

Company Registration No. 00105398 (England and Wales)

HENRY ALTY LIMITED
ANNUAL REPORT AND ABBREVIATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2016
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HENRY ALTY LIMITED

COMPANY INFORMATION

Directors J.C. Fairbairn
A. Price
S.J. Gautrey

Secretary S.J. Gautrey

Company number 00105398

Registered office Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SS

Auditor Jackson Stephen LLP
James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

Business address Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SS

Bankers HSBC Bank plc
2 Station Road
Hesketh Bank
Preston
Lancashire
PR4 6SN

HENRY ALTY LIMITED

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HENRY ALTY LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present the strategic report for the year ended 31 October 2016.

Fair review of the business

We have had a very busy year with the opening of our new branch at Chorley. We are pleased to report that sales exceeded our projections, which coupled with the continued success of our Hoole depot, has meant a very good year for our builders' merchants division.

Sales in our horticultural department rose this year, but our sales and distributions costs were also up. This is continuing to be a very challenging sector but we are working hard to reduce overheads and are making progress.

The company was also involved in a three house scheme in Nantwich, Cheshire. Although this was successfully completed before the year end, the actual proceeds of sale arrived after 31 October and the year end accounts recognise the profit on the two plots sold. This, coupled with the money spent on the new depot at Chorley, significantly depleted our cash reserves, but this money has now come back in. Although this development did not produce as much revenue as the Burscough development last year it was still a welcome addition.

We are very optimistic about the coming year and our potential for growth.

Principal risks and uncertainties

In terms of financial risk management, the company considers that it has limited exposure to various aspects of financial risk. All of the company's revenue is invoiced in sterling, and all of its operations and costs arise within the UK.

The company also suffers from the risk of bad debts therefore it reviews the credit worthiness of its customers and regularly monitors the level of customer debt.

Key performance indicators

Turnover has increased by 10.8% to £6.9m and gross margin has increased slightly to 26.7% from 25.3% in 2015. Profit before tax has reduced by 36% from £396k to £255k mainly as a result of the additional costs associated with the opening of the new branch in Chorley during the year.

On behalf of the board



S.J. Gautrey

Director

3 July 2017

HENRY ALTY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2016

The directors present their report for the year ended 31 October 2016.

Principal activities

The principal activity of the company continued to be that of horticultural and builders' merchants.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J.C. Fairbairn
A. Price
S.J. Gautrey

Results and dividends

The results for the year are set out on page 5.

An interim ordinary dividend was paid amounting to £66,500 (2015: £175,000). The directors recommend a final dividend of £77,000.

Future developments

With the opening of the new branch in Chorley, the company expects 2017 to show an increase in turnover and profitability.

Auditor

The auditor, Jackson Stephen LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report 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 or loss 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 accounting 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.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company'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.

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of financial risk management policies.

HENRY ALTY LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



S.J. Gautrey

Director

3 July 2017

HENRY ALTY LIMITED

INDEPENDENT AUDITOR'S REPORT TO HENRY ALTY LIMITED UNDER SECTION 449 OF THE COMPANIES ACT 2006

We have examined the abbreviated accounts set out on pages 5 to 26, together with the financial statements of Henry Alty Limited for the year ended 31 October 2016 prepared under section 396 of the Companies Act 2006.

This report is made solely to the company, in accordance with Chapter 10 of Part 15 of the Companies Act 2006. Our work has been undertaken so that we might state to company those matters we are required to state to it in a special 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 for our work, for this report, or for the opinions we have formed.

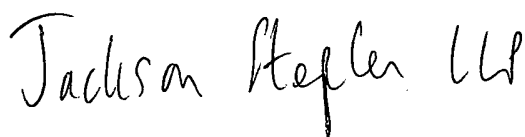
Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated accounts in accordance with section 445 of the Companies Act 2006. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with the regulations made under that section and to report our opinion to you.

We conducted our work in accordance with Bulletin 2008/4 issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 445 (3) of the Companies Act 2006, and the abbreviated accounts have been properly prepared in accordance with the regulations made under that section.



Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP

Chartered Accountants
Statutory Auditor

12 July 2017

James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

HENRY ALTY LIMITED

ABBREVIATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 OCTOBER 2016

		2016	2015
	Notes	£	as restated £
Turnover	3	6,917,866	6,244,031
Other operating income and cost of sales		(4,997,448)	(4,410,211)
Distribution costs		(1,124,571)	(856,214)
Administrative expenses		(529,561)	(518,519)
Operating profit	4	266,286	459,087
Interest receivable and similar income	7	1,580	1,737
Interest payable and similar charges	8	(13,351)	(3,782)
Fair value gains and losses on investment properties		-	(60,960)
Profit before taxation		254,515	396,082
Taxation	9	(40,130)	(96,706)
Profit for the financial year		214,385	299,376

The profit and loss account has been prepared on the basis that all operations are continuing operations.

HENRY ALTY LIMITED

BALANCE SHEET

AS AT 31 OCTOBER 2016

		2016		2015 as restated	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	12	1,998,504		1,580,920	
Investment properties	13	269,899		269,899	
Investments	14	1,361,383		1,361,383	
		3,629,786		3,212,202	
Current assets					
Stocks	16	927,031		782,251	
Debtors	17	1,562,220		892,498	
Cash at bank and in hand		1,895		489,698	
		2,491,146		2,164,447	
Creditors: amounts falling due within one year	18	(1,646,821)		(1,109,797)	
Net current assets		844,325		1,054,650	
Total assets less current liabilities		4,474,111		4,266,852	
Creditors: amounts falling due after more than one year	19	(516,824)		(473,580)	
Provisions for liabilities	22	(72,657)		(56,527)	
Net assets		3,884,630		3,736,745	
Capital and reserves					
Called up share capital	25	70,000		70,000	
Non distributable reserve		782,085		782,085	
Profit and loss reserves		3,032,545		2,884,660	
Total equity		3,884,630		3,736,745	

These abbreviated accounts have been prepared in accordance with the special provisions in section 445(3) of the Companies Act 2006 relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 3 July 2017 and are signed on its behalf by:



A. Price
Director

Company Registration No. 00105398

HENRY ALTY LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	Share capital £	Revaluation reserve £	Profit and loss reserves £	Total £
Balance at 1 November 2014		70,000	1,007,064	2,557,057	3,634,121
Effect of change in accounting policy		-	(21,752)	-	(21,752)
As restated		70,000	985,312	2,557,057	3,612,369
Year ended 31 October 2015:					
Profit and total comprehensive income for the year		-	-	299,376	299,376
Dividends	10	-	-	(175,000)	(175,000)
Transfers		-	(203,227)	203,227	-
Balance at 31 October 2015		70,000	782,085	2,884,660	3,736,745
Year ended 31 October 2016:					
Profit and total comprehensive income for the year		-	-	214,385	214,385
Dividends	10	-	-	(66,500)	(66,500)
Balance at 31 October 2016		70,000	782,085	3,032,545	3,884,630

HENRY ALTY LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 OCTOBER 2016

	Notes	2016 £	£	2015 £	£
Cash flows from operating activities					
Cash (absorbed by)/generated from operations	32		(133,787)		1,028,492
Interest paid			(13,351)		(3,782)
Income taxes paid			(96,512)		(58,808)
Net cash (outflow)/inflow from operating activities			(243,650)		965,902
Investing activities					
Purchase of tangible fixed assets		(521,408)		(976,864)	
Proceeds on disposal of tangible fixed assets		16,018		2,850	
Purchase of investment property		-		(3,023)	
Proceeds on disposal of investment property		-		124,949	
Interest received		1,580		1,737	
Net cash used in investing activities			(503,810)		(850,351)
Financing activities					
Proceeds of new bank loans		125,114		500,000	
Repayment of bank loans		(65,892)		(38,394)	
Payment of finance leases obligations		(9,229)		-	
Dividends paid		(66,500)		(175,000)	
Net cash (used in)/generated from financing activities			(16,507)		286,606
Net (decrease)/increase in cash and cash equivalents			(763,967)		402,157
Cash and cash equivalents at beginning of year			440,850		38,693
Cash and cash equivalents at end of year			(323,116)		440,850
Relating to:					
Cash at bank and in hand			1,895		489,698
Bank overdrafts included in creditors payable within one year			(325,011)		(48,848)

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

Company information

Henry Alty Limited is a private company limited by shares incorporated in England and Wales. The registered office is Station Road, Hesketh Bank, Preston, Lancashire, PR4 6SS.

