

Company Registration No. 07596664 (England and Wales)

Farrah's of Harrogate Limited

**Unaudited financial statements
for the year ended 31 December 2016**

Pages for filing with the Registrar



Farrah's of Harrogate Limited

Company information

Director	Peter Marston
Company number	07596664
Registered office	Pennine Range Mills Camwal Road Starbeck Harrogate North Yorkshire HG1 4PY
Accountants	Saffery Champness LLP Mitre House North Park Road Harrogate North Yorkshire HG1 5RX

Farrah's of Harrogate Limited

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Farrah's of Harrogate Limited

**Statement of financial position
As at 31 December 2016**

			2016		2015
	Notes	£	£	£	£
Fixed assets					
Goodwill	4		640,000		720,000
Other intangible assets	4		-		2,062
Total intangible assets			640,000		722,062
Tangible assets	5		152,236		157,095
			792,236		879,157
Current assets					
Stocks		261,887		265,455	
Debtors	6	232,153		201,966	
Cash at bank and in hand		442,863		337,142	
			936,903		804,563
Creditors: amounts falling due within one year	7	(881,293)		(653,901)	
Net current assets			55,610		150,662
Total assets less current liabilities			847,846		1,029,819
Creditors: amounts falling due after more than one year	8		(12,208)		(22,928)
Provisions for liabilities			(17,152)		(24,322)
Net assets			818,486		982,569
Capital and reserves					
Called up share capital	10		10,000		10,000
Profit and loss reserves			808,486		972,569
Total equity			818,486		982,569

The director of the company have elected not to include a copy of the income statement 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.

Farrah's of Harrogate Limited

Statement of financial position (continued)


As at 31 December 2016

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

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

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 and signed by the director and authorised for issue on 10/04/17



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Peter Marston
Director

Company Registration No. 07596664

Farrah's of Harrogate Limited

**Statement of changes in equity
For the year ended 31 December 2016**

	Share capital	Profit and loss reserves	Total
Notes	£	£	£
Balance at 1 January 2015	10,000	811,557	821,557
Year ended 31 December 2015:			
Profit and total comprehensive income for the year	-	321,012	321,012
Dividends	-	(160,000)	(160,000)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2015	10,000	972,569	982,569
Year ended 31 December 2016:			
Profit and total comprehensive income for the year	-	320,917	320,917
Dividends	-	(485,000)	(485,000)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2016	<u>10,000</u>	<u>808,486</u>	<u>818,486</u>

1 Accounting policies

Company information

Farrah's of Harrogate Limited is a private company limited by shares incorporated in England and Wales. The registered office is Pennine Range Mills, Camwal Road, Starbeck, Harrogate, North Yorkshire, HG1 4PY.

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 Farrah's of Harrogate 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.

1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

1.3 Intangible fixed assets - goodwill

Goodwill arising on the acquisition of trade and assets represents the excess of the fair value of the consideration over the fair value of the identifiable assets and liabilities acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

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.

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:

Plant and machinery	15% reducing balance
Fixtures, fittings & equipment	15% reducing balance
Computer equipment	33% reducing balance
Motor vehicles	25% reducing balance
Website	2 year straight line

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.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

1.6 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 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.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

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 statement of financial position 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.

Basic financial assets

Basic financial assets, which include debtors, 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 trade and other creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.11 Taxation

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

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

1.12 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.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

Notes to the financial statements (continued)
For the year ended 31 December 2016

1 Accounting policies (continued)

1.14 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 statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the income statement 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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 40 (2015 - 40).

3 Taxation

	2016 £	2015 £
Current tax		
UK corporation tax on profits for the current period	102,194	106,093
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(7,170)	(6,199)
	<u> </u>	<u> </u>
Total tax charge	<u>95,024</u>	<u>99,894</u>

Farrah's of Harrogate Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

4 Intangible fixed assets

	Goodwill	Other	Total
	£	£	£
Cost			
At 1 January 2016 and 31 December 2016	810,000	2,062	812,062
Amortisation and impairment			
At 1 January 2016	90,000	-	90,000
Amortisation charged for the year	80,000	2,062	82,062
At 31 December 2016	170,000	2,062	172,062
Carrying amount			
At 31 December 2016	640,000	-	640,000
At 31 December 2015	720,000	2,062	722,062

5 Tangible fixed assets

	Plant and machinery etc
	£
Cost	
At 1 January 2016	296,272
Additions	37,597
Disposals	(24,108)
At 31 December 2016	309,761
Depreciation and impairment	
At 1 January 2016	139,177
Depreciation charged in the year	32,392
Eliminated in respect of disposals	(14,044)
At 31 December 2016	157,525
Carrying amount	
At 31 December 2016	152,236
At 31 December 2015	157,095

Farrah's of Harrogate Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

5 Tangible fixed assets (continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2016 £	2015 £
Plant and machinery	36,777	43,267
Motor vehicles	-	13,419
	<u>36,777</u>	<u>56,686</u>
Depreciation charge for the year in respect of leased assets	<u>6,490</u>	<u>12,108</u>

6 Debtors

	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	213,222	182,579
Other debtors	18,931	19,387
	<u>232,153</u>	<u>201,966</u>

7 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	183,992	171,049
Amounts due to group undertakings	494,410	-
Corporation tax	102,194	106,093
Other taxation and social security	62,132	50,882
Other creditors	38,565	325,877
	<u>881,293</u>	<u>653,901</u>

8 Creditors: amounts falling due after more than one year

	2016 £	2015 £
Other creditors	<u>12,208</u>	<u>22,928</u>

Farrah's of Harrogate Limited

Notes to the financial statements (continued)
For the year ended 31 December 2016

9 Retirement benefit schemes

	2016	2015
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>28,425</u>	<u>15,437</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

10 Called up share capital

	2016	2015
	£	£
Ordinary share capital		
Issued and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

11 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
£	£
<u>54,206</u>	<u>30,500</u>

12 Related party transactions

During the prior year Gary and Jean Marston, parents of the director, made a loan to the company which is interest free and repayable on demand. At the balance sheet date the amount due to Gary and Jean Marston was £nil (2015: £136,368), this is included in other creditors.

13 Directors' transactions

During the prior year the director of the company, Peter Marston, made a loan to the company which is interest free and repayable on demand. At the balance sheet date the amount due to Peter Marston was £nil (2015: £164,868), this is included in other creditors.

14 Parent company

The company is controlled by Marston Enterprises Limited which is the ultimate controlling party.