

COMPANY REGISTRATION NUMBER: 01339137

Registrar of Companies

FRANK JOHNSTON (TRACTORS) LIMITED

**ANNUAL REPORT AND
CONSOLIDATED FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 OCTOBER 2019



David Allen

Chartered Accountants & Statutory Auditor
Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

FRANK JOHNSTON (TRACTORS) LIMITED

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2016/2017 to 2017/2018

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FRANK JOHNSTON (TRACTORS) LIMITED

COMPANY INFORMATION

Directors

Mr H Johnston

Miss L Johnston

Company secretary

Miss L Johnston

Registered office

Montgomery Way
Rosehill Industrial Estate
Carlisle
CA1 2RW

Auditors

David Allen
Chartered Accountants & Statutory Auditor
Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

Bankers

HSBC Bank plc
29 English Street
Carlisle
CA3 8JW

Barclays Bank plc
Montgomery Way
Rosehill Industrial Estate
Carlisle
CA1 2RT

FRANK JOHNSTON (TRACTORS) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their strategic report for the year ended 31 October 2019.

PRINCIPAL ACTIVITY

The principal activity of the company is to manage the assets of the group. The principal activity of the group is tractor and machinery sales.

FAIR REVIEW OF THE BUSINESS

Frank Johnston (Tractors) Limited receives management charges, hire of equipment income and rent receivable, in its role in management of the group assets. Total income for the company was £455,355 (2018 - £449,361), and operating profit 40% (2018 - 51%). Return on capital employed was 5% (2018 - 8%).

The group has been adjusting to operating a new tractor dealership, this has caused a decrease in sales as staff and customers adjust to this. The gross profit margin has remained at 7%. Overheads have increased and operating profit margin is 0%.

The subsidiary company's key financial and other performance indicators during the year were as follows:

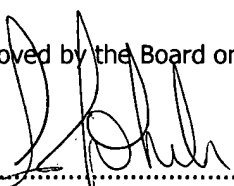
	Unit	2019	2018
Turnover	£	14,198,186	20,101,752
Gross profit	£	975,100	1,429,861
Gross profit percentage	%	7	7
Operating profit percentage	%	1	3
Creditor days		51	13
Debtor days		14	21

PRINCIPAL RISKS AND UNCERTAINTIES

On 23 March 2020 the business was forced to close due to the coronavirus pandemic and the company utilised the Coronavirus Job Retention Scheme. The Directors are taking all steps possible to contain costs in these difficult circumstances and are putting in place plans to ensure the long term future of the business. Safety measures have been implemented to allow the company to commence trading again.

The directors are satisfied with the company's level of activities, profits generated and the level of business experienced. The company's end of year position is strong. It has a sound financial base with a more than adequate cash flow to support operations in the coming year.

Approved by the Board on 1 July 2020 and signed on its behalf by:


.....
Miss L Johnston
Company secretary and director

FRANK JOHNSTON (TRACTORS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 OCTOBER 2019

The directors present their report and the financial statements for the year ended 31 October 2019.

DIRECTORS OF THE GROUP

The directors who held office during the year were as follows:

Mr H Johnston

Miss L Johnston - Company secretary and director

DIVIDENDS

Particulars of recommended dividends are detailed in note 22 to the financial statements.

FINANCIAL INSTRUMENTS

Objectives and policies

The company uses basic financial instruments, including bank overdrafts and various items such as trade debtors and trade creditors that arise directly from its operations. The main risks associated with these are cash flow, liquidity and interest risk. The company seeks to ensure sufficient liquidity is available to meet foreseeable needs and uses banking facilities to achieve short term flexibility.

FUTURE DEVELOPMENTS

The directors plan to continue with the company's present operations and strategies.

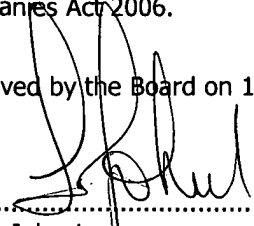
DISCLOSURE OF INFORMATION TO THE AUDITOR

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

REAPPOINTMENT OF AUDITORS

David Allen is re-appointed as auditor for the ensuing year in accordance with section 485 of the Companies Act 2006.

