

Strategic Report, Report of the Directors and

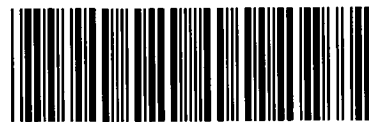
Financial Statements

for the Year Ended 31 July 2016

for

Ron Darch & Sons Co Ltd

SATURDAY



A64WJ4TM

A13

22/04/2017

#142

COMPANIES HOUSE

**Contents of the Financial Statements
for the Year Ended 31 July 2016**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13
Reconciliation of Equity	23
Reconciliation of Profit	25

Ron Darch & Sons Co Ltd
Company Information
for the Year Ended 31 July 2016

DIRECTORS:

N Darch
A T R Darch
J P Darch
S L G Darch
J W Darch

SECRETARY:

S L G Darch

REGISTERED OFFICE:

13A Pen Mill Trading Estate
Yeovil
Somerset
BA21 5HA

REGISTERED NUMBER:

01702395 (England and Wales)

AUDITORS:

Ivan Rendall & Co (Statutory Auditors)
Torre Lea House
33 The Avenue
Yeovil
Somerset
BA21 4BN

**Strategic Report
for the Year Ended 31 July 2016**

The directors present their strategic report for the year ended 31 July 2016.

REVIEW OF BUSINESS

Due to the continued decline in the price of oil in the year, the company's turnover decreased by over 12% on last year. Sales volume of oil did, however, increase by 19%. Gross profit percentage was increased to 18.3% from 14.4% in 2015.

As customers continue to shop around for the best prices due to the continuing economic conditions and oil prices, the company has had to keep very competitive and monitor prices. With a net profit in each of the last four years, it shows the company has adapted well, being able to increase the profit margins on decreased turnover thus showing a good understanding and knowledge in the business. The company have controlled and monitored the costs as much as possible this year, they always strive to obtain the best prices to enable them to pass on the most competitive price to their customers.

The directors are confident that the company has a good rapport with its suppliers and customers and will continue to build on these valued relationships and aim to stay competitive and profitable in the future. It will aim to continue to grow its customer base.

The directors are satisfied with this years results but are fully aware that the company's profitability is reliant on the weather conditions. They will continue to review margins and costs so as to maximise profits, but at the same time stay competitive.

PRINCIPAL RISKS AND UNCERTAINTIES

Market risk

The company seeks to manage market risk from competitors by a policy of geographical and market spread.

Foreign exchange risk

Foreign exchange risk is managed by matching expected foreign currency receipts against foreign currency payments and taking forward contracts out as and when market conditions become attractive.

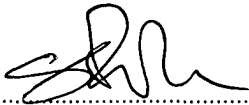
Credit risk

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new customers and by monitoring receipts against payment terms.

Liquidity and cash flow risk

The company monitors cash flow as part of its day to day control procedures. The directors consider cash flow projections on a monthly basis and ensure that facilities are available to be drawn as necessary.

ON BEHALF OF THE BOARD:



.....
S L G Darch - Secretary

Date: 28.3.17

**Report of the Directors
for the Year Ended 31 July 2016**

The directors present their report with the financial statements of the company for the year ended 31 July 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the retail distribution of solid and liquid fuels and other related products.

DIVIDENDS

An interim dividend of £6,750 per share on the 'B' Ordinary £1 shares was paid on 1 April 2016. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

No interim dividend was paid on the 'A' Ordinary £1 shares. The directors recommend that no final dividend be paid on these shares.

The total distribution of dividends for the year ended 31 July 2016 will be £337,500.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 August 2015 to the date of this report.

N Darch
A T R Darch
J P Darch
S L G Darch
J W Darch

Other changes in directors holding office are as follows:

Mrs Y W Darch - deceased 22 July 2016
A R J Darch - deceased 25 September 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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.

**Report of the Directors
for the Year Ended 31 July 2016**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

ON BEHALF OF THE BOARD:



.....
S L G Darch - Secretary

Date:28.3.17.....

