

# Lucas Breeding Company Limited

Annual Report and Unaudited Financial Statements  
for the Year Ended 30 September 2017

Pages for filing with Registrar

**Lucas Breeding Company Limited**

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# Lucas Breeding Company Limited

## Company Information

**Directors** Mr R T P Bowling  
Mrs D Bowling

**Company secretary** Mr R T P Bowling

**Registered office** Adlington Hall Farm  
The Common  
Adlington  
Chorley, Lancashire  
Lancashire  
PR7 4DT

# Lucas Breeding Company Limited

(Registration number: 00724751)

Balance Sheet as at 30 September 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	<u>5</u>	1,563,059	900,698
<b>Current assets</b>			
Stocks	<u>6</u>	175,869	88,000
Debtors	<u>7</u>	80,008	138,619
Cash at bank and in hand		<u>153,956</u>	<u>49,914</u>
		409,833	276,533
<b>Creditors: Amounts falling due within one year</b>	<u>8</u>	<u>(434,085)</u>	<u>(616,819)</u>
<b>Net current liabilities</b>		<u>(24,252)</u>	<u>(340,286)</u>
<b>Total assets less current liabilities</b>		1,538,807	560,412
<b>Creditors: Amounts falling due after more than one year</b>	<u>8</u>	(1,100,045)	(136,696)
<b>Provisions for liabilities</b>		<u>-</u>	<u>(33,075)</u>
<b>Net assets</b>		<u>438,762</u>	<u>390,641</u>
<b>Capital and reserves</b>			
Called up share capital		10,750	10,750
Profit and loss account		<u>428,012</u>	<u>379,891</u>
<b>Total equity</b>		<u>438,762</u>	<u>390,641</u>

The notes on pages 4 to 12 form an integral part of these financial statements.

## Lucas Breeding Company Limited

(Registration number: 00724751)

### Balance Sheet as at 30 September 2017 (continued)

For the financial year ending 30 September 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 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 Board on 26 June 2018 and signed on its behalf by:

.....

Mrs D Bowling  
Director

The notes on pages 4 to 12 form an integral part of these financial statements.

# **Lucas Breeding Company Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2017**

### **1 General information**

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

The address of its registered office is:

Adlington Hall Farm  
The Common  
Adlington  
Chorley, Lancashire  
Lancashire  
PR7 4DT

These financial statements were authorised for issue by the Board on 26 June 2018.

### **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.

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 £.

# **Lucas Breeding Company Limited**

## **Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)**

### **2 Accounting policies (continued)**

#### **Judgements**

No significant judgements have had to be made by management and directors in preparing these financial statements.

#### **Key sources of estimation uncertainty**

##### **Tangible fixed assets**

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

The carrying amount is £1,563,215 (2016 -£902,400).

#### **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.

#### **Foreign currency transactions and balances**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

#### **Tax**

The tax expense for the period comprises 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.

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.

# Lucas Breeding Company Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 2 Accounting policies (continued)

#### 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:

Asset class	Depreciation method and rate
Leasehold property	5% Straight line
Plant and machinery	15% on Reducing balance
Motor vehicles	25% on Reducing balance

#### 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 valued at the lower of cost and net realisable value, after making allowance for obsolete and slow moving items.

#### 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.



## **Lucas Breeding Company Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)**

#### **2 Accounting policies (continued)**

##### **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**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a 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.

##### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

##### **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.

## **2 Accounting policies (continued)**

### **Financial instruments**

#### ***Classification***

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 statement of financial position 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 liability simultaneously.

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. 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.

#### ***Recognition and measurement***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and other loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods and 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.

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

## **Lucas Breeding Company Limited**

### **Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)**

#### **2 Accounting policies (continued)**

##### ***Impairment***

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. The impairment loss is recognised in profit or loss.

##### ***Recognition and measurement***

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

Basic financial liabilities, including creditors and other loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade creditors are obligations to pay for goods and 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.

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.

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

##### ***Impairment***

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. The impairment loss is recognised in profit or loss.

#### **3 Staff numbers**

The average number of persons employed by the company (including directors) during the year, was 3 (2016 - 3).

# Lucas Breeding Company Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 4 Profit before tax

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	133,032	93,128

### 5 Tangible assets

	Leasehold land and buildings £	Motor vehicles £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 October 2016	792,561	26,036	872,083	1,690,680
Additions	792,941	-	2,453	795,394
At 30 September 2017	1,585,502	26,036	874,536	2,486,074
<b>Depreciation</b>				
At 1 October 2016	304,390	25,970	459,623	789,983
Charge for the year	70,983	16	62,033	133,032
At 30 September 2017	375,373	25,986	521,656	923,015
<b>Carrying amount</b>				
At 30 September 2017	1,210,129	50	352,880	1,563,059
At 30 September 2016	488,171	66	412,461	900,698

### 6 Stocks

	2017 £	2016 £
Stocks	175,869	88,000

# Lucas Breeding Company Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 7 Debtors

	2017 £	2016 £
Trade debtors	14,793	23,313
VAT	46,121	96,211
Prepayments and accrued income	828	829
Other debtors	18,266	18,266
	<u>80,008</u>	<u>138,619</u>
Total current trade and other debtors		

### 8 Creditors

	Note	2017 £	2016 £
<b>Due within one year</b>			
Bank borrowings		69,609	-
Trade creditors		90,466	482,270
Other creditors		70,962	46,160
Finance lease liabilities		82,018	82,018
Accruals and deferred income		121,030	6,371
		<u>434,085</u>	<u>616,819</u>
<b>Due after one year</b>			
Loans and borrowings		1,045,366	-
Finance lease liabilities		54,679	136,696
		<u>1,100,045</u>	<u>136,696</u>

# Lucas Breeding Company Limited

## Notes to the Financial Statements for the Year Ended 30 September 2017 (continued)

### 9 Related party transactions

#### Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	7,748	7,748

#### Expenditure with and payables to related parties

	Key management £
2017	
Leases	6,000

	Key management £
2016	
Leases	6,000

#### Loans from related parties

	Key management £
2017	
At start of period	46,160
Advanced	60,056
Repaid	(35,254)
At end of period	70,962

	Key management £
2016	
At start of period	34,941
Advanced	59,759
Repaid	(48,540)
At end of period	46,160

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.