

Hatcher and Sons Limited
Filleted Annual Report and Unaudited Financial Statements
for the Year Ended 30 April 2017

HATCHER AND SONS LIMITED

Contents

Accountants' Report	<u>1</u>
Balance Sheet	<u>2</u> to <u>3</u>
Notes to the Financial Statements	<u>4</u> to <u>13</u>

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited Statutory
Accounts of
Hatcher and Sons Limited
for the Year Ended 30 April 2017**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Hatcher and Sons Limited for the year ended 30 April 2017 as set out on pages 2 to 13 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Hatcher and Sons Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Hatcher and Sons Limited and state those matters that we have agreed to state to the Board of Directors of Hatcher and Sons Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Hatcher and Sons Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Hatcher and Sons Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Hatcher and Sons Limited. You consider that Hatcher and Sons Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Hatcher and Sons Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Albert Goodman LLP
Chartered Accountants
Mary Street House
Mary Street
Taunton
Somerset
TA1 3NW

28 November 2017

HATCHER AND SONS LIMITED

(Registration number: 00056710)

Balance Sheet as at 30 April 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	<u>4</u>	2,796,749	2,962,907
Investment property	<u>5</u>	350,000	-
Other financial assets	<u>6</u>	3,640	33,640
		<u>3,150,389</u>	<u>2,996,547</u>
Current assets			
Stocks	<u>7</u>	413,621	433,443
Debtors	<u>8</u>	65,097	127,756
Cash at bank and in hand		<u>13,746</u>	<u>6,660</u>
		492,464	567,859
Creditors: Amounts falling due within one year	<u>9</u>	<u>(384,593)</u>	<u>(455,264)</u>
Net current assets		<u>107,871</u>	<u>112,595</u>
Total assets less current liabilities		3,258,260	3,109,142
Creditors: Amounts falling due after more than one year	<u>9</u>	<u>(437,217)</u>	<u>(482,217)</u>
Provisions for liabilities			
Deferred tax liabilities		<u>(81,310)</u>	<u>(83,641)</u>
Net assets		<u>2,739,733</u>	<u>2,543,284</u>
Capital and reserves			
Called up share capital		114,850	114,850
Share premium reserve		20,381	20,381
Revaluation reserve		1,975,005	1,959,577
Fair value reserve		201,560	-
Profit and loss reserve		<u>427,937</u>	<u>448,476</u>
Total equity		<u>2,739,733</u>	<u>2,543,284</u>

HATCHER AND SONS LIMITED

(Registration number: 00056710)

Balance Sheet as at 30 April 2017

For the financial year ending 30 April 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 accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006. The option not to file the profit and loss account and directors' report has been taken.

Approved and authorised by the Board on 28 November 2017 and signed on its behalf by:

M Raisey
Director

S A Hill
Director

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

1 General information

The company is a private company limited by share capital, incorporated in England .

The address of its registered office is:

11 High Street

Taunton

Somerset

TA1 3PQ

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. See note 13 for transitional adjustments.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

These financial statements are presented in pounds sterling to the nearest pound.

Turnover recognition

Turnover represents amounts receivable, net of value added tax, in respect of the sale of goods and services to customers. Turnover is recognised at the point of sale or despatch of goods if different.

Other operating income represents concession income receivable that are recognised at the point of sale and rents receivable that are recognised in the period to which it relates.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the profit and loss account, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Deferred tax is recognised on timing differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Deferred tax liabilities are presented within provisions for liabilities on the balance sheet

Tangible assets

Tangible assets, with the exception of freehold land and buildings, are stated at cost, less accumulated depreciation and accumulated impairment losses. Freehold land and buildings are stated at deemed cost in accordance with the transitional provision FRS102 section 35.10(c). The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction, over their estimated useful lives. The residual value of the land and buildings is considered to be in excess of the carrying value and therefore no depreciation is charged to the deemed cost, applicable from 1 May 2014. Although this accounting policy is in accordance with FRS 102, it is a departure from the general requirement of the Companies Act 2006 for all tangible assets to be depreciated.

The assets are depreciated as follows:

Asset class	Depreciation method and rate
Freehold land and buildings	Not depreciated
Fixtures and machinery	4 - 33% straight line
Motor vehicles	20% straight line

Investment property

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by the directors. The directors use observable market prices where possible, adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Trade debtors are amounts due from customers for merchandise sold, performed in the ordinary course of business.

Stocks

Stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. Net realisable value is based on selling price less anticipated costs to completion and selling costs. In some cases cost is estimated at selling prices less an appropriate margin and VAT.

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Preference shares that create a financial liability in the balance sheet are measured initially at fair value net of transaction costs and thereafter at amortised cost until redemption. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

Defined contribution pension obligation

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payments obligations.