Report of the Independent Auditors to the Members of Ron Darch & Sons Co Ltd

We have audited the financial statements of Ron Darch & Sons Co Ltd for the year ended 31 July 2016 on pages seven to twenty five. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

**Report of the Independent Auditors to the Members of
Ron Darch & Sons Co Ltd**

Matters on which we are required to report by exception

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

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

Stephen Rendall

Mr Stephen Rendall (Senior Statutory Auditor)
for and on behalf of Ivan Rendall & Co (Statutory Auditors)
Torre Lea House
33 The Avenue
Yeovil
Somerset
BA21 4BN

Date: 20.4.17

Statement of Comprehensive Income
for the Year Ended 31 July 2016

	Notes	2016 £	2015 £
TURNOVER		14,826,487	16,895,354
Cost of sales		12,119,864	14,467,509
GROSS PROFIT		2,706,623	2,427,845
Distribution costs		1,132,952	940,641
Administrative expenses		1,137,851	1,011,269
		2,270,803	1,951,910
		435,820	475,935
Other operating income		16,507	16,643
OPERATING PROFIT	5	452,327	492,578
Interest receivable and similar income		5,471	6,659
		457,798	499,237
Interest payable and similar expenses	7	10,959	12,010
PROFIT BEFORE TAXATION		446,839	487,227
Tax on profit	8	90,889	100,844
PROFIT FOR THE FINANCIAL YEAR		355,950	386,383
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		355,950	386,383

The notes form part of these financial statements

Statement of Financial Position
31 July 2016


	Notes	2016 £	2015 £
FIXED ASSETS			
Intangible assets	10	-	-
Tangible assets	11	1,722,022	1,698,559
Investment property	12	265,000	265,000
		<u>1,987,022</u>	<u>1,963,559</u>
CURRENT ASSETS			
Stocks	13	882,749	1,009,882
Debtors	14	997,375	1,025,397
Cash at bank and in hand		3,302,450	3,062,446
		<u>5,182,574</u>	<u>5,097,725</u>
CREDITORS			
Amounts falling due within one year	15	1,789,555	1,604,654
NET CURRENT ASSETS		<u>3,393,019</u>	<u>3,493,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>5,380,041</u>	<u>5,456,630</u>
CREDITORS			
Amounts falling due after more than one year	16	(118,154)	(225,523)
PROVISIONS FOR LIABILITIES	18	(127,655)	(115,385)
NET ASSETS		<u><u>5,134,232</u></u>	<u><u>5,115,722</u></u>


The notes form part of these financial statements

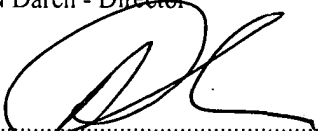
Statement of Financial Position - continued
31 July 2016

	Notes	2016 £	2015 £
CAPITAL AND RESERVES			
Called up share capital	19	230	170
Non distributable reserves	20	170,470	170,470
Retained earnings	20	4,963,532	4,945,082
SHAREHOLDERS' FUNDS		<u>5,134,232</u>	<u>5,115,722</u>

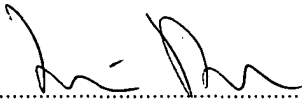
The financial statements were approved by the Board of Directors on 28.3.17 and were signed on its behalf by:


.....
N Darch - Director


.....
J P Darch - Director


.....
A T R Darch - Director


.....
S L G Darch - Director


.....
J W Darch - Director

**Statement of Changes in Equity
for the Year Ended 31 July 2016**

	Called up share capital £	Retained earnings £	Non distributable reserves £	Total equity £
Balance at 1 August 2014	160	4,628,699	170,470	4,799,329
Changes in equity				
Issue of share capital	10	-	-	10
Dividends	-	(70,000)	-	(70,000)
Total comprehensive income	-	386,383	-	386,383
Balance at 31 July 2015	<u>170</u>	<u>4,945,082</u>	<u>170,470</u>	<u>5,115,722</u>
Changes in equity				
Issue of share capital	60	-	-	60
Dividends	-	(337,500)	-	(337,500)
Total comprehensive income	-	355,950	-	355,950
Balance at 31 July 2016	<u>230</u>	<u>4,963,532</u>	<u>170,470</u>	<u>5,134,232</u>

The notes form part of these financial statements

**Statement of Cash Flows
for the Year Ended 31 July 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	1,094,211	949,776
Interest paid		(36)	-
Interest element of hire purchase payments paid		(10,923)	(12,010)
Tax paid		(91,782)	(28,463)
Net cash from operating activities		<u>991,470</u>	<u>909,303</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(248,335)	(118,564)
Sale of tangible fixed assets		3,370	32,356
Interest received		5,471	6,659
Net cash from investing activities		<u>(239,494)</u>	<u>(79,549)</u>
Cash flows from financing activities			
H P and finance leases repayments		(135,429)	(116,389)
Amount introduced by directors		347,392	299,647
Amount withdrawn by directors		(386,495)	(317,014)
Share issue		60	10
Equity dividends paid		(337,500)	(70,000)
Net cash from financing activities		<u>(511,972)</u>	<u>(203,746)</u>
Increase in cash and cash equivalents		<u>240,004</u>	<u>626,008</u>
Cash and cash equivalents at beginning of year	2	3,062,446	2,436,438
Cash and cash equivalents at end of year	2	<u><u>3,302,450</u></u>	<u><u>3,062,446</u></u>

