

Company Registration No. 1235975 (England and Wales)

**A. & J. SPEELMAN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 NOVEMBER 2017**



# 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>	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



# A. & J. SPEELMAN LIMITED

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

### **STRATEGIC REPORT**

***FOR THE YEAR ENDED 30 NOVEMBER 2017***

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The directors present the strategic report for the year ended 30 November 2017.

#### **Fair review of the business and key performance indicators**

The principal activity of the company continued to be that of the purchase and sale of niche Asian antiques. It is a mature business operating in a highly specialised market. Therefore, owing to the unique nature and range of values of our trading stock, we do not set key performance indicators such as turnover and operating margin as these will vary upon the actual items sold in the year. Our business model has remained unchanged for many years - acquire the best quality stock available and sell it to a varied group of discerning customers. We do however aim to maximise profitability and as our trading figures (set out on page 6) show, we have again achieved excellent results for the year under review. Our equity shareholders' funds have increased from £35.9m to £39.3m. The resilience of the company is reflected in the strength of the Balance Sheet with our year end cash at bank figure standing at £4.05m.

#### **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**  
29 August 2018



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

### **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 30 NOVEMBER 2017***

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The directors present their annual report and financial statements for the year ended 30 November 2017.

#### **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 £830,000. The directors do not recommend payment of a final dividend.

#### **Financial instruments**

##### ***Treasury operations and financial instruments***

The company's principal financial instruments include liquid investments, the purpose of which is to provide liquidity whilst providing an investment return, and amounts received from third parties in return for a share in stock items owned by the company, the main purpose of which is to raise finance for the company's operations.

##### ***Liquidity risk***

The company manages its cash and borrowing requirements in order to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

##### ***Foreign currency risk***

The company's principal foreign currency exposures arise from trading with overseas companies. Due to short credit periods, which are standard in the industry, the company does not consider foreign exchange risk sufficiently significant to require hedging.

##### ***Credit risk***

Investments of cash surpluses, borrowings and derivative instruments are made through banks and companies which must fulfil credit rating criteria approved by the Board.

Customers normally pay in advance of despatch of goods.

#### **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.



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

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

***FOR THE YEAR ENDED 30 NOVEMBER 2017***

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#### **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.

On behalf of the board

J V Speelman

**Director**

29 August 2018



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

### **INDEPENDENT AUDITOR'S REPORT**

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

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##### **Opinion**

We have audited the financial statements of A. & J. Speelman Limited (the 'company') for the year ended 30 November 2017 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2017 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.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's *responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.



## **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**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

#### **Use of our report**

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.

**Ian Hughes ACA (Senior Statutory Auditor)**  
**for and on behalf of Arram Berlyn Gardner LLP**

29 August 2018

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

30 City Road  
London  
EC1Y 2AB



## A. & J. SPEELMAN LIMITED

### STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	2016 £
<b>Turnover</b>	<b>3</b>	9,819,593	17,394,584
Cost of sales		(4,089,935)	(6,493,839)
<b>Gross profit</b>		<b>5,729,658</b>	<b>10,900,745</b>
Administrative expenses		(507,296)	(211,489)
Other operating income		36,000	36,000
<b>Operating profit</b>	<b>4</b>	<b>5,258,362</b>	<b>10,725,256</b>
Interest receivable and similar income	<b>7</b>	40,276	41,788
Interest payable and similar expenses	<b>8</b>	(38,826)	(116,246)
Fair value gains and losses on financial assets	<b>9</b>	(152,882)	301,549
<b>Profit before taxation</b>		<b>5,106,930</b>	<b>10,952,347</b>
Tax on profit	<b>10</b>	(919,856)	(2,175,038)
<b>Profit for the financial year</b>		<b>4,187,074</b>	<b>8,777,309</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 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	12	5,981,200		5,964,954	
<b>Current assets</b>					
Stocks	14	28,849,723		28,377,970	
Debtors	15	310,881		412,931	
Investments	16	7,047,006		4,754,777	
Cash at bank and in hand		4,050,784		4,507,803	
		40,258,394		38,053,481	
<b>Creditors: amounts falling due within one year</b>	17	(6,779,048)		(7,650,128)	
<b>Net current assets</b>		33,479,346		30,403,353	
<b>Total assets less current liabilities</b>		39,460,546		36,368,307	
<b>Creditors: amounts falling due after more than one year</b>	18	-		(217,983)	
<b>Provisions for liabilities</b>	20	(204,926)		(251,778)	
<b>Net assets</b>		39,255,620		35,898,546	
<b>Capital and reserves</b>					
Called up share capital	22	100		100	
Revaluation reserve		605,791		605,791	
Fair value reserve		158,322		311,204	
Profit and loss reserves		38,491,407		34,981,451	
<b>Total equity</b>		39,255,620		35,898,546	

The financial statements were approved by the board of directors and authorised for issue on 29 August 2018 and are signed on its behalf by:

