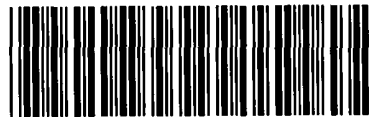


Company Registration No. 1235975 (England and Wales)

**A. & J. SPEELMAN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2016**

FRIDAY



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COMPANIES HOUSE

# A. & J. SPEELMAN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J V Speelman A T Speelman J H Rochman J C Mann
<b>Secretary</b>	Mr J V Speelman
<b>Company number</b>	1235975
<b>Registered office</b>	30 City Road London EC1Y 2AB
<b>Auditor</b>	Arram Berlyn Gardner LLP 30 City Road London EC1Y 2AB

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# **A. & J. SPEELMAN LIMITED**

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# **A. & J. SPEELMAN LIMITED**

## **STRATEGIC REPORT**

**FOR THE YEAR ENDED 30 NOVEMBER 2016**

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The directors present the strategic report for the year ended 30 November 2016.

### **Fair review of the business**

The company recorded a rise in turnover from £14m to £17.4m during the year. This represented an increase of 25% on the previous year's turnover.

Notably, the directors' sold one item, a 13th/14th Century Gilt bronze Buddha for an amount in excess of £7.5m at auction.

As at 30 November the Balance Sheet showed a net asset position of £35.9m (2015: £27.5m).

The company completed a move to a new premises in Kensington Square; with the gallery opening for potential customers in May 2017.

### **Principal risks and uncertainties**

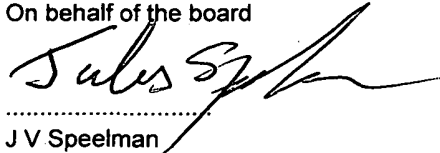
The directors believe that the principal risk to the business is in the acquisition of high value antiques where the price paid to dealers or auction houses, may subsequently prove to be higher than the realisable value.

There is a limited global market for the niche Asian antiques dealt in by the company.

Although the directors continue to use their extensive knowledge gained by research and their expertise to identify antiques where profits may result, this is not always possible.

Asian antiques are sourced and purchased globally and therefore the company remains susceptible to global currency movements.

On behalf of the board



J V Speelman  
Director

22/12/17

# **A. & J. SPEELMAN LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 30 NOVEMBER 2016**

---

The directors present their annual report and financial statements for the year ended 30 November 2016.

### **Principal activities**

The principal activity of the company continued to be that of specialist Asian antique dealing.

### **Directors**

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

J V Speelman

A T Speelman

J H Rochman

J C Mann

### **Results and dividends**

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £375,000 (2015 - £350,000). The directors do not recommend payment of a further dividend.

### **Auditor**

Arram Berlyn Gardner LLP were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

### **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.

### **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.

# **A. & J. SPEELMAN LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2016**

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On behalf of the board



J V Speelman

Director

Date: 22/12/17

# **A. & J. SPEELMAN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBERS OF A. & J. SPEELMAN LIMITED**

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We have audited the financial statements of A. & J. Speelman Limited for the year ended 30 November 2016 set out on pages 6 to 22. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on pages 2 - 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Basis for qualified opinion on financial statements**

With respect to the opening balance of stocks having a carrying amount of £25,262,708, the audit evidence available to us was limited because we were unable to observe the counting of the physical stocks as at 30 November 2015 to confirm their existence and, due to the specialist nature of the stocks and the lack of a third party antiques specialist to act as an auditors' expert, we were unable to obtain sufficient evidence as to the valuation of stocks as at 30 November 2015. We were, therefore, unable to obtain sufficient, appropriate audit evidence concerning both the existence and valuation of stocks as at 30 November 2015 and the profit for the years ending 30 November 2015 and 30 November 2016.

#### **Qualified opinion on financial statements**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **A. & J. SPEELMAN LIMITED**

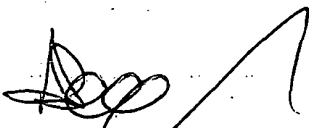
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A. & J. SPEELMAN LIMITED**

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### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Gary Jackson (Senior Statutory Auditor)**  
for and on behalf of Arram Berlyn Gardner LLP

