

Registration number: 2388808

Kirwin Brothers Limited

Annual Report and Financial Statements

for the Year Ended 30 June 2017

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COMPANIES HOUSE

Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

Kirwin Brothers Limited

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Kirwin Brothers Limited

Company Information

Directors L Kirwin
G Kirwin

Company secretary L Kirwin

Registered office North Quay
Fish Docks
Grimsby
N.E. Lincolnshire
DN31 3SY

Solicitors Wilkin Chapman
Cartergate House
26 Chantry Lane
Grimsby
N E Lincolnshire
DN31 2LJ

Bankers Yorkshire Bank
12 Bethlehem Street
Grimsby
N E Lincolnshire
DN31 1JZ

Auditors Forrester Boyd
Chartered Accountants
26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

Kirwin Brothers Limited

Strategic Report for the Year Ended 30 June 2017

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

Principal activity

The principal activity of the company is that of wholesale fish merchants.

Fair review of the business

The year has been one of challenging markets, affected by sharp raw material price inflation and UK currency devaluation, both of which have pressurised margins.

Despite these pressures, the Directors are pleased to report increased profits for the year.

The company continues to work closely with its customers to create new products, expand its operations and maintain the good relationships that have facilitated the positive results of recent years.

The knowledge and expertise of the directors within the industry provides the company with an excellent opportunity to grow these relationships further.

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

	Unit	2017	2016
Turnover	£	28,979,169	31,066,049
Gross profit margin	%	6	5
Profit before tax	£	438,019	357,755

The business is in a very strong position with an established customer base growing in size and diversifying the Company's operations. The high level of re-investment in assets and the training of staff has added to the potential for further growth in the operation.

Principal risks and uncertainties

The principal risks and uncertainties faced by the company remain the availability and price of raw material fish supplies which affects the ability of the company to utilise factory capacity, achieve sales, and maintain operating margins.

Approved by the Board on 19 September 2017 and signed on its behalf by:



.....
L. Kirwin
Company secretary and director

Kirwin Brothers Limited

Directors' Report for the Year Ended 30 June 2017

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

Directors of the company

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

L Kirwin - Company secretary and director

G Kirwin

Financial instruments

Objectives and policies

The company uses financial instruments, including derivatives, comprising cash and other liquid resources and various other items such as trade debtors and creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

The business' principal financial instruments comprise bank balances, trade debtors, trade creditors, and finance lease agreements. The main purpose of these instruments is to finance the business' operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest. All business cash balances are held in such a way that achieves a competitive rate of interest.

The company is exposed to a currency risk through the purchases made in foreign currencies and a small amount of sales received in these currencies. The directors manage these risks through the use of forward contracts to obtain the money required at the best possible rate and to 'fix' the cost of the currency used in order to aid financial planning procedures.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits. The amounts presented in the balance sheet are net of allowances for doubtful debtors.

Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

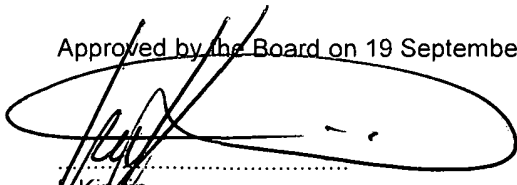
Important non adjusting events after the financial period

Since the financial year end the Company has purchased premises comprising freehold land and buildings at a total cost to the Company of around £1m.

Disclosure of information to the auditors

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 auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 19 September 2017 and signed on its behalf by:



L Kirwin
Company secretary and director

Kirwin Brothers Limited

Statement of Directors' Responsibilities

The directors acknowledge their responsibilities 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 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 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.

Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers Limited

Opinion

We have audited the financial statements of Kirwin Brothers Limited (the 'company') for the year ended 30 June 2017, which comprise the Statement of Income and Retained Earnings, Balance Sheet, 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).

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.

In our opinion the financial statements:

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

Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers Limited

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 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 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.

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 www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Kirwin Brothers Limited

Independent Auditor's Report to the Members of Kirwin Brothers Limited



Kevin Hopper ACA (Senior Statutory Auditor)
For and on behalf of Forrester Boyd, Statutory Auditor

26 South Saint Mary's Gate
Grimsby
North East Lincolnshire
DN31 1LW

19 September 2017

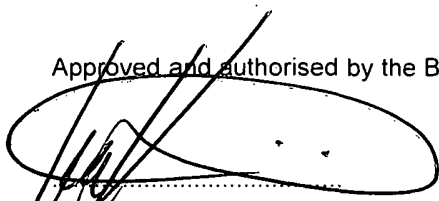
Kirwin Brothers Limited**Statement of Income and Retained Earnings for the Year Ended 30 June 2017**