The contributions are recognised as an expense in the profit and loss account when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year was 52 (2016 - 53).

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 May 2016	2,911,440	380,921	5,550	3,297,911
Additions	-	2,889	-	2,889
Disposals	-	(6,796)	-	(6,796)
Transfers to investment property	(161,440)	-	-	(161,440)
At 30 April 2017	2,750,000	377,014	5,550	3,132,564
Depreciation				
At 1 May 2016	25,432	309,387	185	335,004
Charge for the year	665	31,929	1,110	33,704
Eliminated on disposal	-	(6,796)	-	(6,796)
Transfers to investment property	(26,097)	-	-	(26,097)
At 30 April 2017	-	334,520	1,295	335,815
Carrying amount				
At 30 April 2017	2,750,000	42,494	4,255	2,796,749
At 30 April 2016	2,886,008	71,534	5,365	2,962,907

Included within the net book value of land and buildings above is £2,750,000 (2016 - £2,750,000) in respect of freehold land and buildings and £Nil (2016 - £136,008) in respect of long leasehold land and buildings.

Deemed cost

The transitional provisions of FRS102 have been applied resulting in the freehold land and buildings being uplifted to fair value at the date of transition, being 1 May 2015. This fair value is subsequently treated as the deemed cost.. Had this class of asset been measured on a historical cost basis, the carrying amount would have been £706,782 (2016 - £706,782).

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

5 Investment properties

	2017 £
Transfers from land and buildings	135,343
Fair value adjustments	214,657
	<hr/>
At 30 April 2017	350,000
	<hr/>

During the year the leasehold property has been let to a third party and therefore the property has been transferred to investment property at net book value. At the year end the directors have valued the property at £350,000 based on current market value. The carrying value of the investment property has been increased to this value and the uplift is shown in the fair value reserve (see the reserves reconciliation note).

6 Other financial assets (current and non-current)

	Financial assets at cost less impairment £	Total £
Non-current financial assets		
Cost or valuation		
At 1 May 2016	33,640	33,640
Disposals	(30,000)	(30,000)
	<hr/>	<hr/>
At 30 April 2017	3,640	3,640
	<hr/>	<hr/>
Carrying amount		
At 30 April 2017	3,640	3,640
	<hr/>	<hr/>
At 30 April 2016	33,640	33,640
	<hr/>	<hr/>

7 Stocks

	2017 £	2016 £
Finished goods and goods for resale	413,621	433,443
	<hr/>	<hr/>

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

8 Debtors

	2017 £	2016 £
Trade debtors	35,127	90,456
Other debtors	29,970	37,300
	<hr/>	<hr/>
Total current trade and other debtors	65,097	127,756
	<hr/>	<hr/>

9 Creditors

Creditors: amounts falling due within one year

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	<u>10</u>	183,880	173,465
Trade creditors		143,016	180,967
Amounts owed to group undertakings and undertakings in which the company has a participating interest		15,241	11,264
Taxation and social security		18,233	18,525
Corporation tax		2,271	-
Other creditors		21,952	71,043
		<hr/>	<hr/>
		384,593	455,264
		<hr/>	<hr/>

Due after one year

Loans and borrowings	<u>10</u>	<hr/> 437,217 <hr/>	<hr/> 482,217 <hr/>
----------------------	-----------	---------------------	---------------------

Creditors: amounts falling due after more than one year

	Note	2017 £	2016 £
Due after one year			
Loans and borrowings	<u>10</u>	<hr/> 437,217 <hr/>	<hr/> 482,217 <hr/>

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

10 Loans and borrowings

	2017 £	2016 £
Current loans and borrowings		
Bank borrowings	45,000	45,000
Bank overdrafts	138,880	128,465
	<u>183,880</u>	<u>173,465</u>

	2017 £	2016 £
Non-current loans and borrowings		
Bank borrowings	412,500	457,500
Redeemable preference shares	24,717	24,717
	<u>437,217</u>	<u>482,217</u>

Bank borrowings

The bank borrowings are secured on the freehold land and buildings and a debenture over the assets of the company.

Loans and borrowings due in greater than five years

Included in the loans and borrowings are the following amounts due after more than five years:

	2017 £	2016 £
After more than five years by instalments	232,500	277,500
After more than five years not by instalments	24,717	24,717
	<u>257,217</u>	<u>302,217</u>

Borrowings due after five years

The bank loans are rolling loans and the agreements are resigned every three years. However, the nature of the loans is such that the repayments will be made in installments over more than 5 years and therefore this is what has been reflected in the accounts.