22/12/17

**Chartered Accountants**  
**Statutory Auditor**

30 City Road  
London  
EC1Y 2AB



# A. & J. SPEELMAN LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	2015 £
Turnover	3	17,394,584	13,997,137
Cost of sales		(6,493,839)	(3,479,687)
<b>Gross profit</b>		<b>10,900,745</b>	<b>10,517,450</b>
Administrative expenses		(211,489)	(817,716)
Other operating income		36,000	36,000
<b>Operating profit</b>	4	<b>10,725,256</b>	<b>9,735,734</b>
Interest receivable and similar income	7	41,788	-
Interest payable and similar charges	8	(116,246)	(85,350)
Fair value gains and losses on financial assets	9	301,549	(1,349,770)
<b>Profit before taxation</b>		<b>10,952,347</b>	<b>8,300,614</b>
Tax on profit	10	(2,175,038)	(1,977,307)
<b>Profit for the financial year</b>		<b>8,777,309</b>	<b>6,323,307</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

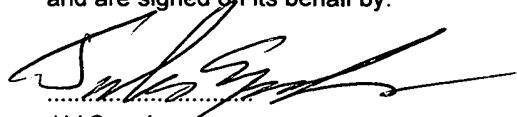
# A. & J. SPEELMAN LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12		5,964,954		5,554,254
<b>Current assets</b>					
Stocks	14	28,377,970		25,262,708	
Debtors	15	412,931		271,748	
Investments	16	4,754,777		2,873,027	
Cash at bank and in hand		4,507,803		2,284,937	
		38,053,481		30,692,420	
<b>Creditors: amounts falling due within one year</b>	17	(7,650,128)		(8,176,196)	
<b>Net current assets</b>			30,403,353		22,516,224
<b>Total assets less current liabilities</b>			36,368,307		28,070,478
<b>Creditors: amounts falling due after more than one year</b>	18		(217,983)		(426,578)
<b>Provisions for liabilities</b>	20		(251,778)		(147,663)
<b>Net assets</b>			35,898,546		27,496,237
<b>Capital and reserves</b>					
Called up share capital	22		100		100
Revaluation reserve			605,791		605,791
Other reserves			311,204		-
Profit and loss reserves	23		34,981,451		26,890,346
<b>Total equity</b>			35,898,546		27,496,237

The financial statements were approved by the board of directors and authorised for issue on 22/12/17 and are signed on its behalf by:

 22/12/17  
J V Speelman  
Director

Company Registration No. 1235975

# A. & J. SPEELMAN LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	Share capital £	Revaluation reserve £	Other reserves £	Profit and loss reserves £	Total £
<b>Balance at 1 December 2014</b>		100	759,770	-	20,917,039	21,676,909
Effect of transition to FRS 102		-	(153,979)	-	-	(153,979)
<b>As restated</b>		100	605,791	-	20,917,039	21,522,930
<b>Year ended 30 November 2015:</b>						
Profit and total comprehensive income for the year		-	-	-	6,323,307	6,323,307
Dividends	11	-	-	-	(350,000)	(350,000)
<b>Balance at 30 November 2015</b>		100	605,791	-	26,890,346	27,496,237
<b>Year ended 30 November 2016:</b>						
Profit and total comprehensive income for the year		-	-	-	8,777,309	8,777,309
Dividends	11	-	-	-	(375,000)	(375,000)
Transfers		-	-	311,204	(311,204)	-
<b>Balance at 30 November 2016</b>		100	605,791	311,204	34,981,451	35,898,546

# A. & J. SPEELMAN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	27	8,437,528		8,031,799	
Interest paid		(116,246)		(85,350)	
Income taxes paid		(1,964,046)		(881,021)	
<b>Net cash inflow from operating activities</b>		<b>6,357,236</b>		<b>7,065,428</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(540,680)		(4,090,117)	
Proceeds on disposal of tangible fixed assets		642,392		-	
Movement on current asset investments		(1,965,782)		(2,873,027)	
Proceeds from other investments and loans		152,524		(4,770)	
Interest received		41,788		-	
<b>Net cash used in investing activities</b>		<b>(1,669,758)</b>		<b>(6,967,914)</b>	
<b>Financing activities</b>					
Repayment of borrowings		(199,612)		(191,017)	
Proceeds of new bank loans		-		1,890,000	
Repayment of bank loans		(1,890,000)		-	
Dividends paid		(375,000)		(350,000)	
<b>Net cash (used in)/generated from financing activities</b>		<b>(2,464,612)</b>		<b>1,348,983</b>	
<b>Net increase in cash and cash equivalents</b>		<b>2,222,866</b>		<b>1,446,497</b>	
Cash and cash equivalents at beginning of year		2,284,937		838,440	
<b>Cash and cash equivalents at end of year</b>		<b>4,507,803</b>		<b>2,284,937</b>	

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 2016

---

### 1 Accounting policies

#### Company information

A. & J. Speelman Limited is a private company limited by shares incorporated in England and Wales. The registered office is 30 City Road, London, EC1Y 2AB. The business address is 36 Kensington Square, London W8 5HP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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 the revaluation of freehold properties and 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 30 November 2016 are the first financial statements of A. & J. Speelman 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 December 2014. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 28.