The notes form part of these financial statements

Notes to the Statement of Cash Flows
for the Year Ended 31 July 2016

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit before taxation	446,839	487,227
Depreciation charges	217,420	207,605
Loss/(profit) on disposal of fixed assets	4,082	(14,285)
Finance costs	10,959	12,010
Finance income	(5,471)	(6,659)
	<u>673,829</u>	<u>685,898</u>
Decrease in stocks	127,133	222,279
Decrease in trade and other debtors	67,125	385,280
Increase/(decrease) in trade and other creditors	226,124	(343,681)
	<u>1,094,211</u>	<u>949,776</u>
Cash generated from operations	<u><u>1,094,211</u></u>	<u><u>949,776</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 July 2016

	31.7.16	1.8.15
	£	£
Cash and cash equivalents	<u>3,302,450</u>	<u>3,062,446</u>

Year ended 31 July 2015

	31.7.15	1.8.14
	£	£
Cash and cash equivalents	<u>3,062,446</u>	<u>2,436,438</u>

Notes to the Financial Statements
for the Year Ended 31 July 2016

1. **STATUTORY INFORMATION**

Ron Darch & Sons Co Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

These financial statements have been 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. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in sterling (£).

Significant judgements and estimates

No significant judgements have been made by management in preparing these financial statements.

Turnover

Turnover represents the sales of goods and services and is exclusive of value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisitions of businesses in past years, was amortised in equal installments over its estimated economic useful lives of three years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 10% on cost, 2% on cost and see below
Plant and machinery	- 15% on reducing balance
Fixtures and fittings	- 25% on reducing balance and 15% on reducing balance
Motor vehicles	- 25% on reducing balance and over the lease term

Freehold property includes a property which is being written off in equal instalments over 549 months, being the remaining length of its estimated useful life at 1 January 2006.

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Stocks

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

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Pension costs and other post-retirement benefits

The company operates two defined contribution pension schemes. In accordance with FRS 102 'Post-employment benefits: Defined contribution plans', the company's contributions to these schemes are charged in arriving at operating profit in the profit and loss account in the year to which they relate. The company also contributes to the stakeholder pension schemes of certain employees. The company's contributions to these schemes are also charged in arriving at operating profit in the profit and loss account in the year to which they relate.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

2. ACCOUNTING POLICIES - continued

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

3. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	1,131,547	1,013,091
Social security costs	99,000	88,010
Other pension costs	86,683	41,793
	<u>1,317,230</u>	<u>1,142,894</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Office and management	21	18
Sales and distribution	27	30
Mechanic	1	1
	<u>49</u>	<u>49</u>

4. DIRECTORS' EMOLUMENTS

	2016 £	2015 £
Directors' remuneration	157,015	193,298
Directors' pension contributions to money purchase schemes	<u>68,402</u>	<u>36,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>5</u>	<u>6</u>
------------------------	----------	----------

In addition to the above £34,426 (2015 £nil) was paid into a director's pension scheme as employee's contributions.

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Depreciation - owned assets	148,836	107,773
Depreciation - assets on hire purchase contracts	68,584	99,832
Loss/(profit) on disposal of fixed assets	4,082	(14,285)
Operating lease payments	<u>1,703</u>	<u>1,470</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

6. AUDITORS' REMUNERATION

	2016 £	2015 £
Fees payable to the company's auditors for the audit of the company's financial statements	16,150	19,500
Taxation compliance services	2,000	2,000
Taxation advisory services	1,500	1,500
Other non- audit services	48,412	37,965
	<u> </u>	<u> </u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Other interest	36	-
Hire purchase & lease purchase	10,923	12,010
	<u> </u>	<u> </u>
	10,959	12,010
	<u> </u>	<u> </u>

8. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016 £	2015 £
Current tax:		
UK corporation tax	78,619	101,316
Deferred tax	12,270	(472)
	<u> </u>	<u> </u>
Tax on profit	90,889	100,844
	<u> </u>	<u> </u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	446,839	487,227
	<u> </u>	<u> </u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	89,368	97,445
Effects of:		
Expenses not deductible for tax purposes	3	-
Capital allowances in excess of depreciation	(10,752)	-
Depreciation in excess of capital allowances	-	2,220
Marginal relief adjustments	-	(1,667)
Corporation tax rate change during the year.	-	3,318
Accelerated capital allowances	12,270	(472)
	<u> </u>	<u> </u>
Total tax charge	90,889	100,844
	<u> </u>	<u> </u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

9. DIVIDENDS

	2016 £	2015 £
'A' Ordinary shares of £1 each		
Ordinary A share dividends	-	70,000
'B' Ordinary shares of £1 each		
Ordinary B share dividends	337,500	-
	<u>337,500</u>	<u>70,000</u>

10. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 August 2015	
and 31 July 2016	232,318
AMORTISATION	
At 1 August 2015	
and 31 July 2016	232,318
NET BOOK VALUE	
At 31 July 2016	-
At 31 July 2015	-

11. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 August 2015	1,149,907	896,317	360,027	1,538,252	3,944,503
Additions	2,703	2,734	8,341	234,557	248,335
Disposals	-	-	-	(20,980)	(20,980)
At 31 July 2016	<u>1,152,610</u>	<u>899,051</u>	<u>368,368</u>	<u>1,751,829</u>	<u>4,171,858</u>
DEPRECIATION					
At 1 August 2015	105,171	768,566	318,166	1,054,041	2,245,944
Charge for year	7,593	19,572	11,566	178,689	217,420
Eliminated on disposal	-	-	-	(13,528)	(13,528)
At 31 July 2016	<u>112,764</u>	<u>788,138</u>	<u>329,732</u>	<u>1,219,202</u>	<u>2,449,836</u>
NET BOOK VALUE					
At 31 July 2016	<u>1,039,846</u>	<u>110,913</u>	<u>38,636</u>	<u>532,627</u>	<u>1,722,022</u>
At 31 July 2015	<u>1,044,736</u>	<u>127,751</u>	<u>41,861</u>	<u>484,211</u>	<u>1,698,559</u>

Included in cost of land and buildings is freehold land of £666,250 (2015 - £666,250) which is not depreciated.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

11. **TANGIBLE FIXED ASSETS - continued**

Freehold property includes a property which was previously treated as an investment property with a carrying value of £158,757. This property was acquired during the year ended 31 July 2002 as part of a larger property transaction and the directors valued the cost at £158,757. The directors considered that the value of this property at 31 July 2005 was not materially different from its cost. On 1 January 2006 the company took over this property for its own use.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 August 2015	586,715
Transfer to ownership	(144,096)
	<hr/>
At 31 July 2016	442,619
	<hr/>
DEPRECIATION	
At 1 August 2015	288,879
Charge for year	68,584
Transfer to ownership	(102,957)
	<hr/>
At 31 July 2016	254,506
	<hr/>
NET BOOK VALUE	
At 31 July 2016	188,113
	<hr/>
At 31 July 2015	297,836
	<hr/>

12. **INVESTMENT PROPERTY**

	Total £
FAIR VALUE	
At 1 August 2015 and 31 July 2016	265,000
	<hr/>
NET BOOK VALUE	
At 31 July 2016	265,000
	<hr/>
At 31 July 2015	265,000
	<hr/>

Cost or valuation at 31 July 2016 is represented by:

	£
Valuation in 2014	213,087
Cost	51,913
	<hr/>
	265,000
	<hr/>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

12. INVESTMENT PROPERTY - continued

If the land had not been revalued it would have been included at the following historical cost:

	2016	2015
	£	£
Cost	<u>51,913</u>	<u>51,913</u>

The land was valued on an open market basis on 22 July 2016 by Simons and Sampson.

13. STOCKS

	2016	2015
	£	£
Consumables	15,242	14,369
Goods for resale	867,507	995,513
	<u>882,749</u>	<u>1,009,882</u>

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	659,430	709,018
Other debtors	134,114	139,555
Directors' current accounts	59,449	20,346
Prepayments	144,382	156,478
	<u>997,375</u>	<u>1,025,397</u>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Hire purchase contracts (see note 17)	86,325	114,385
Trade creditors	1,064,086	1,006,090
Tax	90,218	103,381
Social security and other taxes	22,238	26,742
Payments received in advance	466,821	306,507
Pensions	350	-
Accruals & deferred income	59,517	47,549
	<u>1,789,555</u>	<u>1,604,654</u>

16. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Hire purchase contracts (see note 17)	<u>118,154</u>	<u>225,523</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2016	2015
	£	£
Gross obligations repayable:		
Within one year	95,987	125,067
Between one and five years	131,607	248,884
	<u>227,594</u>	<u>373,951</u>
Finance charges repayable:		
Within one year	9,662	10,682
Between one and five years	13,453	23,361
	<u>23,115</u>	<u>34,043</u>
Net obligations repayable:		
Within one year	86,325	114,385
Between one and five years	118,154	225,523
	<u>204,479</u>	<u>339,908</u>
	Non-cancellable operating leases	
	2016	2015
	£	£
Within one year	1,935	735
Between one and five years	7,740	-
In more than five years	968	-
	<u>10,643</u>	<u>735</u>

The company has entered into some hire purchase agreements, classified as finance leases, for motor vehicles that include the option to purchase the items at the end of the lease term for a nominal amount.

18. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax		
Accerated capital allowances	85,038	72,768
Revaluation of investment property	42,617	42,617
	<u>127,655</u>	<u>115,385</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

18. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 August 2015	115,385
Provided during year	12,270
Balance at 31 July 2016	<u>127,655</u>

19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2016 £	2015 £
100	Ordinary	£1	100	100
70	'A' Ordinary	£1	70	70
60	'B' Ordinary	£1	60	-
			<u>230</u>	<u>170</u>

60 'B' Ordinary shares of £1 each were allotted and fully paid for cash at par during the year.

Each ordinary share is entitled to one vote in any circumstances and each ordinary share is also entitled pari passu to dividend payments or any other distribution arising from a winding up of the company.

Class 'A' Ordinary shares and Class 'B' Ordinary shares both have attached to them rights to dividends on winding up or on a reduction of capital. They do not carry any voting or distribution rights.

20. RESERVES

	Retained earnings £	Non distributable reserves £	Totals £
At 1 August 2015	4,945,082	170,470	5,115,552
Profit for the year	355,950		355,950
Dividends	(337,500)		(337,500)
At 31 July 2016	<u>4,963,532</u>	<u>170,470</u>	<u>5,134,002</u>

21. PENSION COMMITMENTS

The company operates two defined contribution pension schemes for its directors and employees. The assets of the pension schemes are held separately from those of the company in independently administered funds. The company also contributes to the stakeholder pension schemes of certain employees. The amount payable to all schemes during the year in respect of the company's contributions amounted to £86,683 (2015 £41,793). The amount outstanding at the year end is £350 (2015 £nil), this is included in creditors in the balance sheet.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

22. CAPITAL COMMITMENTS

	2016 £	2015 £
Contracted but not provided for in the financial statements	<u>102,833</u>	<u>72,328</u>

23. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 July 2016 and 31 July 2015:

	2016 £	2015 £
J W Darch		
Balance outstanding at start of year	-	-
Amounts advanced	67,510	-
Amounts repaid	(67,500)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>10</u>	<u>-</u>
Mrs Y W Darch		
Balance outstanding at start of year	20,345	(6,588)
Amounts advanced	24,770	36,933
Amounts repaid	(9,891)	(10,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>35,224</u>	<u>20,345</u>
S L G Darch		
Balance outstanding at start of year	-	-
Amounts advanced	72,701	-
Amounts repaid	(67,500)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,201</u>	<u>-</u>
N Darch		
Balance outstanding at start of year	-	-
Amounts advanced	75,647	80
Amounts repaid	(67,500)	(80)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>8,147</u>	<u>-</u>
J P Darch		
Balance outstanding at start of year	-	-
Amounts advanced	73,013	-
Amounts repaid	(67,500)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,513</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2016

23. **DIRECTORS' ADVANCES, CREDITS AND GUARANTEES - continued**

A T R Darch

Balance outstanding at start of year	-	-
Amounts advanced	72,853	280,000
Amounts repaid	(67,500)	(280,000)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>5,353</u>	<u>-</u>

The loans are interest free and repayable on demand.

24. **RELATED PARTY DISCLOSURES**

For the current and previous year the company was managed by one of the ordinary share holders, Mr A T R Darch.

Total dividends during the year amounted to £337,500 which was split equally between 'B' Ordinary shareholders, Mr N Darch, Mr S L G Darch, Mr J P Darch, Mr A T R Darch and Mr J W Darch.

During the year the company supplied goods and services to a number of related parties, all transactions were on standard commercial terms. Sales to related parties totalled £6,892 (2015 £9,211). The amount outstanding at 31 July 2016 was £1,879 (2015 £22,441), which is shown within trade debtors. Related party customer account balances in credit amounted to £476 (2015 £nil) and is shown within trade creditors.