J V Speelman  
**Director**

**Company Registration No. 1235975**



# A. & J. SPEELMAN LIMITED

## STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 NOVEMBER 2017

		Share capital	Revaluation reserve	Fair value reserve	Profit and loss reserves	Total
	Notes	£	£	£	£	£
<b>Balance at 1 December 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
<b>Year ended 30 November 2017:</b>						
Profit and total comprehensive income for the year		-	-	-	4,187,074	4,187,074
Dividends	11	-	-	-	(830,000)	(830,000)
Transfers		-	-	(152,882)	152,882	-
<b>Balance at 30 November 2017</b>		100	605,791	158,322	38,491,407	39,255,620



# A. & J. SPEELMAN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 NOVEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	26	3,889,215		8,437,528	
Interest paid		(38,826)		(116,246)	
Income taxes paid		(975,099)		(1,964,046)	
<b>Net cash inflow from operating activities</b>		2,875,290		6,357,236	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(198,697)		(540,680)	
Proceeds on disposal of tangible fixed assets		76,035		642,392	
Movement on current asset investments		(2,292,229)		(1,965,782)	
Movement on other investments and loans		80,175		152,524	
Interest received		40,276		41,788	
<b>Net cash used in investing activities</b>		(2,294,440)		(1,669,758)	
<b>Financing activities</b>					
Repayment of borrowings		(207,869)		(199,612)	
Repayment of bank loans		-		(1,890,000)	
Dividends paid		(830,000)		(375,000)	
<b>Net cash used in financing activities</b>		(1,037,869)		(2,464,612)	
<b>Net (decrease)/increase in cash and cash equivalents</b>		(457,019)		2,222,866	
Cash and cash equivalents at beginning of year		4,507,803		2,284,937	
<b>Cash and cash equivalents at end of year</b>		4,050,784		4,507,803	



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

### **NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 NOVEMBER 2017**

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#### **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 previous revaluations as deemed cost and to include certain items at fair value. The principal accounting policies adopted are set out below.

##### **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, 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 buyer, 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 is recognised at the auction settlement date.

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

Tangible fixed assets are initially measured at cost and subsequently measured at cost 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:

Freehold buildings and leasehold buildings with leases in excess of 100 years	1% straight line
Fixtures, fittings & equipment	20% reducing balance
Motor vehicles	25% reducing balance

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.



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

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 30 NOVEMBER 2017**

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#### **1 Accounting policies**

**(Continued)**

##### **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).

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 is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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 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 in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

##### **1.6 Stocks**

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

##### **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. Financial assets classified as receivable within one year are not amortised.



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

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#### 1 Accounting policies

(Continued)

##### **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 2017**

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#### **1 Accounting policies**

**(Continued)**

##### ***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.

#### **1.9 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.

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.



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

#### 1 Accounting policies

(Continued)

##### 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 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 directors consider 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:

	2017	2016
	£	£
<b>Turnover analysed by class of business</b>		
Sale of goods	9,819,593	17,394,584



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

### 3 Turnover and other revenue (Continued)

	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	40,276	41,788
	<u>40,276</u>	<u>41,788</u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK	57,033	432,413
Rest of the world	9,762,560	16,962,171
	<u>9,819,593</u>	<u>17,394,584</u>

### 4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(14,293)	(9,218)
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	112,899	129,980
Profit on disposal of tangible fixed assets	(6,483)	(642,392)
Cost of stocks recognised as an expense	4,089,935	6,493,839
Operating lease charges	6,479	262,838
	<u>4,208,547</u>	<u>6,247,257</u>

### 5 Employees

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

	2017 Number	2016 Number
Administrative	2	2
Management	3	3
	<u>5</u>	<u>5</u>



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	104,008	112,750
Social security costs	20,531	21,319
Pension costs	15,000	15,000
	<u>139,539</u>	<u>149,069</u>

### 6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	75,000	75,000
Company pension contributions to defined contribution schemes	15,000	15,000
	<u>90,000</u>	<u>90,000</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

### 7 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Other interest income	40,276	41,788
	<u>40,276</u>	<u>41,788</u>

### 8 Interest payable and similar expenses

	2017 £	2016 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	42,765
Other interest on financial liabilities	13,924	23,134
	<u>13,924</u>	<u>65,899</u>
<b>Other finance costs:</b>		
Other interest	24,902	50,347
	<u>38,826</u>	<u>116,246</u>



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

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9	Movements on investments	2017	2016
		£	£
	<b>Fair value gains/(losses) on financial instruments</b>		
	Change in value of financial assets held at fair value through profit or loss	(152,882)	385,581
	<b>Other gains/(losses)</b>		
	Other gains and losses	-	(84,032)
		<u>(152,882)</u>	<u>301,549</u>
		<u><u>(152,882)</u></u>	<u><u>301,549</u></u>



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

#### 10 Taxation

	2017 £	2016 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	966,708	2,070,940
Adjustments in respect of prior periods	-	(17)
Total current tax	966,708	2,070,923
<b>Deferred tax</b>		
Origination and reversal of timing differences	(46,852)	104,115
Total tax charge	919,856	2,175,038

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:

	2017 £	2016 £
Profit before taxation	5,106,930	10,952,347
Expected tax charge based on the standard rate of corporation tax in the UK of 19.33% (2016: 20.00%)	987,170	2,190,469
Tax effect of expenses that are not deductible in determining taxable profit	7,392	19,648
Gains not taxable	(45,022)	(124,703)
Change in deferred tax liability	(46,852)	104,098
Capital allowances in excess of depreciation	(16,504)	(40,470)
Depreciation on assets not qualifying for tax allowances	21,827	25,996
Other adjustments	11,845	-
Taxation charge for the year	919,856	2,175,038

#### 11 Dividends

	2017 £	2016 £
Final paid	-	375,000
Interim paid	830,000	-
	830,000	375,000



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

### 12 Tangible fixed assets

	Freehold buildings and leasehold buildings with leases in excess of 100 years	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 December 2016	5,836,982	554,108	204,327	6,595,417
Additions	123,310	75,387	-	198,697
Disposals	-	-	(198,910)	(198,910)
At 30 November 2017	5,960,292	629,495	5,417	6,595,204
<b>Depreciation and impairment</b>				
At 1 December 2016	144,599	352,803	133,061	630,463
Depreciation charged in the year	57,132	55,338	429	112,899
Eliminated in respect of disposals	-	-	(129,358)	(129,358)
At 30 November 2017	201,731	408,141	4,132	614,004
<b>Carrying amount</b>				
At 30 November 2017	5,758,561	221,354	1,285	5,981,200
At 30 November 2016	5,692,383	201,305	71,266	5,964,954

### 13 Financial instruments

	2017 £	2016 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	280,003	4,843,360
Instruments measured at fair value through profit or loss	7,047,006	4,754,777
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	4,705,639	5,698,315

Instruments measured at fair value through profit or loss comprise listed securities, and their fair value is their market price.

Financial liabilities measured at amortised cost predominantly consist of amounts received from third parties in return for an interest in stock items owned by the company. They are non interest bearing and repayable on sale of the stock items to which they relate.

### 14 Stocks

	2017 £	2016 £
Finished goods and goods for resale	28,849,723	28,377,970



# A. & J. SPEELMAN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

### 15 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	177,503	-
Other debtors	113,013	398,874
Prepayments and accrued income	20,365	14,057
	<u>310,881</u>	<u>412,931</u>

### 16 Current asset investments

	2017	2016
	£	£
Listed investments	7,047,006	4,754,777
	<u>7,047,006</u>	<u>4,754,777</u>

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

	Notes	2017	2016
		£	£
Other borrowings	19	218,710	208,596
Trade creditors		71,914	1,056,755
Corporation tax		2,073,409	2,081,800
Other creditors		4,378,863	4,214,981
Accruals and deferred income		36,152	87,996
		<u>6,779,048</u>	<u>7,650,128</u>

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

	Notes	2017	2016
		£	£
Other loans	19	-	217,983
		<u>-</u>	<u>217,983</u>

### 19 Loans and overdrafts

	2017	2016
	£	£
Other loans	218,710	426,579
	<u>218,710</u>	<u>426,579</u>
Payable within one year	218,710	208,596
Payable after one year	-	217,983
	<u>-</u>	<u>217,983</u>



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

#### 20 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	21	204,926	251,778
		<u>204,926</u>	<u>251,778</u>

#### 21 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	12,488	23,422
Fair value adjustments to investments	192,438	228,356
	<u>204,926</u>	<u>251,778</u>
<b>Movements in the year:</b>		2017 £
Liability at 1 December 2016		251,778
Credit to profit or loss		(46,852)
Liability at 30 November 2017		<u>204,926</u>

The amount payable will be impacted by factors including future changes in tax rates, and the market value of investments when sold.

#### 22 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
100 Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>

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



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

#### 23 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	90,000	75,000

##### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Rent received 2017 £	2016 £
Key management personnel	36,000	-

#### 24 Directors' transactions

Description	% Rate	Opening balance £	Amounts advanced £	Interest charged £	Amounts repaid £	Closing balance £
Director's loan	2.67	233,056	597,401	4,124	(847,182)	(12,601)
		233,056	597,401	4,124	(847,182)	(12,601)

The director's loan is repayable on demand.

#### 25 Controlling party

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



## A. & J. SPEELMAN LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 NOVEMBER 2017

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26 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	4,187,074	8,777,309
<b>Adjustments for:</b>		
Taxation charged	919,856	2,175,038
Finance costs	38,826	116,246
Investment income	(40,276)	(41,788)
Gain on disposal of tangible fixed assets	(6,483)	(642,392)
Depreciation and impairment of tangible fixed assets	112,899	129,980
Amounts written off investments	152,882	(301,549)
<b>Movements in working capital:</b>		
(Increase) in stocks	(471,753)	(3,115,262)
(Increase)/decrease in debtors	(183,811)	130,535
(Decrease)/increase in creditors	(819,999)	1,209,411
<b>Cash generated from operations</b>	<u>3,889,215</u>	<u>8,437,528</u>



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