

REGISTRAR OF COMPANIES

Registration number: 05431347

John Skidmore & Co Limited
Unaudited Financial Statements
30 April 2019



John Skidmore & Co Limited

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**Chartered Accountants' Report to the Board of Directors on the Preparation of the
Unaudited Statutory Accounts of
John Skidmore & Co Limited
for the Year Ended 30 April 2019**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of John Skidmore & Co Limited for the year ended 30 April 2019 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/membershandbook>.

This report is made solely to the Board of Directors of John Skidmore & Co Limited, as a body, in accordance with the terms of our engagement letter dated 20 September 2018. Our work has been undertaken solely to prepare for your approval the accounts of John Skidmore & Co Limited and state those matters that we have agreed to state to the Board of Directors of John Skidmore & Co Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than John Skidmore & Co Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that John Skidmore & Co Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of John Skidmore & Co Limited. You consider that John Skidmore & Co Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of John Skidmore & Co Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

Dodd & Co Limited

Chartered Accountants
FIFTEEN Rosehill
Montgomery Way
Rosehill Estate
CARLISLE
CA1 2RW

15 January 2020

John Skidmore & Co Limited

(Registration number: 05431347)
Balance Sheet as at 30 April 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	<u>5</u>	304,267	323,963
Current assets			
Stocks		280,783	248,715
Debtors	<u>6</u>	8,162	87,846
		288,945	336,561
Creditors: Amounts falling due within one year	<u>7</u>	(574,920)	(615,902)
Net current liabilities		(285,975)	(279,341)
Total assets less current liabilities		18,292	44,622
Creditors: Amounts falling due after more than one year	<u>7</u>	(19,167)	(46,385)
Provisions for liabilities		(46,723)	(45,494)
Net liabilities		(47,598)	(47,257)
Capital and reserves			
Allotted, called up and fully paid share capital		300	300
Capital redemption reserve		100	100
Profit and loss account		(47,998)	(47,657)
Total equity		(47,598)	(47,257)

The notes on pages 4 to 10 form an integral part of these financial statements.

John Skidmore & Co Limited

(Registration number: 05431347)

Balance Sheet as at 30 April 2019 (continued)

For the financial year ending 30 April 2019 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 15 January 2020 and signed on its behalf by:

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J Skidmore

Director

The notes on pages 4 to 10 form an integral part of these financial statements.

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

North Hanging Wells
Eastgate
BISHOP AUCKLAND
DL13 2AB

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 have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The company has net liabilities at 30 April 2019 and meets its day to day working capital requirements through its bank overdraft facility which, in common with all such facilities, is repayable on demand. In addition the directors have provided financial support by way of short term loans. On the basis of this support, the directors consider it appropriate to prepare the financial statements on the going concern basis.

However, should the company not have the support of its bankers, and therefore be unable to continue trading, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for any further liabilities which might arise, and to reclassify fixed assets and long term liabilities as current assets and current liabilities.

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.

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.

Government grants

Government grants such as the basic payment scheme are included in the profit and loss account when all the necessary conditions for receipt have been met.

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

Tax

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

The current income 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 in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

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

Depreciation

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

Asset class	Depreciation method and rate
Land and buildings	5% straight line basis
Plant and equipment	15% reducing balance basis
Motor vehicles	25% reducing balance basis
Furniture, fittings and office equipment	33% straight line basis

Land and buildings relate to tenants improvements on land leased by the company from the shareholders. As the long term intention is for the farming operation to continue, it is deemed a true and fair view to depreciate the assets at 5% straight line over their useful economic life.

Goodwill

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

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

Trade debtors

Trade debtors are amounts due from customers for the sale of goods or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Trading stock is valued at the lower of cost and net realisable value, after due regard for obsolete and slow moving stocks. The cost of livestock represents the purchase cost plus any additional costs of rearing the animal. Net realisable value is based on selling price less anticipated selling costs. Crop stock is valued at fair value less any anticipated costs to sell.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method where due after more than one year.

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 Profit and Loss Account 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.

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 Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

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 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 5 (2018 - 7).

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 May 2018	120,000	120,000
At 30 April 2019	120,000	120,000
Amortisation		
At 1 May 2018	120,000	120,000
At 30 April 2019	120,000	120,000
Carrying amount		
At 30 April 2019	-	-
At 30 April 2018	-	-

5 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Furniture, fittings and office equipment £	Total £
Cost or valuation					
At 1 May 2018	112,451	456,994	29,320	100	598,865
Additions	-	23,283	5,895	-	29,178
At 30 April 2019	112,451	480,277	35,215	100	628,043
Depreciation					
At 1 May 2018	54,382	195,389	25,120	11	274,902
Charge for the year	5,623	42,106	1,112	33	48,874
At 30 April 2019	60,005	237,495	26,232	44	323,776
Carrying amount					
At 30 April 2019	52,446	242,782	8,983	56	304,267
At 30 April 2018	58,069	261,605	4,200	89	323,963

John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

6 Debtors

	2019 £	2018 £
Trade debtors	1,615	30,448
Other debtors	6,547	57,398
	<u>8,162</u>	<u>87,846</u>

7 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	<u>8</u>	533,955	528,974
Trade creditors		31,601	74,002
Taxation and social security		566	608
Other creditors		8,798	12,318
		<u>574,920</u>	<u>615,902</u>

Due after one year

Loans and borrowings	<u>8</u>	<u>19,167</u>	<u>46,385</u>
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John Skidmore & Co Limited

Notes to the Financial Statements for the Year Ended 30 April 2019 (continued)

8 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Bank overdrafts	197,136	91,716
Finance lease liabilities	27,218	38,710
Other borrowings	309,601	398,548
	<u>533,955</u>	<u>528,974</u>

Current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2019 £	2018 £
Bank overdrafts	197,136	91,716
Finance lease liabilities	27,218	38,710
	<u>224,354</u>	<u>130,426</u>

Bank overdrafts are secured by fixed and floating charges over the company's assets.

Finance lease liabilities are secured on the assets to which they relate.

	2019 £	2018 £
Non-current loans and borrowings		
Finance lease liabilities	<u>19,167</u>	<u>46,385</u>

Non-current loans and borrowings includes the following liabilities, on which security has been given by the company:

	2019 £	2018 £
Finance lease liabilities	<u>19,167</u>	<u>46,385</u>

Finance lease liabilities are secured on the assets to which they relate.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.