	Note	2017 £	2016 £
Turnover	3	28,979,169	31,066,049
Cost of sales		<u>(27,142,285)</u>	<u>(29,602,858)</u>
Gross profit		1,836,884	1,463,191
Administrative expenses		<u>(1,374,746)</u>	<u>(1,172,476)</u>
Operating profit	4	462,138	290,715
Interest payable and similar charges	5	<u>(24,119)</u>	<u>67,040</u>
Profit before tax		438,019	357,755
Taxation	9	<u>(80,457)</u>	<u>(76,457)</u>
Profit for the financial year		357,562	281,298
Retained earnings brought forward		1,837,425	1,642,897
Dividends paid		<u>(86,770)</u>	<u>(86,770)</u>
Retained earnings carried forward		<u><u>2,108,217</u></u>	<u><u>1,837,425</u></u>

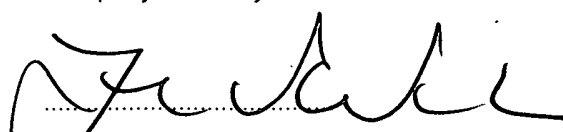
Kirwin Brothers Limited**(Registration number: 2388808)****Balance Sheet as at 30 June 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	1,972,194	2,214,831
Current assets			
Stocks	11	864,570	1,275,666
Debtors	12	3,317,819	3,440,961
Cash at bank and in hand		20,686	178,549
		4,203,075	4,895,176
Creditors: Amounts falling due within one year	14	(3,738,961)	(4,805,561)
Net current assets		464,114	89,615
Total assets less current liabilities		2,436,308	2,304,446
Creditors: Amounts falling due after more than one year	14	(68,116)	(169,927)
Provisions for liabilities		(249,975)	(287,094)
Net assets		2,118,217	1,847,425
Capital and reserves			
Called up share capital	16	10,000	10,000
Profit and loss account	17	2,108,217	1,837,425
Total equity		2,118,217	1,847,425

Approved and authorised by the Board on 19 September 2017 and signed on its behalf by:


L Kirwin

Company secretary and director


G Kirwin
Director

Kirwin Brothers Limited

Statement of Cash Flows for the Year Ended 30 June 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Profit for the year		357,562	281,298
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	4	349,581	266,226
Profit on disposal of tangible assets		(1,500)	(1,965)
Finance costs	5	24,119	(67,040)
Income tax expense	9	80,457	76,457
		<u>810,219</u>	<u>554,976</u>
Working capital adjustments			
Decrease/(increase) in stocks	11	411,096	(148,880)
Decrease/(increase) in trade debtors	12	123,142	(783,758)
(Decrease)/increase in trade creditors	14	(1,568,920)	943,205
Cash generated from operations		(224,463)	565,543
Income taxes paid	9	(68,605)	(16,007)
Net cash flow from operating activities		<u>(293,068)</u>	<u>549,536</u>
Cash flows from investing activities			
Acquisitions of tangible assets		(106,945)	(265,816)
Proceeds from sale of tangible assets		<u>1,500</u>	<u>5,350</u>
Net cash flows from investing activities		<u>(105,445)</u>	<u>(260,466)</u>
Cash flows from financing activities			
Interest paid	5	(24,119)	67,040
Repayment of bank borrowing		-	(17,500)
Payments to finance lease creditors		(132,871)	(126,739)
Dividends paid		<u>(86,770)</u>	<u>(86,770)</u>
Net cash flows from financing activities		<u>(243,760)</u>	<u>(163,969)</u>
Net (decrease)/increase in cash and cash equivalents		(642,273)	125,101
Cash and cash equivalents at 1 July		<u>(806,371)</u>	<u>(931,472)</u>
Cash and cash equivalents at 30 June	13	<u><u>(1,448,644)</u></u>	<u><u>(806,371)</u></u>

The notes on pages 11 to 21 form an integral part of these financial statements.

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

1 General information

The company is a private company limited by share capital incorporated in United Kingdom and the company registration number is 2388808.

The address of its registered office is:

North Quay
Fish Docks
Grimsby
N.E. Lincolnshire
DN31 3SY

These financial statements were authorised for issue by the Board on 19 September 2017.

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'.

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 presentational currency of the financial statements is the British pound sterling. All figures are rounded to the nearest pound.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

Tax

The tax expense for the period comprises current tax. Tax is recognised in the statement of income and retained earnings.

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

The current 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 company operates and generates taxable income.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes, which have arisen but not reversed by the balance sheet date.

Deferred tax is measured at the rates that are expected to apply in the periods when the timing differences are expected to reverse, based on the tax rates and law enacted at the balance sheet date.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	5% straight line basis
Plant and machinery	10-25% reducing balance or 30% straight line basis
Motor vehicles	25% straight line basis

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.

