

# A A Broughton & Son Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 September 2019

M W Burrough & Co  
Chartered Accountants  
10 South Street  
Bridport  
Dorset  
DT6 3NJ

# A A Broughton & Son Limited

## Contents

Company Information	<u>1</u>
Balance Sheet	<u>2</u>
Notes to the Unaudited Financial Statements	<u>3</u> to <u>10</u>

# **A A Broughton & Son Limited**

## **Company Information**

**Director** Mr James Donne Broughton

**Registered office** 10 South Street  
Bridport  
Dorset  
DT6 3NJ

**Accountants** M W Burrough & Co  
Chartered Accountants  
10 South Street  
Bridport  
Dorset  
DT6 3NJ

**A A Broughton & Son Limited**  
**(Registration number: 00651060)**  
**Balance Sheet as at 30 September 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Intangible assets	<u>4</u>	3,145	3,145
Tangible assets	<u>5</u>	1,339,319	1,443,001
Investment property	<u>6</u>	430,000	421,400
		<u>1,772,464</u>	<u>1,867,546</u>
<b>Current assets</b>			
Stocks	<u>7</u>	306,582	224,800
Debtors	<u>8</u>	39,723	29,244
Investments	<u>9</u>	45	45
Cash at bank and in hand		96,301	103,588
		<u>442,651</u>	<u>357,677</u>
<b>Creditors: Amounts falling due within one year</b>	<u>10</u>	<u>(186,496)</u>	<u>(233,077)</u>
<b>Net current assets</b>		<u>256,155</u>	<u>124,600</u>
<b>Total assets less current liabilities</b>		2,028,619	1,992,146
<b>Creditors: Amounts falling due after more than one year</b>	<u>10</u>	(977,763)	(1,016,826)
<b>Provisions for liabilities</b>		<u>(64,214)</u>	<u>(74,040)</u>
<b>Net assets</b>		<u>986,642</u>	<u>901,280</u>
<b>Capital and reserves</b>			
Called up share capital	<u>11</u>	11,792	11,792
Share premium reserve		686,309	686,309
Other reserves		18,446	11,480
Profit and loss account		<u>270,095</u>	<u>191,699</u>
<b>Total equity</b>		<u>986,642</u>	<u>901,280</u>

For the financial year ending 30 September 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Director's 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 director acknowledges his 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 in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the director on 10 March 2020

.....

Mr James Donn Broughton  
Director

The notes on pages 3 to 10 form an integral part of these financial statements.

Page 2

# **A A Broughton & Son Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

### **1 General information**

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

The address of its registered office is:

10 South Street  
Bridport  
Dorset  
DT6 3NJ  
United Kingdom

The principal place of business is:

Impens  
North Newton  
Bridgwater  
Somerset  
TA7 0BB

These financial statements were authorised for issue by the director on 10 March 2020.

### **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.

#### **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.

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;  
it is probable that future economic benefits will flow to the entity;  
and specific criteria have been met for each of the company's activities.

#### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, 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 income 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.

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when 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 and that are expected to apply to the reversal of the timing difference.

# **A A Broughton & Son Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

### **Tangible assets**

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Plant and machinery	15% reducing balance
Tractors	30% reducing balance
Motor Vehicles	25% reducing balance
Long Leashold land and buildings	Over 20 years

### **Investment property**

Investment property is carried at fair value, derived from the current market prices for comparable real estate determined annually by external valuers. The valuers use observable market prices, 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.

### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

<b>Asset class</b>	<b>Amortisation method and rate</b>
Entitlements	over 10 years

### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

### **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.

### **Trade debtors**

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

# **A A Broughton & Son Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

### **Trade 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.

### **Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

### **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.

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

### **3 Staff numbers**

The average number of persons employed by the company (including the director) during the year, was 4 (2018 - 4).

# A A Broughton & Son Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019

### 4 Intangible assets

	Other intangible assets £	Total £
<b>Cost or valuation</b>		
At 1 October 2018	3,145	3,145
At 30 September 2019	3,145	3,145
<b>Amortisation</b>		
<b>Carrying amount</b>		
At 30 September 2019	3,145	3,145
At 30 September 2018	3,145	3,145

# A A Broughton & Son Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019

### 5 Tangible assets

	Land and buildings £	Tractors £	Motor vehicles £	Other farm equipment £	Total £
<b>Cost or valuation</b>					
At 1 October 2018	1,532,398	336,150	39,595	733,967	2,642,110
Additions	-	-	-	18,818	18,818
At 30 September 2019	1,532,398	336,150	39,595	752,785	2,660,928
<b>Depreciation</b>					
At 1 October 2018	464,911	208,459	31,297	494,442	1,199,109
Charge for the year	43,366	38,308	2,074	38,752	122,500
At 30 September 2019	508,277	246,767	33,371	533,194	1,321,609
<b>Carrying amount</b>					
At 30 September 2019	1,024,121	89,383	6,224	219,591	1,339,319
At 30 September 2018	1,067,487	127,691	8,298	239,525	1,443,001

Included within the net book value of land and buildings above is £591,929 (2018 - £591,929) in respect of freehold land and buildings and £432,192 (2018 - £475,558) in respect of long leasehold land and buildings.

# A A Broughton & Son Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019

### 6 Investment properties

	<b>2019</b> <b>£</b>
At 1 October	421,400
Fair value adjustments	<u>8,600</u>
At 30 September	<u><u>430,000</u></u>

There has been no valuation of investment property by an independent valuer.

### 7 Stocks

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Other inventories	<u>306,582</u>	<u>224,800</u>

### 8 Debtors

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Trade debtors	15,616	19,213
Prepayments	1,459	1,392
Other debtors	<u>22,648</u>	<u>8,639</u>
	<u><u>39,723</u></u>	<u><u>29,244</u></u>

### 9 Current asset investments

	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Other investments	<u>45</u>	<u>45</u>

# A A Broughton & Son Limited

## Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019

### 10 Creditors

#### Creditors: amounts falling due within one year

	Note	2019 £	2018 £
<b>Due within one year</b>			
Loans and borrowings	<u>12</u>	37,093	58,692
Trade creditors		31,450	39,447
Taxation and social security		42,663	7,949
Accruals and deferred income		10,614	8,702
Other creditors		64,676	118,287
		<u>186,496</u>	<u>233,077</u>

#### Creditors: amounts falling due after more than one year

	Note	2019 £	2018 £
<b>Due after one year</b>			
Loans and borrowings	<u>12</u>	<u>977,763</u>	<u>1,016,826</u>

### 11 Share capital

#### Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary of £1 each	11,692	11,692	11,692	11,692
Ordinary A of £1 each	100	100	100	100
	<u>11,792</u>	<u>11,792</u>	<u>11,792</u>	<u>11,792</u>

### 12 Loans and borrowings

	2019 £	2018 £
<b>Non-current loans and borrowings</b>		
Bank borrowings	977,763	996,826
Hire purchase contracts	-	20,000
	<u>977,763</u>	<u>1,016,826</u>

## **A A Broughton & Son Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 30 September 2019**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current loans and borrowings</b>		
Bank borrowings	17,093	15,125
Hire purchase contracts	20,000	43,567
	<u>37,093</u>	<u>58,692</u>

#### **13 Related party transactions**

##### **Directors' remuneration**

The director's remuneration for the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration	6,933	6,934
Contributions paid to money purchase schemes	40,000	40,000
	<u>46,933</u>	<u>46,934</u>

Page 10

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.