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

11 Reserves reconciliation

	Share premium £	Revaluation reserve £	Fair value reserve £	Total £
At 1 May 2016	20,381	1,959,577	-	1,979,958
Movement in year :				
Other comprehensive income	-	15,428	-	15,428
Total comprehensive income	-	15,428	-	15,428
Transfer of fair value adjustment	-	-	201,560	201,560
Total movement for the year	-	15,428	201,560	216,988
At 30 April 2017	20,381	1,975,005	201,560	2,196,946

The movement in the revaluation reserve represents the change in the deferred tax provision in respect of the deemed cost adjustment to land and buildings on transition to FRS102.

The movement in the fair value reserve represents the revaluation of investment property of £214,657 and the deferred tax provision on the uplift of £13,097.

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £14,771 (2016 - £24,580). A cash deposit has been given as security for the financial commitments.

HATCHER AND SONS LIMITED

Notes to the Financial Statements for the Year Ended 30 April 2017

13 Transition to FRS 102

At the transition date the company took advantage of the provision under FRS102.35.10(c) to uplift the land and buildings on transition to fair value and for that fair value to be subsequently treated as deemed cost. A deferred tax provision has been included on the uplift.

Balance Sheet at 1 May 2015

	As originally reported £	Re- classification £	Re- measurement £	As restated £
Fixed assets				
Tangible assets	915,865	-	2,043,218	2,959,083
Investments	33,640	-	-	33,640
	<u>949,505</u>	<u>-</u>	<u>2,043,218</u>	<u>2,992,723</u>
Current assets				
Stocks	439,384	-	-	439,384
Debtors	112,498	-	-	112,498
Cash at bank and in hand	7,000	-	-	7,000
	<u>558,882</u>	<u>-</u>	<u>-</u>	<u>558,882</u>
Creditors: Amounts falling due within one year	<u>(398,060)</u>	<u>-</u>	<u>-</u>	<u>(398,060)</u>
Net current assets	<u>160,822</u>	<u>-</u>	<u>-</u>	<u>160,822</u>
Total assets less current liabilities	1,110,327	-	2,043,218	3,153,545
Creditors: Amounts falling due after more than one year	<u>(527,217)</u>	<u>-</u>	<u>-</u>	<u>(527,217)</u>
Provisions for liabilities	<u>-</u>	<u>-</u>	<u>(83,641)</u>	<u>(83,641)</u>
Net assets	<u>583,110</u>	<u>-</u>	<u>1,959,577</u>	<u>2,542,687</u>
Capital and reserves				
Called up share capital	114,850	-	-	114,850
Share premium reserve	20,381	-	-	20,381
Revaluation reserve	-	-	1,959,577	1,959,577
Profit and loss reserve	<u>447,879</u>	<u>-</u>	<u>-</u>	<u>447,879</u>
Total equity	<u>583,110</u>	<u>-</u>	<u>1,959,577</u>	<u>2,542,687</u>

HATCHER AND SONS LIMITED**Notes to the Financial Statements
for the Year Ended 30 April 2017****Balance Sheet at 30 April 2016**

	As originally reported £	Re- classification £	Re- measurement £	As restated £
Fixed assets				
Tangible assets	919,689	-	2,043,218	2,962,907
Investments	33,640	-	-	33,640
	<u>953,329</u>	<u>-</u>	<u>2,043,218</u>	<u>2,996,547</u>
Current assets				
Stocks	433,443	-	-	433,443
Debtors	127,756	-	-	127,756
Cash at bank and in hand	6,660	-	-	6,660
	<u>567,859</u>	<u>-</u>	<u>-</u>	<u>567,859</u>
Creditors: Amounts falling due within one year	<u>(455,264)</u>	<u>-</u>	<u>-</u>	<u>(455,264)</u>
Net current assets	<u>112,595</u>	<u>-</u>	<u>-</u>	<u>112,595</u>
Total assets less current liabilities	1,065,924	-	2,043,218	3,109,142
Creditors: Amounts falling due after more than one year	<u>(482,217)</u>	<u>-</u>	<u>-</u>	<u>(482,217)</u>
Provisions for liabilities	<u>-</u>	<u>-</u>	<u>(83,641)</u>	<u>(83,641)</u>
Net assets	<u>583,707</u>	<u>-</u>	<u>1,959,577</u>	<u>2,543,284</u>
Capital and reserves				
Called up share capital	114,850	-	-	114,850
Share premium reserve	20,381	-	-	20,381
Revaluation reserve	-	-	1,959,577	1,959,577
Profit and loss reserve	<u>448,476</u>	<u>-</u>	<u>-</u>	<u>448,476</u>
Total equity	<u>583,707</u>	<u>-</u>	<u>1,959,577</u>	<u>2,543,284</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.