25. **POST BALANCE SHEET EVENTS**

The directors have authorised that the financial statements for the year ended 31 July 2016 can be issued on or after the date the auditors sign their report. The shareholders have the power to amend the financial statements after issue.

26. **FIRST YEAR ADOPTION**

This is the first year in which the financial statements have been prepared under FRS 102. Refer to pages 23 to 25 for an explanation of the transition.

The following were changes in accounting policies arising from the transition to FRS 102:

Investment properties.

Under previous UK GAAP the investment properties were held at cost. Under FRS 102 investment properties are required to be revalued at 1 August 2014, 31 July 2015 and 31 July 2016. The property has been valued by the directors, with regards to professional valuations carried out by Simons and Sampson valuing the property at 15 September 2013 and 22 July 2016, and comparatives adjusted accordingly.

Reconciliation of Equity
1 August 2014
(Date of Transition to FRS 102)

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,857,584	(51,913)	1,805,671
Investment property		-	265,000	265,000
		<u>1,857,584</u>	<u>213,087</u>	<u>2,070,671</u>
CURRENT ASSETS				
Stocks		1,232,161	-	1,232,161
Debtors		1,399,898	-	1,399,898
Cash at bank and in hand		2,436,438	-	2,436,438
		<u>5,068,497</u>	<u>-</u>	<u>5,068,497</u>
CREDITORS				
Amounts falling due within one year		(1,884,074)	-	(1,884,074)
NET CURRENT ASSETS		<u>3,184,423</u>	<u>-</u>	<u>3,184,423</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,042,007	213,087	5,255,094
CREDITORS				
Amounts falling due after more than one year		(339,908)	-	(339,908)
PROVISIONS FOR LIABILITIES		<u>(73,240)</u>	<u>(42,617)</u>	<u>(115,857)</u>
NET ASSETS		<u>4,628,859</u>	<u>170,470</u>	<u>4,799,329</u>
CAPITAL AND RESERVES				
Called up share capital		160	-	160
Non distributable reserves		-	170,470	170,470
Retained earnings		4,628,699	-	4,628,699
SHAREHOLDERS' FUNDS		<u>4,628,859</u>	<u>170,470</u>	<u>4,799,329</u>

Reconciliation of Equity - continued
31 July 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		1,750,472	(51,913)	1,698,559
Investment property		-	265,000	265,000
		<u>1,750,472</u>	<u>213,087</u>	<u>1,963,559</u>
CURRENT ASSETS				
Stocks		1,009,882	-	1,009,882
Debtors		1,025,397	-	1,025,397
Cash at bank and in hand		3,062,446	-	3,062,446
		<u>5,097,725</u>	<u>-</u>	<u>5,097,725</u>
CREDITORS				
Amounts falling due within one year		(1,604,654)	-	(1,604,654)
NET CURRENT ASSETS		<u>3,493,071</u>	<u>-</u>	<u>3,493,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,243,543	213,087	5,456,630
CREDITORS				
Amounts falling due after more than one year		(225,523)	-	(225,523)
PROVISIONS FOR LIABILITIES		<u>(72,768)</u>	<u>(42,617)</u>	<u>(115,385)</u>
NET ASSETS		<u>4,945,252</u>	<u>170,470</u>	<u>5,115,722</u>
CAPITAL AND RESERVES				
Called up share capital		170	-	170
Non distributable reserves		-	170,470	170,470
Retained earnings		4,945,082	-	4,945,082
SHAREHOLDERS' FUNDS		<u>4,945,252</u>	<u>170,470</u>	<u>5,115,722</u>

The notes form part of these financial statements

**Reconciliation of Profit
for the Year Ended 31 July 2015**

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	16,895,354	-	16,895,354
Cost of sales	(14,467,509)	-	(14,467,509)
GROSS PROFIT	2,427,845	-	2,427,845
Distribution costs	(940,641)	-	(940,641)
Administrative expenses	(1,011,269)	-	(1,011,269)
Other operating income	16,643	-	16,643
OPERATING PROFIT	492,578	-	492,578
Interest receivable and similar income	6,659	-	6,659
Interest payable and similar expenses	(12,010)	-	(12,010)
PROFIT BEFORE TAXATION	487,227	-	487,227
Tax on profit	(100,844)	-	(100,844)
PROFIT FOR THE FINANCIAL YEAR	386,383	-	386,383