Approved by the Board on 1 July 2020 and signed on its behalf by:


.....
Miss L Johnston
Company secretary and director

FRANK JOHNSTON (TRACTORS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors acknowledge their responsibilities for preparing the Directors' 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 group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 group's transactions and disclose with reasonable accuracy at any time the financial position of the group 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 group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FRANK JOHNSTON (TRACTORS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED

OPINION

We have audited the financial statements of Frank Johnston (Tractors) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 October 2019, which comprise the Consolidated statement of income and retained earnings, Consolidated balance sheet, Balance sheet, Consolidated 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 Financial Reporting Standard 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 group's and the parent company's affairs as at 31 October 2019 and of the group's 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 group 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 group's or the parent 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.

FRANK JOHNSTON (TRACTORS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)

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.

OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of our knowledge and understanding of the group and the parent 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of directors' responsibilities [set out on page 4], 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.

FRANK JOHNSTON (TRACTORS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)

In preparing the financial statements, the directors are responsible for assessing the group's and the parent 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 group or the parent 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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

FRANK JOHNSTON (TRACTORS) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FRANK JOHNSTON (TRACTORS) LIMITED (CONTINUED)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

.....
ALISON WELTON (Senior Statutory Auditor)

For and on behalf of
David Allen
Chartered Accountants & Statutory Auditor

Dalmar House
Barras Lane Estate
Dalston
Carlisle
CA5 7NY

1 July 2020

FRANK JOHNSTON (TRACTORS) LIMITED**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR
ENDED 31 OCTOBER 2019**

	Note	2019 £	2018 £
Turnover	3	14,198,186	20,101,752
Cost of sales		<u>(13,223,086)</u>	<u>(18,671,891)</u>
Gross profit		975,100	1,429,861
Administrative expenses		(864,074)	(760,092)
Other operating income	4	<u>31,050</u>	<u>33,101</u>
Operating profit	5	<u>142,076</u>	<u>702,870</u>
Other interest receivable and similar income		50,367	24,406
Interest payable and similar charges		<u>(8,107)</u>	<u>(37,862)</u>
		<u>42,260</u>	<u>(13,456)</u>
Profit before tax		184,336	689,414
Taxation	9	<u>(37,465)</u>	<u>(133,222)</u>
Profit for the financial year		146,871	556,192
Retained earnings brought forward		3,734,357	3,258,164
Dividends paid		<u>(80,000)</u>	<u>(80,000)</u>
Retained earnings carried forward		<u><u>3,801,228</u></u>	<u><u>3,734,356</u></u>


The notes on pages 13 to 34 form an integral part of these financial statements.

FRANK JOHNSTON (TRACTORS) LIMITED

CONSOLIDATED BALANCE SHEET AS AT 31 OCTOBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	83,375	94,875
Tangible assets	11	803,282	845,117
Investment property	12	<u>323,804</u>	<u>323,804</u>
		<u>1,210,461</u>	<u>1,263,796</u>
Current assets			
Stocks	14	4,869,004	3,501,967
Debtors	15	676,261	1,444,268
Cash at bank and in hand		<u>45,448</u>	<u>230,240</u>
		5,590,713	5,176,475
Creditors: Amounts falling due within one year	17	<u>(2,888,943)</u>	<u>(2,590,469)</u>
Net current assets		<u>2,701,770</u>	<u>2,586,006</u>
Total assets less current liabilities		3,912,231	3,849,802
Provisions for liabilities	18	<u>(105,903)</u>	<u>(110,346)</u>
Net assets		<u>3,806,328</u>	<u>3,739,456</u>
Capital and reserves			
Called up share capital	20	5,100	5,100
Profit and loss account	21	<u>3,801,228</u>	<u>3,734,356</u>
Equity attributable to owners of the company		<u>3,806,328</u>	<u>3,739,456</u>
Shareholders' funds		<u>3,806,328</u>	<u>3,739,456</u>
Company registration number: 01339137			

Approved and authorised by the Board on 1 July 2020 and signed on its behalf by:



Mr H Johnston
Director

The notes on pages 13 to 34 form an integral part of these financial statements.

