

**COMPANY REGISTRATION NUMBER: 07860331**

**Registrar of Companies**

**JOHNSTON TRACTORS LIMITED  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 OCTOBER 2016**



**DAVID ALLEN**  
Chartered Accountants & Statutory Auditor  
Dalmar House  
Barras Lane Estate  
Dalston  
Carlisle  
CA5 7NY

**JOHNSTON TRACTORS LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2016**

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**JOHNSTON TRACTORS LIMITED****BALANCE SHEET****31 OCTOBER 2016**

	Note	2016 £	£	2015 £
<b>CURRENT ASSETS</b>				
Stocks	5	2,663,887		–
Debtors	6	1,146,970		–
Cash at bank and in hand		53,163		1,000
		<u>3,864,020</u>		<u>1,000</u>
<b>CREDITORS: Amounts falling due within one year</b>				
	8	<u>3,675,801</u>		–
<b>NET CURRENT ASSETS</b>			<b>188,219</b>	<b>1,000</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>188,219</b>	<b>1,000</b>
<b>NET ASSETS</b>			<b>188,219</b>	<b>1,000</b>
<b>CAPITAL AND RESERVES</b>				
Called up share capital	11		<b>1,000</b>	1,000
Profit and loss account	12		<b>187,219</b>	–
<b>SHAREHOLDERS' FUNDS</b>			<b>188,219</b>	<b>1,000</b>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 28 March 2017, and are signed on behalf of the board by:



Mr H Johnston  
Director

Company registration number: 07860331

The notes on pages 2 to 6 form part of these financial statements.

**JOHNSTON TRACTORS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 OCTOBER 2016**

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**1. GENERAL INFORMATION**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Montgomery Way, Rosehill Industrial Estate, Carlisle, CA1 2RW.

**2. STATEMENT OF COMPLIANCE**

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland' and the Companies Act 2006.

**3. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements have been prepared on the historical cost basis and in accordance with applicable accounting standards.

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

**Transition to FRS 102**

The entity transitioned from previous UK GAAP to FRS 102 as at 1 December 2014. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 20.

**Judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from those estimates.

**Revenue recognition**

Turnover is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods supplied and services rendered, stated net of discounts and of Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer, usually on despatch of the goods, the amount of revenue can be measured reliably, it is probable that the associated economic benefits will flow to the entity, and the costs incurred or to be incurred in respect of the transactions can be measured reliably. Commission is recognised in line with the sale of goods to which it relates.

When the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period. When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

# **JOHNSTON TRACTORS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (continued)**

**YEAR ENDED 31 OCTOBER 2016**

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### **3. ACCOUNTING POLICIES (continued)**

#### **Taxation**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the statement of income.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

The carrying amount of stock sold is recognised as an expense in the period in which the related revenue is recognised.

#### **Financial instruments**

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

#### **Defined contribution plans**

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided.

**JOHNSTON TRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 OCTOBER 2016****Debtors**

Trade debtors are measured at transaction price, less any impairment losses for bad and doubtful debts. Other debtors are measured at their recoverable amounts. Prepayments are calculated as amounts paid during the financial year, but which relate to a future financial period. Accrued income is recognised where the entity is entitled to the income in the financial year, but the receipt does not occur until a future financial year.

**Cash and cash equivalents**

Cash and cash equivalents comprise all cash held, in bank current accounts, and in bank overdrafts. In the balance sheet, bank overdrafts are shown within current liabilities.

**Creditors**

Creditors are recognised when there is an obligation to transfer funds to a third party in settlement and the amount can be measured reliably. Accruals are calculated as amounts relating to the financial year, but which are paid after the year end. Deferred income includes amounts received in the financial year for revenue relating to future periods.

**4. STAFF COSTS**

The average number of persons employed by the company during the year, including the directors, amounted to:

	<b>2016</b>	2015
	<b>No.</b>	No.
Administrative staff	<b>3</b>	—
Number of service staff	<b>23</b>	—
Number of sales staff	<b>8</b>	—
	<b><u>34</u></b>	<u>—</u>

**5. STOCKS**

	<b>2016</b>	2015
	<b>£</b>	£
Wholegoods and parts stock	<b><u>2,663,887</u></b>	<u>—</u>

**6. DEBTORS**

	<b>2016</b>	2015
	<b>£</b>	£
Trade debtors	<b>1,038,067</b>	—
Prepayments and accrued income	<b>87,566</b>	—
Other debtors	<b><u>21,337</u></b>	<u>—</u>
	<b><u>1,146,970</u></b>	<u>—</u>

**JOHNSTON TRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 OCTOBER 2016**

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**7. CASH AND CASH EQUIVALENTS**

Cash and cash equivalents comprise the following:

	2016	2015
	£	£
Cash at bank and in hand	53,163	1,000
Bank overdrafts	(560,227)	—
	<u>(507,064)</u>	<u>1,000</u>

**8. CREDITORS: Amounts falling due within one year**

	2016	2015
	£	£
Bank loans and overdrafts	560,227	—
Trade creditors	1,365,313	—
Amounts owed to group undertakings	1,399,622	—
Accruals and deferred income	88,567	—
Corporation tax	46,805	—
Social security and other taxes	214,228	—
Pension creditor	1,039	—
	<u>3,675,801</u>	<u>—</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

Bank loans and overdrafts. £560,227 (2015: £nil).

The above bank loans and overdrafts are secured by a debenture including fixed charge over all present freehold and leasehold property; first fixed charge over book and other debts, chattels, goodwill and uncalled capital, both present and future; and first floating charge over all assets and undertaking both present and future dated 25 August 2016.

Composite company limited multilateral guarantee dated 8 September 2016 given by Frank Johnston (Tractors) Limited, Johnston Tractors Limited.

**9. EMPLOYEE BENEFITS****Defined contribution plans**

At the year end the amount outstanding to the pension scheme was £1,039 (2015 - £nil).

**10. FINANCIAL INSTRUMENTS**

The carrying amount for each category of financial instrument is as follows:

	2016	2015
	£	£
Financial assets measured at amortised cost	<u>3,864,020</u>	<u>1,000</u>
Financial liabilities measured at amortised cost	<u>3,604,455</u>	<u>—</u>

**JOHNSTON TRACTORS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (continued)****YEAR ENDED 31 OCTOBER 2016**

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**11. CALLED UP SHARE CAPITAL****Issued, called up and fully paid**

	2016		2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

**12. RESERVES**

Profit and loss account - This reserve records retained earnings and accumulated profits.

**13. TRANSITION TO FRS 102**

These are the first financial statements that comply with FRS 102. The company early adopted FRS 102 on 1 December 2014.

No transitional adjustments were required in equity or profit or loss for the period.

**14. CONTROLLING PARTY**

The company's parent undertaking at the balance sheet date was Frank Johnston (Tractors) Limited, a company registered in England and Wales. The ultimate controlling party at that date was Mr H Johnston.

**15. AUDITOR'S REPORT**

The auditor's report was unqualified with no references made to any matters to which the auditor drew attention by way of emphasis. The auditor's report was signed by Alison Welton as senior statutory auditor for and on behalf of David Allen, Chartered Accountants and Statutory Auditor.