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 the statement of income and retained earnings.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the statement of income and retained earnings over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the statement of income and retained earnings and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

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

	2017 £	2016 £
Sale of goods	<u>28,979,169</u>	<u>31,066,049</u>

The analysis of the company's turnover for the year by market is as follows:

	2017 £	2016 £
UK	27,872,277	30,666,909
Europe	<u>1,106,892</u>	<u>399,140</u>
	<u>28,979,169</u>	<u>31,066,049</u>

4 Operating profit

Arrived at after charging/(crediting)

	2017 £	2016 £
Depreciation expense	349,581	266,226
Profit on disposal of property, plant and equipment	<u>(1,500)</u>	<u>(1,965)</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

5 Interest payable and similar expenses

	2017 £	2016 £
Interest on bank overdrafts and borrowings	39,989	45,564
Interest on obligations under finance leases and hire purchase contracts	12,754	12,950
Interest expense on other finance liabilities	3,600	4,500
Foreign exchange (gains) / losses	(32,224)	(130,054)
	<u>24,119</u>	<u>(67,040)</u>

6 Staff costs

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

	2017 £	2016 £
Wages and salaries	2,830,709	3,460,663
Social security costs	240,327	281,381
Pension costs, defined contribution scheme	60,530	85,646
	<u>3,131,566</u>	<u>3,827,690</u>

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

	2017 No.	2016 No.
Production	114	148
Administration and support	7	7
Sales	5	5
Other departments	2	2
	<u>128</u>	<u>162</u>

7 Directors' remuneration

The directors' remuneration for the year was as follows:

	2017 £	2016 £
Remuneration	19,826	21,236
Contributions paid to money purchase schemes	30,000	60,000
	<u>49,826</u>	<u>81,236</u>

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

	2017 No.	2016 No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>2</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

8 Auditors' remuneration

	2017 £	2016 £
Audit of the financial statements	<u>9,500</u>	<u>9,250</u>

9 Taxation

Tax charged/(credited) in the income statement

	2017 £	2016 £
Current taxation		
UK corporation tax	117,577	68,606
UK corporation tax adjustment to prior periods	<u>(1)</u>	<u>(200)</u>
	117,576	68,406
Deferred taxation		
Arising from origination and reversal of timing differences	<u>(37,119)</u>	<u>8,051</u>
Tax expense in the income statement	<u>80,457</u>	<u>76,457</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2016 - higher than the standard rate of corporation tax in the UK) of 19.75% (2016 - 20%).

The differences are reconciled below:

	2017 £	2016 £
Profit before tax	<u>438,019</u>	<u>357,755</u>
Corporation tax at standard rate	86,509	71,551
Effect of expense not deductible in determining taxable profit (tax loss)	-	1,097
Tax increase (decrease) from effect of capital allowances and depreciation	7,309	4,497
Tax increase (decrease) from changes in pension fund prepayment	(13,455)	(488)
Other tax effects for reconciliation between accounting profit and tax expense (income)	<u>94</u>	<u>(200)</u>
Total tax charge	<u>80,457</u>	<u>76,457</u>

The applicable tax rate has changed to 19% from 1 April 2017 in the current year in accordance with UK company law.

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Deferred tax

Deferred tax assets and liabilities

	Liability £
2017	
Difference between accumulated depreciation and capital allowances	<u>249,975</u>
2016	
Difference between accumulated depreciation and capital allowances	<u>287,094</u>

10 Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 July 2016	323,862	3,235,802	3,559,664
Additions	<u>8,000</u>	<u>98,945</u>	<u>106,945</u>
At 30 June 2017	<u>331,862</u>	<u>3,334,747</u>	<u>3,666,609</u>
Depreciation			
At 1 July 2016	132,669	1,212,165	1,344,834
Charge for the year	<u>21,343</u>	<u>328,238</u>	<u>349,581</u>
At 30 June 2017	<u>154,012</u>	<u>1,540,403</u>	<u>1,694,415</u>
Carrying amount			
At 30 June 2017	<u>177,850</u>	<u>1,794,344</u>	<u>1,972,194</u>
At 30 June 2016	<u>191,193</u>	<u>2,023,638</u>	<u>2,214,831</u>

Included within the net book value of land and buildings above is £177,850 (2016 - £191,193) in respect of short leasehold land and buildings.

Assets held under finance leases and hire purchase contracts

The net carrying amount of tangible assets includes the following amounts in respect of assets held under finance leases and hire purchase contracts:

	2017 £	2016 £
Plant and machinery	<u>330,343</u>	<u>410,829</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

11 Stocks

	2017 £	2016 £
Stocks	<u>864,570</u>	<u>1,275,666</u>

The cost of stocks recognised as an expense in the year amounted to £22,018,836 (2016 - £22,461,553).