FRANK JOHNSTON (TRACTORS) LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2019

	Note	2019 £	2018 £
Fixed assets			
Intangible assets	10	83,375	94,875
Tangible assets	11	682,903	739,109
Investment property	12	323,804	323,804
Investments	13	<u>1,501,120</u>	<u>1,501,000</u>
		<u>2,591,202</u>	<u>2,658,788</u>
Current assets			
Stocks	14	186,324	186,324
Debtors	15	<u>286,405</u>	<u>279,600</u>
		472,729	465,924
Creditors: Amounts falling due within one year	17	<u>(186,565)</u>	<u>(303,788)</u>
Net current assets		<u>286,164</u>	<u>162,136</u>
Total assets less current liabilities		2,877,366	2,820,924
Provisions for liabilities	18	<u>(96,487)</u>	<u>(106,614)</u>
Net assets		<u><u>2,780,879</u></u>	<u><u>2,714,310</u></u>
Capital and reserves			
Called up share capital	20	5,100	5,100
Profit and loss account		<u>2,775,779</u>	<u>2,709,210</u>
Shareholders' funds		<u><u>2,780,879</u></u>	<u><u>2,714,310</u></u>
Company registration number: 01339137			

The company made a profit after tax for the financial year of £146,568 (2018 - profit of £183,166).

Approved and authorised by the Board on 1 July 2020 and signed on its behalf by:



Mr H Johnston
Director

The notes on pages 13 to 34 form an integral part of these financial statements.

FRANK JOHNSTON (TRACTORS) LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 OCTOBER 2019**

	Note	2019 £	2018 £
Cash flows from operating activities			
Profit for the year		146,871	556,192
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	5	107,345	116,148
Profit on disposal of tangible assets		(38,679)	(88,516)
Finance income		(50,367)	(24,406)
Finance costs		8,107	19,862
Corporation tax expense	9	<u>37,465</u>	<u>133,222</u>
		210,742	712,502
Working capital adjustments			
(Increase)/decrease in stocks	14	(1,367,037)	474,584
Decrease/(increase) in trade debtors	15	768,007	(132,553)
(Decrease)/increase in trade creditors	17	<u>(97,034)</u>	<u>262,069</u>
Cash generated from operations		(485,322)	1,316,602
Corporation taxes paid	9	<u>(111,287)</u>	<u>(131,879)</u>
Net cash flow from operating activities		<u>(596,609)</u>	<u>1,184,723</u>
Cash flows from investing activities			
Interest received		50,367	24,406
Acquisitions of tangible assets		(227,440)	(474,845)
Proceeds from sale of tangible assets		212,110	202,093
Acquisition of intangible assets	10	<u>-</u>	<u>(28,750)</u>
Net cash flows from investing activities		<u>35,037</u>	<u>(277,096)</u>
Cash flows from financing activities			
Interest paid		(8,107)	(19,862)
Dividends paid		<u>(80,000)</u>	<u>(80,000)</u>
Net cash flows from financing activities		<u>(88,107)</u>	<u>(99,862)</u>
Net (decrease)/increase in cash and cash equivalents		(649,679)	807,765
Cash and cash equivalents at 1 November		<u>(241,845)</u>	<u>(1,049,610)</u>
Cash and cash equivalents at 31 October		<u><u>(891,524)</u></u>	<u><u>(241,845)</u></u>

The notes on pages 13 to 34 form an integral part of these financial statements.

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019

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:

Montgomery Way
Rosehill Industrial Estate
Carlisle
CA1 2RW

These financial statements were authorised for issue by the Board on 1 July 2020.

2 ACCOUNTING POLICIES

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 '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 entity. Monetary amounts in these financial statements are rounded to the nearest £.

