

Company Registration No. 03150096 (England and Wales)

HUNTER STOVES LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
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HUNTER STOVES LIMITED

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HUNTER STOVES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
Fixed assets					
Goodwill	3		152,783		70,192
Other intangible assets	3		193		217
Total intangible assets			152,976		70,409
Tangible assets	4		1,931,350		1,862,934
Investments	5		75,000		75,000
			2,159,326		2,008,343
Current assets					
Stocks		2,244,271		1,856,540	
Debtors	6	1,552,549		1,161,661	
Cash at bank and in hand		85,254		82,673	
		3,882,074		3,100,874	
Creditors: amounts falling due within one year	7	(2,677,452)		(1,458,077)	
Net current assets			1,204,622		1,642,797
Total assets less current liabilities			3,363,948		3,651,140
Creditors: amounts falling due after more than one year	8		(829,765)		(890,933)
Provisions for liabilities	9		(27,380)		(88,233)
Net assets			2,506,803		2,671,974
Capital and reserves					
Called up share capital	11		17,100		17,100
Share premium account			48,000		48,000
Profit and loss reserves			2,441,703		2,606,874
Total equity			2,506,803		2,671,974

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

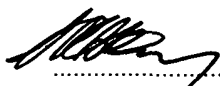
HUNTER STOVES LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2016

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 4/5/17 and are signed on its behalf by:


.....
Mr S P Clatworthy
Director


.....
Mr P J Grimes
Director

Company Registration No. 03150096

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

Company information

Hunter Stoves Limited is a private company limited by shares incorporated in England and Wales. The registered office is Trevilla Park, Slaughterbridge, Camelford, Cornwall, PL32 9TT.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Hunter Stoves Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Research and development expenditure

Research and development expenditure is written off against profits in the year in which it is incurred.

1.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	Land: 0% per annum Freehold buildings: 2% per annum on cost
Land and buildings Leasehold	Straight line over the term of the lease
Plant and machinery	15% per annum on written down value
Fixtures, fittings & equipment	Computers: 25% per annum on cost Other: 25% per annum on written down value
Motor vehicles	25% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

1.7 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction. Financial liabilities classified as payable within one year are not amortised.

1.10 Taxation

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

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.12 Retirement benefits

The Company operates a defined contribution scheme for the benefit of its directors and employees. Contributions payable are charged to the profit and loss account in the year they are payable.

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

1 Accounting policies

(Continued)

1.13 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

1.15 Foreign exchange

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 45 (2015 - 39).

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

3 Intangible fixed assets

	Goodwill £	Other £	Total £
Cost			
At 1 January 2016	152,851	241	153,092
Additions	94,000	-	94,000
At 31 December 2016	246,851	241	247,092
Amortisation and impairment			
At 1 January 2016	82,659	24	82,683
Amortisation charged for the year	11,409	24	11,433
At 31 December 2016	94,068	48	94,116
Carrying amount			
At 31 December 2016	152,783	193	152,976
At 31 December 2015	70,192	217	70,409

4 Tangible fixed assets

	Land and buildings £	Plant and machinery etc £	Total £
Cost			
At 1 January 2016	579,346	2,196,211	2,775,557
Additions	173,044	159,551	332,595
Disposals	-	(98,835)	(98,835)
At 31 December 2016	752,390	2,256,927	3,009,317
Depreciation and impairment			
At 1 January 2016	17,193	895,430	912,623
Depreciation charged in the year	7,692	256,487	264,179
Eliminated in respect of disposals	-	(98,835)	(98,835)
At 31 December 2016	24,885	1,053,082	1,077,967
Carrying amount			
At 31 December 2016	727,505	1,203,845	1,931,350
At 31 December 2015	562,153	1,300,781	1,862,934

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

5 Fixed asset investments

	2016 £	2015 £
Investments	75,000	75,000

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2016 & 31 December 2016	75,000
Carrying amount	
At 31 December 2016	75,000
At 31 December 2015	75,000

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	1,298,453	954,010
Other debtors	254,096	207,651
	1,552,549	1,161,661

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Bank loans and overdrafts	99,574	82,092
Trade creditors	540,761	293,675
Amounts due to group undertakings	75,000	75,000
Other taxation and social security	222,942	196,083
Other creditors	1,739,175	811,227
	<u>2,677,452</u>	<u>1,458,077</u>

Included within other creditors is an amount of £1,051,477 (2015: £379,167) which relates to an advance from the company's factor account. This amount is secured by a fixed charge over book debts.

Included within other creditors are balances totalling £169,582 (2015: £151,902) relating to amounts owed under hire purchase contracts. Net obligations under finance lease and hire purchase contracts are secured on the assets concerned.

The bank loans and overdraft are secured by a charge over freehold property, a debenture and by guarantees given by Parkray Limited and the company's director/shareholders.

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Bank loans and overdrafts	383,387	357,210
Other creditors	446,378	533,723
	<u>829,765</u>	<u>890,933</u>

Amounts included above which fall due after five years are as follows:

Payable by instalments	<u>192,133</u>	<u>222,058</u>
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The long-term loans are secured by a charge over freehold property, a debenture and by guarantees given by Parkray Limited and the company's director/shareholders.

Included within other creditors are balances totalling £332,506 (2015: £432,316) relating to amounts owed under hire purchase contracts. Net obligations under finance lease and hire purchase contracts are secured on the assets concerned

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

9 Deferred taxation

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

	Liabilities 2016 £	Liabilities 2015 £
Balances:		
Accelerated capital allowances	173,461	189,117
Tax losses	(146,081)	(100,884)
	<u>27,380</u>	<u>88,233</u>
Movements in the year:		2016 £
Liability at 1 January 2016		88,233
Credit to profit or loss		(60,853)
Liability at 31 December 2016		<u>27,380</u>

The deferred tax liability set out above is expected to reverse within 36 months.

10 Deferred government grant income

	2016 £	2015 £
Balance at 1 January 2016	101,407	103,527
Amortisation in the year	(2,537)	(2,120)
Deferred income	15,002	-
	<u>113,872</u>	<u>101,407</u>

Deferred government grant income is included within other creditors in Creditors: amounts falling due after more than one year.

HUNTER STOVES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

11 Called up share capital

	2016 £	2015 £
Ordinary share capital		
Issued and fully paid		
17,000 Ordinary shares of £1 each	17,000	17,000
100 Ordinary 'A' shares of £1 each	100	100
	<u>17,100</u>	<u>17,100</u>

Holders of 'A' shares are not entitled to vote at any meetings of the company or to share in any surpluses arising on the winding up of the company.

12 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2016 £	2015 £
Within one year	109,904	109,904
Between two and five years	132,114	242,018
	<u>242,018</u>	<u>351,922</u>