1.1 Accounting convention

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified 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 31 October 2016 are the first financial statements of Henry Alty 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 November 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 33.

Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the directors have amended certain accounting policies to comply with FRS 102. The directors have taken advantage of certain exemptions from the requirements of FRS 102 permitted by FRS 102 Chapter 35 'Transition to this FRS'.

1.2 Change in accounting estimate

As a result of the transition to FRS 102 deferred tax has been recognised on the fair value re-measurement of the investment property. The effect is an additional deferred tax provision of £21,752 in the prior year figures.

1.3 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.4 Turnover

Turnover represents amounts receivable for horticultural and building supplies sold through the company's various locations, before the balance sheet date and net of VAT and trade discounts.

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.

1.5 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.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

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 buildings	2% per annum straight line basis
Sheds and plant and machinery	10% and 6.67% per annum straight line basis
Fixtures, fittings & equipment	10-20% per annum straight line basis
Motor vehicles	15-25% per annum straight line basis

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.

Properties whose fair value can be measured reliably are held under the revaluation model and are carried at a revalued amount, being their fair value at the date of valuation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. The fair value of the land and buildings is usually considered to be their market value.

Revaluation gains and losses are recognised in other comprehensive income and accumulated in equity, except to the extent that a revaluation gain reverses a revaluation loss previously recognised in profit or loss or a revaluation loss exceeds the accumulated revaluation gains recognised in equity; such gains and losses are recognised in profit or loss.

1.6 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in the profit and loss account.

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

1.8 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.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

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.

1.9 Cash and cash equivalents

Cash and cash equivalents 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.

1.10 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.11 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.

1.12 Taxation

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

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

1 Accounting policies

(Continued)

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.

1.13 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.14 Retirement benefits

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

1.15 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.

Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revaluation of investment properties

The company carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The key assumptions used to determine the fair value of investment properties are further explained in note 13.

3 Turnover and other revenue

	2016 £	2015 £
Total turnover	6,917,866	6,244,031
Other significant revenue		
Interest income	1,580	1,737
Rental income arising from investment properties	15,009	12,696
Development income	36,334	183,462
Management charges receivable	24,000	24,000

4 Operating profit

	2016 £	2015 £
Operating profit for the year is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	7,280	7,155
Depreciation of owned tangible fixed assets	87,897	72,241
Depreciation of tangible fixed assets held under finance leases	17,736	-
Loss/(profit) on disposal of tangible fixed assets	2,066	(2,066)
Cost of stocks recognised as an expense	5,072,791	4,661,270

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2016 Number	2015 Number
Selling and distribution	35	27
Administration	6	5
	<u>41</u>	<u>32</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	896,741	762,040
Social security costs	88,288	70,034
Pension costs	35,955	34,608
	<u>1,020,984</u>	<u>866,682</u>

6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	105,614	137,056
Company pension contributions to defined contribution schemes	6,900	6,935
	<u>112,514</u>	<u>143,991</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Interest on bank deposits	1,580	1,239
Other interest income	-	498
	<u>1,580</u>	<u>1,737</u>

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

8 Interest payable and similar charges

	2016 £	2015 £
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	13,066	3,782
Interest on finance leases and hire purchase contracts	285	-
	<u>13,351</u>	<u>3,782</u>

9 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	24,000	93,512
	<u>24,000</u>	<u>93,512</u>
Deferred tax		
Origination and reversal of timing differences	16,130	3,194
	<u>16,130</u>	<u>3,194</u>
Total tax charge	<u>40,130</u>	<u>96,706</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2016 £	2015 £
Profit before taxation	<u>254,515</u>	<u>396,082</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	50,903	79,216
Tax effect of expenses that are not deductible in determining taxable profit	43	6,249
Tax effect of income not taxable in determining taxable profit	-	3,529
Effect of change in corporation tax rate	-	1,917
Effect of revaluations of investments	-	6,012
Other permanent differences	388	855
Deferred tax adjustments in respect of prior years	(11,204)	-
Tax at marginal rate	<u>-</u>	<u>(1,072)</u>
Taxation charge for the year	<u>40,130</u>	<u>96,706</u>

Reductions in rate of UK Corporation Tax to 17% had been substantively enacted by the balance sheet date. Deferred tax has been calculated at this rate.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