Basis of consolidation

The consolidated financial statements consolidate the financial statements of the company and its subsidiary undertakings drawn up to 31 October 2019.

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

A subsidiary is an entity controlled by the company. Control is achieved where the company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company transactions, balances and unrealised gains on transactions between the company and its subsidiaries, which are related parties, are eliminated in full.

Intra-group losses are also eliminated but may indicate an impairment that requires recognition in the consolidated financial statements.

Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the group. Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling shareholder's share of changes in equity since the date of the combination.

The parent company has applied the exemption contained in section 408 of the Companies Act 2006 and has not presented its individual statement of income and retained earnings.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

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 group's activities. Turnover is shown net of sales/Value Added Tax, returns, rebates and discounts and after eliminating sales within the company.

The group 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 group's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates ruling at the reporting period date, with any gains or losses being taken to the statement of income.

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the group operates and generates taxable income.

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

Tangible assets

Tangible assets are stated in the balance sheet 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
Plant and machinery	15% straight line
Fixtures and fittings	15% straight line
Motor vehicles	15% or 25% straight line

No depreciation has been provided for on the freehold property as they are kept in a sound state of repair and in the opinion of the directors the residual value is so high and the useful economic life so long that the depreciation charge would be immaterial. This is not in accordance with FRS 102. The departure from the provisions of FRS 102 is required in order to give a true and fair view.

Investment property

Investment property is initially recorded at cost, which includes purchase price and any directly attributable expenditure.

Investment property is revalued to its fair value at each reporting date and any changes in fair value are recognised in the statement of income.

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

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

Asset class	Amortisation method and rate
Goodwill	10% straight line

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.

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 group will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

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

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

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

2 ACCOUNTING POLICIES (continued)

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 group 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.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the group 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.

Financial instruments

Classification

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Recognition and measurement

Basic financial instruments are initially recognised at the transaction price.

Impairment

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

3 TURNOVER

The analysis of the group's revenue for the year from continuing operations is as follows:

	2019 £	2018 £
Sale of goods	13,848,298	19,588,672
Rendering of services	338,342	495,825
Commissions received	11,546	17,255
	<u>14,198,186</u>	<u>20,101,752</u>

4 OTHER OPERATING INCOME

The analysis of the group's other operating income for the year is as follows:

	2019 £	2018 £
Rent receivable and other income	<u>31,050</u>	<u>33,101</u>

5 OPERATING PROFIT

Arrived at after charging/(crediting)

	2019 £	2018 £
Depreciation expense	95,845	104,648
Amortisation expense	11,500	11,500
Profit on disposal of property, plant and equipment	<u>(38,679)</u>	<u>(88,516)</u>

6 STAFF COSTS

The aggregate payroll costs (including directors' remuneration) were as follows:

	2019 £	2018 £
Wages and salaries	914,667	1,045,075
Social security costs	84,277	95,040
Pension costs, defined contribution scheme	17,521	37,284
Other employee expense	6,852	13,699
	<u>1,023,317</u>	<u>1,191,098</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

6 STAFF COSTS (continued)

The average number of persons employed by the group (including directors) during the year, analysed by category was as follows:

	2019 No.	2018 No.
Administration and support	7	7
Sales	8	7
Other departments	18	25
	<u>33</u>	<u>39</u>

7 DIRECTORS' REMUNERATION

The directors' remuneration for the year was as follows:

	2019 £	2018 £
Remuneration	12,168	12,000
Company contributions to defined contribution pension plans	-	25,000
	<u>12,168</u>	<u>37,000</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019 No.	2018 No.
Defined contribution plans	-	2

8 AUDITOR'S REMUNERATION

	2019 £	2018 £
Audit of these financial statements	<u>5,000</u>	<u>5,000</u>
Other fees to auditors		
All other non-audit services	<u>17,000</u>	<u>9,450</u>

FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)****9 TAXATION**

Tax charged/(credited) in the income statement

	2019	2018
	£	£
Current taxation		
UK corporation tax	41,908	100,117
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(4,443)</u>	<u>33,105</u>
Tax expense in the income statement	<u><u>37,465</u></u>	<u><u>133,222</u></u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - higher than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019	2018
	£	£
Profit before tax	<u>184,336</u>	<u>689,414</u>
Corporation tax at standard rate	130,989	130,989
Tax decrease from effect of capital allowances and depreciation	(89,081)	(30,872)
Tax (decrease)/increase from other short-term timing differences	<u>(4,443)</u>	<u>33,105</u>
Total tax charge	<u><u>37,465</u></u>	<u><u>133,222</u></u>

FRANK JOHNSTON (TRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)**

9 TAXATION (continued)

Deferred tax

Group

Deferred tax assets and liabilities

	Liability £
--	------------------------

2019

Accelerated capital allowances	<u>105,903</u>
--------------------------------	----------------

	Liability £
--	------------------------

2018

Accelerated capital allowances	<u>110,346</u>
--------------------------------	----------------

Company

Deferred tax assets and liabilities

	Liability £
--	------------------------

2019

Accelerated capital allowances	<u>96,487</u>
--------------------------------	---------------

	Liability £
--	------------------------

2018

Accelerated capital allowances	<u>106,614</u>
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FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)****10 INTANGIBLE ASSETS****Group**

	Goodwill £	Total £
Cost or valuation		
At 1 November 2018	<u>115,000</u>	<u>115,000</u>
At 31 October 2019	<u>115,000</u>	<u>115,000</u>
Amortisation		
At 1 November 2018	20,125	20,125
Amortisation charge	<u>11,500</u>	<u>11,500</u>
At 31 October 2019	<u>31,625</u>	<u>31,625</u>
Carrying amount		
At 31 October 2019	<u>83,375</u>	<u>83,375</u>
At 31 October 2018	<u>94,875</u>	<u>94,875</u>

Company

	Goodwill £	Total £
Cost or valuation		
At 1 November 2018	<u>115,000</u>	<u>115,000</u>
At 31 October 2019	<u>115,000</u>	<u>115,000</u>
Amortisation		
At 1 November 2018	20,125	20,125
Amortisation charge	<u>11,500</u>	<u>11,500</u>
At 31 October 2019	<u>31,625</u>	<u>31,625</u>
Carrying amount		
At 31 October 2019	<u>83,375</u>	<u>83,375</u>
At 31 October 2018	<u>94,875</u>	<u>94,875</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

11 TANGIBLE ASSETS

Group	Freehold property £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 November 2018	263,583	155,281	853,233	106,540	1,378,637
Additions	-	26,317	195,882	5,241	227,440
Disposals	-	-	(213,890)	-	(213,890)
At 31 October 2019	<u>263,583</u>	<u>181,598</u>	<u>835,225</u>	<u>111,781</u>	<u>1,392,187</u>
Depreciation					
At 1 November 2018	-	112,702	379,296	41,522	533,520
Charge for the year	-	9,018	76,267	10,559	95,844
Eliminated on disposal	-	-	(40,459)	-	(40,459)
At 31 October 2019	<u>-</u>	<u>121,720</u>	<u>415,104</u>	<u>52,081</u>	<u>588,905</u>
Carrying amount					
At 31 October 2019	<u>263,583</u>	<u>59,878</u>	<u>420,121</u>	<u>59,700</u>	<u>803,282</u>
At 31 October 2018	<u>263,583</u>	<u>42,579</u>	<u>473,937</u>	<u>65,018</u>	<u>845,117</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