#### 1.2 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.

#### 1.3 Turnover

Turnover comprises revenue recognised by the Company in respect of sales of art and antiques at auctions, private sales and through joint venture deals supplied in the year, exclusive of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the, 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. Revenue from auction sales are recognised at the auction settlement date.

#### 1.4 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.

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:

Land and buildings	1% straight line
Fixtures, fittings & equipment	20% reducing balance basis
Motor vehicles	25% reducing balance

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

### 1 Accounting policies

(Continued)

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.

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

#### 1.5 Impairment of fixed assets

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

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' 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 settle the liability simultaneously.

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 1 Accounting policies

(Continued)

#### **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.

#### **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 and bank loans 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.

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

---

### 1 Accounting policies

(Continued)

#### ***Derecognition of financial liabilities***

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

#### **1.9 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.

#### **1.10 Taxation**

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

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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 income statement, 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.

#### **1.11 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.

#### **1.12 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. 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.



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

### 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.

#### Stock

It is necessary to consider the recoverability of the cost of stock and the associated provision required. When calculating any stock provision, the director considers the nature and condition of the stock, as well as applying assumptions around estimated saleability of the goods in line with current market conditions and previous auction performances.

### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2016 £	2015 £
<b>Turnover analysed by class of business</b>		
Sale of goods	17,394,584	13,997,137
	<u>          </u>	<u>          </u>
	2016 £	2015 £
<b>Other significant revenue</b>		
Interest income	41,788	-
	<u>          </u>	<u>          </u>

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

3	Turnover and other revenue	(Continued)	
		2016 £	2015 £
	Turnover analysed by geographical market		
	UK	432,413	1,520,039
	Rest of the world	16,962,171	12,477,098
		<u>17,394,584</u>	<u>13,997,137</u>

4	Operating profit	2016 £	2015 £
	Operating profit for the year is stated after charging/(crediting):		
	Exchange (gains)/losses	(9,218)	21,938
	Fees payable to the company's auditor for the audit of the company's financial statements	22,000	22,000
	Depreciation of owned tangible fixed assets	129,980	95,043
	Profit on disposal of tangible fixed assets	(642,392)	-
	Cost of stocks recognised as an expense	6,493,839	3,479,687
	Operating lease charges	262,838	293,003
		<u>14,236,650</u>	<u>14,181,671</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £9,218 (2015 - £21,938).

### 5 Employees

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

	2016 Number	2015 Number
Administrative	2	2
Management	3	3
	<u>5</u>	<u>5</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	112,750	112,750
Social security costs	21,319	24,441
Pension costs	15,000	15,000
	<u>149,069</u>	<u>152,191</u>

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	75,000	37,500

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2015 - 1).

### 7 Interest receivable and similar income

	2016 £	2015 £
Interest income		
Other interest income	41,788	-

### 8 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	42,765	53,403
Other interest on financial liabilities	23,134	31,947
	65,899	85,350
<b>Other finance costs:</b>		
Other interest	50,347	-
	116,246	85,350

### 9 Movements on investments

	2016 £	2015 £
<b>Fair value gains/(losses) on financial instruments</b>		
Change in value of financial assets held at fair value through profit or loss	385,581	(4,770)
<b>Other gains/(losses)</b>		
Other gains and losses	(84,032)	(1,345,000)
	301,549	(1,349,770)

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	2,070,940	1,974,915
Adjustments in respect of prior periods	(17)	-
Total current tax	<u>2,070,923</u>	<u>1,974,915</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>104,115</u>	<u>2,392</u>
Total tax charge	<u>2,175,038</u>	<u>1,977,307</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>10,952,347</u>	<u>8,300,614</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.33%)	2,190,469	1,687,515
Tax effect of expenses that are not deductible in determining taxable profit	19,648	4,165
Gains not taxable	(124,703)	-
Change in unrecognised deferred tax assets	104,098	2,392
Permanent capital allowances in excess of depreciation	(40,470)	(10,642)
Depreciation on assets not qualifying for tax allowances	25,996	19,322
Provision of diminution of investment	-	273,439
Other adjustments	-	146
	-	970
Taxation charge for the year	<u>2,175,038</u>	<u>1,977,307</u>