10 Dividends

	2016 £	2015 £
Interim paid	66,500	175,000

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 November 2015 and 31 October 2016	147,894
Amortisation and impairment	
At 1 November 2015 and 31 October 2016	147,894
Carrying amount	
At 31 October 2016	-
At 31 October 2015	-

12 Tangible fixed assets

	Freehold buildings £	Sheds and plant and machinery £	Fixtures, Motor vehicles fittings & equipment £	£	Total £
Cost					
At 1 November 2015	1,364,631	233,821	238,894	376,908	2,214,254
Additions	317,671	79,115	72,636	71,879	541,301
Disposals	(7,162)	(19,957)	(41,027)	(46,542)	(114,688)
At 31 October 2016	1,675,140	292,979	270,503	402,245	2,640,867
Depreciation and impairment					
At 1 November 2015	42,666	127,544	193,010	270,114	633,334
Depreciation charged in the year	21,823	16,856	22,118	44,836	105,633
Eliminated in respect of disposals	-	(9,685)	(40,412)	(46,507)	(96,604)
At 31 October 2016	64,489	134,715	174,716	268,443	642,363
Carrying amount					
At 31 October 2016	1,610,651	158,264	95,787	133,802	1,998,504
At 31 October 2015	1,321,965	106,277	45,884	106,794	1,580,920

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

12 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Sheds and plant and machinery	47,645	-
Fixtures, fittings & equipment	44,843	-
Motor vehicles	53,847	-
	<u>146,335</u>	<u>-</u>
Depreciation charge for the year in respect of leased assets	<u>17,736</u>	<u>-</u>

13 Investment property

2016
£

Fair value

At 1 November 2015 and 31 October 2016	<u>269,899</u>
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The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31 October 2016 by the directors. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2016 £	2015 £
Cost	141,948	141,948
Accumulated depreciation	-	-
Carrying amount	<u>141,948</u>	<u>141,948</u>

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

14 Fixed asset investments

	2016 £	2015 £
Listed investments	5,083	5,083
Unlisted investments	1,356,300	1,356,300
	<u>1,361,383</u>	<u>1,361,383</u>
Listed investments included above:		
Listed investments carrying amount	5,083	5,083
Market value if different from carrying amount	5,202	5,202
	<u>5,202</u>	<u>5,202</u>

Movements in fixed asset investments

	Investments other than loans £
Cost or valuation	
At 1 November 2015 & 31 October 2016	<u>1,361,383</u>
Carrying amount	
At 31 October 2016	<u>1,361,383</u>
At 31 October 2015	<u>1,361,383</u>

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

15 Financial instruments

	2016 £	2015 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	1,419,811	778,203
Equity instruments measured at cost less impairment	1,361,383	1,361,383
	<u> </u>	<u> </u>
Carrying amount of financial liabilities		
Measured at amortised cost	2,028,718	1,412,846
	<u> </u>	<u> </u>

16 Stocks

	2016 £	2015 £
Finished goods and goods for resale	927,031	782,251
	<u> </u>	<u> </u>

17 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,027,106	758,284
Amounts due from related undertakings	12,285	19,262
Other debtors	380,420	657
Prepayments and accrued income	142,409	114,295
	<u> </u>	<u> </u>
	1,562,220	892,498
	<u> </u>	<u> </u>

18 Creditors: amounts falling due within one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	20	389,760	97,619
Obligations under finance leases	21	10,665	-
Trade creditors		1,016,693	752,600
Corporation tax		21,000	93,512
Other taxation and social security		113,927	77,019
Other creditors		7,500	6,000
Accruals and deferred income		87,276	83,047
		<u> </u>	<u> </u>
		1,646,821	1,109,797
		<u> </u>	<u> </u>

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

19 Creditors: amounts falling due after more than one year

	Notes	2016 £	2015 £
Bank loans and overdrafts	20	516,824	473,580

The company has provided guarantees to the bank totalling £30,500 in favour of Lancashire County Council.

Amounts included above which fall due after five years are as follows:

Payable by instalments	311,340	350,785
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20 Loans and overdrafts

	2016 £	2015 £
Bank loans	581,573	522,351
Bank overdrafts	325,011	48,848
	906,584	571,199
Payable within one year	389,760	97,619
Payable after one year	516,824	473,580

The bank overdraft and long-term loans are secured by fixed and floating charges over the assets of the company.