12 Debtors

	2017 £	2016 £
Trade debtors	3,194,569	3,217,207
Other debtors	51,373	110,434
Prepayments	<u>71,877</u>	<u>113,320</u>
Total current trade and other debtors	<u>3,317,819</u>	<u>3,440,961</u>

13 Cash and cash equivalents

	2017 £	2016 £
Cash at bank	20,686	178,549
Bank overdrafts	<u>(1,469,330)</u>	<u>(984,920)</u>
Cash and cash equivalents in statement of cash flows	<u>(1,448,644)</u>	<u>(806,371)</u>

14 Creditors

	Note	2017 £	2016 £
Due within one year			
Loans and borrowings	18	1,636,107	1,139,249
Trade creditors		1,809,514	3,240,912
Social security and other taxes		43,610	68,967
Other payables		2,343	145,047
Accrued expenses		129,810	142,780
Corporation tax liability	9	<u>117,577</u>	<u>68,606</u>
		<u>3,738,961</u>	<u>4,805,561</u>
Due after one year			
Loans and borrowings	18	<u>68,116</u>	<u>169,927</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

15 Pension and other schemes

Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £60,530 (2016 - £85,646).

16 Share capital

Allotted, called up and fully paid shares

	2017		2016	
	No.	£	No.	£
Ordinary of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>	<u>10,000</u>

17 Reserves

Called up share capital

Called up share capital comprises of the value of issued share capital at par.

Profit and loss account

The profit and loss account consists of cumulative profits made by the company attributable to the shareholders of the company.

18 Loans and borrowings

	2017 £	2016 £
Non-current loans and borrowings		
Finance lease liabilities	<u>68,116</u>	<u>169,927</u>

	2017 £	2016 £
Current loans and borrowings		
Bank overdrafts	1,469,330	984,920
Finance lease liabilities	101,134	132,195
Other borrowings	<u>65,643</u>	<u>22,134</u>
	<u>1,636,107</u>	<u>1,139,249</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

Secured creditors

Included within bank overdrafts is an overdraft which is denominated in sterling. The carrying amount at the year end is £1,469,330 (2016 - £Nil).

The overdraft facility is secured by a fixed and floating charge over all assets of the company.

Also included within bank overdrafts for the comparative period is an invoice discounting facility which is denominated in sterling. The carrying amount at the year end is £Nil (2016 - £984,920).

Secured by a fixed and floating charge over the company's assets, the facility has been satisfied during the year.

Personal guarantees have been given by Mr L Kirwin and Mr G Kirwin in respect of the company's banking facilities, subject to a maximum of £100,000 each.

Finance lease liabilities are denominated in sterling. The carrying amount at the year end is £169,250 (2016 - £302,122).

Finance lease liabilities are secured against the assets to which they finance.

19 Obligations under leases and hire purchase contracts

Finance leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	101,134	132,194
Later than one year and not later than five years	50,492	102,929
Later than five years	17,624	66,999
	<u>169,250</u>	<u>302,122</u>

Operating leases

The total of future minimum lease payments is as follows:

	2017 £	2016 £
Not later than one year	21,657	21,657
Later than one year and not later than five years	86,628	86,628
Later than five years	108,285	129,942
	<u>216,570</u>	<u>238,227</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £21,657 (2016 - £21,284).

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

20 Related party transactions

Key management compensation

	2017 £	2016 £
Salaries and other short term employee benefits	19,826	21,236
Post-employment benefits	30,000	60,000
	<u>49,826</u>	<u>81,236</u>

Dividends paid to directors

Dividends paid to directors during the year totalled £86,770 (2016: £86,770).

Income and receivables from related parties

	Other related parties £
2017	
Sale of goods	879,643
Amounts receivable from related party	<u>296,442</u>

	Other related parties £
2016	
Sale of goods	781,717
Amounts receivable from related party	<u>66,819</u>

Expenditure with and payables to related parties

	Key management £	Other related parties £
2017		
Purchase of goods	-	25,363
Amounts payable to related party	<u>65,642</u>	<u>-</u>

	Key management £	Other related parties £
2016		
Purchase of goods	-	67,498
Amounts payable to related party	<u>22,134</u>	<u>-</u>

Loans from related parties

	Other related parties £
2017	
At start of period	90,000
Repaid	(92,700)
Interest transactions	<u>2,700</u>
At end of period	<u>-</u>

Kirwin Brothers Limited

Notes to the Financial Statements for the Year Ended 30 June 2017

	Other related parties £
2016	
At start of period	90,000
Repaid	(3,600)
Interest transactions	3,600
At end of period	<u>90,000</u>

Terms of loans from related parties

Loans from other related parties are unsecured with an annual interest rate of 4%. All loans have been repaid.

21 Control

The company is controlled by the directors who own 100% of the called up share capital.

22 Non adjusting events after the financial period

Since the financial year end the Company has purchased premises comprising freehold land and buildings at a total cost to the Company of around £1m.