### 11 Dividends

	2016 £	2015 £
Final paid	<u>375,000</u>	<u>350,000</u>

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

### 12 Tangible fixed assets

	Land and buildings	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 December 2015	5,504,764	345,646	204,327	6,054,737
Additions	332,218	208,462	-	540,680
At 30 November 2016	5,836,982	554,108	204,327	6,595,417
<b>Depreciation and impairment</b>				
At 1 December 2015	88,701	302,476	109,306	500,483
Depreciation charged in the year	55,898	50,327	23,755	129,980
At 30 November 2016	144,599	352,803	133,061	630,463
<b>Carrying amount</b>				
At 30 November 2016	5,692,383	201,305	71,266	5,964,954
At 30 November 2015	5,416,063	43,170	95,021	5,554,254

### 13 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,843,360	2,481,469
Instruments measured at fair value through profit or loss	4,754,777	2,873,027
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	5,698,315	6,589,667

### 14 Stocks

	2016 £	2015 £
Finished goods and goods for resale	28,377,970	25,262,708

### 15 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	-	10,000
Other debtors	398,874	211,188
Prepayments and accrued income	14,057	50,560
	412,931	271,748

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 16 Current asset investments

	2016 £	2015 £
Listed investments	4,754,777	2,873,027

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

	Notes	2016 £	2015 £
Bank loans and overdrafts	19	-	1,890,000
Other borrowings	19	208,596	199,613
Trade creditors		1,056,755	27,077
Corporation tax		2,081,800	1,974,923
Other creditors		4,214,981	4,046,399
Accruals and deferred income		87,996	38,184
		<u>7,650,128</u>	<u>8,176,196</u>

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

	Notes	2016 £	2015 £
Other borrowings	19	217,983	426,578

### 19 Loans and overdrafts

	2016 £	2015 £
Bank loans	-	1,890,000
Other loans	426,579	626,191
	<u>426,579</u>	<u>2,516,191</u>
Payable within one year	208,596	2,089,613
Payable after one year	217,983	426,578

Loans totalling £nil (2015: £1,890,000) are secured by a fixed and floating charge over the assets of the company.

Loans totalling £426,579 (2015: £626,191) are secured by a first charge given by Jules Victor Speelman over such shares held by him in A. & J. Speelman Limited. The loan due to the A & J Speelman Limited Pension Scheme is fully repayable by May 2018 by annual instalments of £227,792 at an interest rate of 4.5% per annum.

The aggregate of secured liabilities is £426,579 (2015: £2,516,191).

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

### 20 Provisions for liabilities

	Notes	2016 £	2015 £
Deferred tax liabilities	21	251,778	147,663

### 21 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
<b>Balances:</b>		
Accelerated capital allowances	23,422	(6,316)
Revaluations	228,356	153,979
	251,778	147,663

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

### 22 Share capital

	2016 £	2015 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	100	100

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and repayment of capital.

### 23 Profit and loss reserves

Retained earnings represents accumulated comprehensive income for the year and prior periods less dividends paid.

# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2016

### 24 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2016 £	2015 £
Aggregate compensation	75,000	37,500

### 25 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Director loan	3.00	(14,104)	704,401	6,380	(463,621)	233,056
		(14,104)	704,401	6,380	(463,621)	233,056

The directors loan was cleared by way of dividend on 30 April 2017.

### 26 Controlling party

The company is controlled by Mr J V Speelman, a director, who owns 80% of the issued share capital of the company.

### 27 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	8,777,309	6,323,306
<b>Adjustments for:</b>		
Taxation charged	2,175,038	1,977,307
Finance costs	116,246	85,350
Investment income	(41,788)	-
Gain on disposal of tangible fixed assets	(642,392)	-
Depreciation and impairment of tangible fixed assets	129,980	95,043
Amounts written off investments	(301,549)	1,349,770
<b>Movements in working capital:</b>		
(Increase) in stocks	(3,115,262)	(1,145,389)
Decrease in debtors	130,535	260,050
Increase/(decrease) in creditors	1,209,411	(913,638)
<b>Cash generated from operations</b>	<b>8,437,528</b>	<b>8,031,799</b>



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 NOVEMBER 2016

### 28 Reconciliations on adoption of FRS 102

#### Reconciliation of equity

	Notes	1 December 2014 £	30 November 2015 £
Equity as reported under previous UK GAAP		21,676,909	27,650,216
Adjustments arising from transition to FRS 102:			
Deferred tax		(153,979)	(153,979)
Equity reported under FRS 102		<u>21,522,930</u>	<u>27,496,237</u>

#### Reconciliation of profit for the financial period

	2015 £
Profit as reported under previous UK GAAP and under FRS 102	<u>6,323,307</u>

#### Notes to reconciliations on adoption of FRS 102

##### Deferred tax

The entity has elected to use the option for stating the revalued asset at its deemed cost. The estimated amount of potential taxation which would arise if the assets held as fixed assets were sold at the values at which they appear in the balance sheet is now provided for. These items are included in other non-distributable reserves.