The bank loan is repayable by equal monthly instalments. Interest is payable at 1.75% above Base Rate and is for a 15 year term.

21 Finance lease obligations

	2016 £	2015 £
Future minimum lease payments due under finance leases:		
Within one year	10,665	-

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

Finance leases are secured on the assets acquired.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

22 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	23	72,657	56,527
		<u>72,657</u>	<u>56,527</u>

23 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	50,905	34,775
Revaluations	21,752	21,752
	<u>72,657</u>	<u>56,527</u>
Movements in the year:		2016 £
Liability at 1 November 2015		56,527
Charge to profit or loss		16,130
		<u>72,657</u>
Liability at 31 October 2016		<u>72,657</u>

The deferred tax liability set out above is expected to reverse within 60 months and relates to accelerated capital allowances that are expected to mature within the same period.

24 Retirement benefit schemes

	2016 £	2015 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	35,955	34,608
	<u>35,955</u>	<u>34,608</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2016

25 Share capital

	2016	2015
	£	£
Ordinary share capital		
Authorised		
70,000 Ordinary shares of £1 each	70,000	70,000
	<u> </u>	<u> </u>
Issued and fully paid		
70,000 Ordinary shares of £1 each	70,000	70,000
	<u> </u>	<u> </u>

26 Profit and loss reserves

Profit and loss reserves relate to cumulative profits and losses net of distributions to shareholders.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

27 Non distributable reserves

This reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decrease relates to an increase on the same asset.

The fair value adjustment in relation to assets disposed of where qualifying consideration has not been received, is held in the non distributable reserve until such time as qualifying consideration is received.

28 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2016 £	2015 £
Acquisition of tangible fixed assets	-	425,968

29 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	112,514	143,991

Transactions with related parties

During the year, the company charged £24,000 (2015: £24,000) to Henry Alty (Investments) LLP for management services and was charged £30,000 (2015: £30,000) for rent. Costs totalling £15,323 were also paid on behalf of the LLP. At 31 October 2016 the company was owed £35,285 (2015: £19,262) from the LLP. The LLP is related due to common ownership.

During the year the company made sales of £72,684 (2015: £645,799) to, and incurred purchases of £380,420 (2015: £632,299) from the G and A Price Partnership. At 31 October 2016 the company was owed £50,241 (2015: £20,185) on trading accounts and also owed £70,000 (2015: £nil) to the G and A Price Partnership. A. Price, a director of the company, is a partner in the partnership.

30 Directors' transactions

Dividends totalling £7,946 (2015 - £35,430) were paid in the year in respect of shares held by the company's directors.

31 Controlling party

The directors consider that there is no controlling party.

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

32 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	214,385	299,376
Adjustments for:		
Taxation charged	40,130	96,706
Finance costs	13,351	3,782
Investment income	(1,580)	(1,737)
Loss/(gain) on disposal of tangible fixed assets	2,066	(2,066)
Fair value gains and losses on foreign exchange contracts and investment properties	-	60,960
Depreciation and impairment of tangible fixed assets	105,633	72,241
Movements in working capital:		
(Increase)/decrease in stocks	(144,780)	477,799
(Increase)/decrease in debtors	(669,722)	103,967
Increase/(decrease) in creditors	306,730	(82,536)
Cash (absorbed by)/generated from operations	(133,787)	1,028,492

33 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on: (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

Reconciliation of equity

		1 November 2014 £	31 October 2015 £
	Notes		
Equity as reported under previous UK GAAP		3,634,121	3,758,497
Adjustments arising from transition to FRS 102:			
Deferred tax on fair value of Investment properties	23	(21,752)	(21,752)
Equity reported under FRS 102		3,612,369	3,736,745

HENRY ALTY LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 OCTOBER 2016

33 Reconciliations on adoption of FRS 102

(Continued)

Reconciliation of profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		329,435
Adjustments arising from transition to FRS 102:		
Fair value adjustment on investment properties		(30,059)
Profit reported under FRS 102		<u>299,376</u>

Notes to reconciliations on adoption of FRS 102

Deferred tax has been recognised on fair value re-measurements of Investment properties.