11 TANGIBLE ASSETS (continued)

Company

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £	Total £
Cost or valuation					
At 1 November 2018	263,583	108,930	842,728	45,116	1,260,357
Additions	-	-	195,882	-	195,882
Disposals	-	-	(213,890)	-	(213,890)
At 31 October 2019	<u>263,583</u>	<u>108,930</u>	<u>824,720</u>	<u>45,116</u>	<u>1,242,349</u>
Depreciation					
At 1 November 2018	-	107,736	378,354	35,158	521,248
Charge for the year	-	1,108	75,006	2,543	78,657
Eliminated on disposal	-	-	(40,459)	-	(40,459)
At 31 October 2019	<u>-</u>	<u>108,844</u>	<u>412,901</u>	<u>37,701</u>	<u>559,446</u>
Carrying amount					
At 31 October 2019	<u>263,583</u>	<u>86</u>	<u>411,819</u>	<u>7,415</u>	<u>682,903</u>
At 31 October 2018	<u>263,583</u>	<u>1,194</u>	<u>464,374</u>	<u>9,958</u>	<u>739,109</u>

FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)**

12 INVESTMENT PROPERTIES**Group**

	2019
	£
At 1 November 2018 and 31 October 2019	323,804

Company

	2019
	£
At 1 November 2018 and 31 October 2019	<u>323,804</u>

On the 31 October 2019 the carrying amount of the investment property was £323,804 (2018 - £323,804). The directors consider this to be the fair value of the property.

13 INVESTMENTS**Group**

The group has no investments.

Company

	2019	2018
	£	£
Investments in subsidiaries	<u>1,501,120</u>	<u>1,501,000</u>

Subsidiaries**£****Cost or valuation**

At 1 November 2018	1,501,000
Additions	<u>120</u>
At 31 October 2019	<u>1,501,120</u>

Provision**Carrying amount**

At 31 October 2019	<u>1,501,120</u>
At 31 October 2018	<u>1,501,000</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

13 INVESTMENTS (continued)

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held		
			2019	2018	
Subsidiary undertakings					
Johnston Limited	Tractors	Montgomery Way Rosehill Industrial Estate Carlisle CA1 2RW England and Wales	Ordinary	100%	100%
Johnston Limited	Excavators	Montgomery way Rosehill Industrial Estate Carlisle CA1 2RW England and Wales	Ordinary	60%	0%

The principal activity of Johnston Tractors Limited is tractor and machinery sales.

The principal activity of Johnston Excavators Limited is agricultural retail (company currently dormant)

The profit for the financial period of Johnston Tractors Limited was £304 (2018 - £-) and the aggregate amount of capital and reserves at the end of the period was £1,025,450 (2018 - £-).

The profit for the financial period of Johnston Excavators Limited was £- (2018 - £-) and the aggregate amount of capital and reserves at the end of the period was £200 (2018 - £-).

14 STOCKS

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Wholegoods and parts stock	<u>4,869,004</u>	<u>3,501,967</u>	<u>186,324</u>	<u>186,324</u>

FRANK JOHNSTON (TRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)**

15 DEBTORS

		Group		Company	
	Note	2019	2018	2019	2018
		£	£	£	£
Trade debtors		568,726	1,202,521	4,316	-
Amounts owed by related parties	23	4,562	45,229	249,332	238,217
Other debtors		51,881	41,715	1,372	11,539
Prepayments		51,092	154,803	31,385	29,844
		<u>676,261</u>	<u>1,444,268</u>	<u>286,405</u>	<u>279,600</u>

16 CASH AND CASH EQUIVALENTS

		Group		Company	
		2019	2018	2019	2018
		£	£	£	£
Cash on hand		220	220	-	-
Cash at bank		45,228	230,020	-	-
		45,448	230,240	-	-
Bank overdrafts		(936,972)	(472,085)	-	(44)
Cash and cash equivalents in statement of cash flows		<u>(891,524)</u>	<u>(241,845)</u>	<u>-</u>	<u>(44)</u>

FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)****17 CREDITORS**

	Note	Group		Company	
		2019 £	2018 £	2019 £	2018 £
Due within one year					
Loans and borrowings		936,972	472,085	-	44
Trade creditors		1,570,245	1,103,131	31,707	162,487
Amounts due to related parties	23	31,978	36,264	31,978	36,264
Social security and other taxes		46,274	407,049	-	-
Outstanding defined contribution pension costs		4,230	2,985	-	-
Other payables		39,372	35,580	39,372	35,580
Accruals		228,132	432,256	51,768	54,510
Corporation tax liability	9	31,740	101,119	31,740	14,903
		<u>2,888,943</u>	<u>2,590,469</u>	<u>186,565</u>	<u>303,788</u>

The following liabilities disclosed under creditors falling due within one year are secured by the group:

Bank loans and overdrafts £936,972 (2018: £472,085)

The above bank loans and overdrafts are secured by:

A fixed charge over book and other debts, goodwill, uncalled capital and intellectual property and a floating charge over all other assets dated 1 June 1993.

A debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 25 August 2016.

A composite company limited multilateral guarantee dated 8 September 2016 has been given by Frank Johnston (Tractors) Limited, and Johnston Tractors Limited.

FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)****18 DEFERRED TAX AND OTHER PROVISIONS****Group**

	Deferred tax £	Total £
At 1 November 2018	110,346	110,346
Increase (decrease) in existing provisions	<u>(4,443)</u>	<u>(4,443)</u>
At 31 October 2019	<u>105,903</u>	<u>105,903</u>

Company

	Deferred tax £	Total £
At 1 November 2018	106,614	106,614
Increase (decrease) in existing provisions	<u>(10,127)</u>	<u>(10,127)</u>
At 31 October 2019	<u>96,487</u>	<u>96,487</u>

19 PENSION AND OTHER SCHEMES**Defined contribution pension scheme**

The group operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the group to the scheme and amounted to £17,521 (2018 - £37,284).

Contributions totalling £4,230 (2018 - £2,985) were payable to the scheme at the end of the year and are included in creditors.

20 SHARE CAPITAL**Allotted, called up and fully paid shares**

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	5,000	5,000	5,000	5,000
Ordinary B shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>	<u>5,100</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

20 SHARE CAPITAL (continued)

Rights, preferences and restrictions

Ordinary shares have the following rights, preferences and restrictions:

The ordinary shares have attached to them full voting, dividend and capital distribution rights (including on winding up); they do not confer any rights of redemption.

Ordinary B Shares have the following rights, preferences and restrictions:

The ordinary B shares have attached to them non-voting rights, no rights to participate in a surplus on a winding up, rights to a dividend declared on the ordinary B shares, rights to a repayment of paid up capital only in the event of a winding up of the company.

21 RESERVES

Group

Profit and loss account

This reserve records retained earnings and accumulated profits.

22 DIVIDENDS

	2019	2018
	£	£
Dividends of £16.00 (2018 - £16.00) per ordinary share	<u>80,000</u>	<u>80,000</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

23 RELATED PARTY TRANSACTIONS

Group

During the year, dividends totalling £80,000 (2018: £80,000) were paid to the directors.

Mr Johnston is also a director of Agrigroup Limited and owns all of the issued share capital.

Sales, including rent received, to Agrigroup Limited during the year amounted to £117,552 (2018: £713,154). At 31 October 2019 trade debtors include £13,483 (2018: £224) due from Agrigroup Limited.

Purchases from Agrigroup Limited during the year amounted to £795,539 (2018: £999,647). At 31 October 2019 trade creditors include £23,400 (2018: £nil) due to Agrigroup Limited.

The group occupies property owned by the directors and during the year rent of £25,000 (2018: £25,000) was paid by the group. At the year end there were no amounts outstanding.

The group also occupies property owned by the company pension scheme, Johnston Tractors Pension Scheme, of which Mr H and Miss L Johnston are trustees. During the year rent of £9,630 (2018: £9,630) was paid by the group. At the year end there were no amounts outstanding.

During the year, pension contributions of £nil (2018: £25,000) were made to Johnston Tractors Pension Scheme, a scheme set up for the benefit of the directors.

The directors are considered to be the key management personnel and details of their remuneration in the year can be found detailed in note 7.

