 £	2017 £
Other investments	<u>36,334</u>	<u>92,440</u>

10. Creditors: Amounts Falling due Within One Year

	2018 £	2017 £
Bank loans and overdrafts	76,664	36,720
Trade creditors	35,917	23,860
Corporation tax	—	8,308
Social security and other taxes	41,519	43,769
Other creditors	<u>11,171</u>	<u>20,970</u>
	<u>165,271</u>	<u>133,627</u>

The Company's principal bankers National Westminster Bank hold a freehold 1st legal charge over Clitheroe Auction Mart and Silverwoods building, Lincoln Way, Clitheroe and its associated assets in respect of the bank borrowings.

The Clitheroe Auction Mart Company Limited

Notes to the Financial Statements *(continued)*

Year Ended 31 December 2018

11. Creditors: Amounts Falling due after More than One Year

	2018	2017
	£	£
Bank loans and overdrafts	<u>250,000</u>	<u>250,000</u>

The Company's principal bankers National Westminster Bank hold a freehold 1st legal charge over Clitheroe Auction Mart and Silverwoods building, Lincoln Way, Clitheroe and its associated assets in respect of the bank borrowings.

12. Capital Commitments

Capital expenditure contracted for but not provided for in the financial statements is as follows:

	2018	2017
	£	£
Tangible assets	<u>—</u>	<u>18,000</u>

13. Operating Leases

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

	2018	2017
	£	£
Not later than 1 year	13,776	1,048
Later than 1 year and not later than 5 years	<u>52,831</u>	<u>38,568</u>
	<u>66,607</u>	<u>39,616</u>

14. Summary Audit Opinion

The auditor's report for the year dated 8 April 2019 was unqualified.

The senior statutory auditor was Suzanne Lomax BA FCA, for and on behalf of Beever and Struthers.