FRANK JOHNSTON (TRACTORS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)**

23 RELATED PARTY TRANSACTIONS (continued)

Transactions with directors

	At 1 November 2018 £	Advances to directors £	Repayments by director £	At 31 October 2019 £
2019				
Mr H Johnston				
Director's loan account	<u>45,229</u>	<u>-</u>	<u>(40,667)</u>	<u>4,562</u>
Miss L Johnston				
Director's loan account	<u>(36,263)</u>	<u>4,285</u>	<u>-</u>	<u>(31,978)</u>
	At 1 November 2017 £	Advances to directors £	Repay- ments by director £	At 31 October 2018 £
2018				
Mr H Johnston				
Director's loan account	<u>42,144</u>	<u>3,085</u>	<u>-</u>	<u>45,229</u>
Miss L Johnston				
Director's loan account	<u>(33,170)</u>	<u>-</u>	<u>(3,093)</u>	<u>(36,263)</u>

FRANK JOHNSTON (TRACTORS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019 (CONTINUED)

23 RELATED PARTY TRANSACTIONS (continued)

Company

Mr Johnston is also a director of Agrigroup Limited and owns all of the issued share capital. Sales, including rent received, to Agrigroup Limited during the year amounted to £30,986 (2018: £30,755). At 31 October 2019 trade debtors include £4,316 (2018: £nil) due from Agrigroup Limited.

The company also occupies property owned by the company pension scheme, Johnston Tractors Pension Scheme, of which Mr H and Miss L Johnston are trustees. During the year rent of £9,630 (2018: £9,630) was paid by the company. At the year end there were no amounts outstanding.

The company occupies property owned by the directors and during the year rent of £25,000 (2018: £25,000) was paid by the company. At the year end there were no amounts outstanding.

During the year, dividends of £80,000 (2018: £80,000) were paid to the directors.

Pension contributions of £25,000 (2018: £25,000) were made to Johnston Tractors Pension Scheme, a scheme set up for the benefit of the directors.

The directors are considered to be the key management personnel and details of their remuneration in the year can be found detailed in note 7.

During the year the company charged expenses and management charges totalling £432,305 to Johnston Tractors Limited (2018: £418,608).

At the year end the company was owed £250,211 (2018: £192,988) from Johnston Tractors Limited.

Transactions with directors

	At 1 November 2018 £	Advances to directors £	Repayments by director £	At 31 October 2019 £
2019				
Mr H Johnston				
Director's loan account	45,229	-	(40,667)	4,562
Miss L Johnston				
Director's loan account	(36,263)	4,285	-	(31,978)

FRANK JOHNSTON (TRACTORS) LIMITED**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2019
(CONTINUED)****23 RELATED PARTY TRANSACTIONS (continued)**

	At 1 November 2017 £	Advances to directors £	Repayments by director £	At 31 October 2018 £
2018				
Mr H Johnston				
Director's loan account	<u>42,144</u>	<u>3,085</u>	<u>-</u>	<u>45,229</u>
Miss L Johnston				
Director's loan account	<u>(33,170)</u>	<u>-</u>	<u>(3,093)</u>	<u>(36,263)</u>

24 FINANCIAL INSTRUMENTS**Group****Categorisation of financial instruments**

	2019 £	2018 £
Financial assets measured at amortised cost		
Financial assets measured at amortised cost	<u>670,617</u>	<u>1,519,485</u>
	<u>670,617</u>	<u>1,519,485</u>
Financial liabilities measured at amortised cost	<u>2,582,797</u>	<u>1,650,045</u>
	<u>2,582,797</u>	<u>1,650,045</u>

Financial assets measured at amortised cost through the statement of income comprise cash at bank and in hand, trade debtors and other debtors.

Financial liabilities measured at amortised cost through the statement of income comprise bank loans and overdrafts, trade creditors and other creditors.

Company**Categorisation of financial instruments**

	2019 £	2018 £
Financial assets measured at amortised cost	<u>255,020</u>	<u>249,756</u>
	<u>255,020</u>	<u>249,756</u>
Financial liabilities measured at amortised cost	<u>103,057</u>	<u>234,376</u>
	<u>103,057</u>	<u>234,376</u>