

REGISTERED NUMBER: 08722991 (England and Wales)

Strategic Report, Report of the Directors and
Financial Statements for the Year Ended 31 December 2016
for
A J Seale Limited

Contents of the Financial Statements
for the Year Ended 31 December 2016

	Page
Company Information	1
Strategic Report	2
Report of the Directors	5
Report of the Independent Auditors	7
Income Statement	9
Other Comprehensive Income	10
Balance Sheet	11
Statement of Changes in Equity	12
Cash Flow Statement	13
Notes to the Cash Flow Statement	14
Notes to the Financial Statements	15

DIRECTORS:

Ms N S Seale
A J Seale

REGISTERED OFFICE:

The Grange
Chilcomb
Winchester
Hampshire
SO21 1HR

BUSINESS ADDRESS:

Quins Hay Farm
Froxfield
Petersfield
Hampshire
GU32 1BZ

REGISTERED NUMBER:

08722991 (England and Wales)

INDEPENDENT AUDITORS:

Basra & Basra Ltd
Chartered Accountants & Statutory Auditors
9 London Road
Southampton
Hampshire
SO15 2AE

Strategic Report
for the Year Ended 31 December 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The key financial performance indicators during the year were as follows:

	2016	2015
	£	£
Turnover	11,307,834	10,468,961
Gross profit	958,311	1,028,642
Gross profit %	8.47%	9.83%
Profit after tax	464,453	355,809

The company's turnover for the year has increased from £10,468,961 to £11,307,834 however gross profit has decreased from £1,028,642 to £958,311. The directors monitor gross profit margins as another key performance indicator, and note a decrease in the current year from 9.83% to 8.47%. The decrease in gross profit margin is consistent with the challenging market conditions for agricultural machinery in 2016, with demand for most product lines being in decline. However the directors will continue to assess gross profit margins and seek efficiencies where possible to reduce further decrease. Overall the directors are satisfied with the company's results in 2016 and the year on year increase in turnover.

The future market outlook for agricultural machinery in 2017 is not expected to show any significant signs of improvement, with lower or at best stable demand expected for most agricultural machinery products. The directors continue to reassess their business plans with a view to providing strategies for long term growth.

There continues to be uncertainty surrounding the future of the UK's relationship with Europe and the directors are aware that this may have long-ranging consequences for both the business and the agricultural sector in general. The directors will continue to monitor trading conditions with the EU and are confident that the business will be able to adapt to any new opportunities or challenges which may arise in the future.

Strategic Report
for the Year Ended 31 December 2016

PRINCIPAL RISKS AND UNCERTAINTIES

The management objectives are to retain sufficient liquid funds to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating interest rates, and to match the repayment schedule of any existing borrowings or overdrafts with the future cash flows expected to arise from the company's trading activities.

The company is exposed to a moderate level of financial risk which it manages by financing its operations through retained profits, supplemented by bank loans, hire purchase agreements and loans from related parties. The main risks affecting the company are described in more detail below.

Economic and market risks

The company's market demand is affected by economic cycles and sector specific factors such as commodity prices for farmers. By monitoring relevant commodity prices the company is able to mitigate the risk of severe changes in demand. The directors also take a long term view when building relationships with customers and suppliers, both of which help the business manage short term shifts in demand.

Currency risk

While the company does not deal directly in foreign currencies the market for used machinery is affected by movements in the relative values of the British Pound and the Euro. The directors monitor the impact for the relative strengths of the Pound and Euro on the business and take steps to mitigate risks wherever possible.

Price risk

The main price risk affecting the company is the risk that the value of the company's assets may reduce. The risk affects two main categories of asset - the hire equipment included in fixed assets and the agricultural machinery wholegoods. The directors regularly review the variations of these items and adjust for impairment where necessary.

Interest rate risk

The company's hire purchase agreements are agreed in advance with the relevant finance providers and the interest rate is fixed for the duration of the agreement. The company is therefore not exposed to interest rate risk in respect of these assets.

The company's bank loans are subject to interest at a fixed margin over the LIBOR rate and the company is therefore exposed to interest rate risk in respect of these loans. The directors have reviewed the company's exposure to risk and are satisfied that this is acceptable.

Credit risk

The main credit risk affecting the company is the possibility of losses from irrecoverable bad debts. The company adopts proactive credit control procedures and utilises third-party financing arrangements to mitigate the risk of bad debts and has not suffered any material losses in the financial year.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company utilises hire-purchase financing for the purchase of stock and matches the repayment schedule of this borrowing with the future cash flows expected to arise from the sale of the assets. In 2015, the company obtained a bank loan to finance the acquisition of the freehold property. The repayment terms of this loan have been matched with the future cash flows expected to arise from the company's trading activities.

Cash flow risk

Cash flow risk is the risk of exposure to variability in cash flows. The company manages the risk by ensuring that suitable financing arrangements are in place for the purchase of assets and that monies due from customers are collected in a timely manner.

ON BEHALF OF THE BOARD:

A J Seale - Director

Report of the Directors
for the Year Ended 31 December 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of new and used agricultural machinery, together with the ancillary services of maintenance and the supply of spare parts.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Ms N S Seale
A J Seale

DISCLOSURE IN THE STRATEGIC REPORT

The company's review of business, together with the factors likely to affect its future development, financial position, financial risk management objectives and exposures to economic, market, currency, price, interest rate, credit, liquidity and cash flow risk are described in the Strategic Report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Report of the Directors
for the Year Ended 31 December 2016

AUDITORS

The auditors, Basra & Basra Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

A J Seale - Director

29 September 2017

Report of the Independent Auditors to the Members of
A J Seale Limited

We have audited the financial statements of A J Seale Limited for the year ended 31 December 2016 on pages nine to twenty seven. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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 a Report of the Auditors 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.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic Report and the Report of the Directors to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

Report of the Independent Auditors to the Members of
A J Seale Limited

Matters on which we are required to report by exception

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.

Rajinder Mandair (Senior Statutory Auditor)
for and on behalf of Basra & Basra Ltd
Chartered Accountants & Statutory Auditors
9 London Road
Southampton
Hampshire
SO15 2AE

29 September 2017

Income Statement
for the Year Ended 31 December 2016

		2016	2015
	Notes	£	£
TURNOVER	2	11,307,834	10,468,961
Cost of sales		<u>10,349,523</u>	<u>9,440,319</u>
GROSS PROFIT		958,311	1,028,642
Administrative expenses		<u>501,004</u>	<u>477,348</u>
		457,307	551,294
Other operating income		<u>258,549</u>	<u>-</u>
OPERATING PROFIT	4	715,856	551,294
Interest receivable and similar income		<u>412</u>	<u>718</u>
		716,268	552,012
Interest payable and similar expenses	5	<u>146,938</u>	<u>108,098</u>
PROFIT BEFORE TAXATION		569,330	443,914
Tax on profit	6	<u>104,877</u>	<u>88,105</u>
PROFIT FOR THE FINANCIAL YEAR		<u>464,453</u>	<u>355,809</u>

The notes form part of these financial statements

Other Comprehensive Income
for the Year Ended 31 December 2016

	Notes	2016 £	2015 £
PROFIT FOR THE YEAR		464,453	355,809
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>464,453</u>	<u>355,809</u>

Balance Sheet
31 December 2016

		2016		2015	
	Notes	£	£	£	£
FIXED ASSETS					
Intangible assets	7		10,101		12,794
Tangible assets	8		4,254,359		5,976,104
			4,264,460		5,988,898
CURRENT ASSETS					
Stocks	9	4,562,396		3,164,841	
Debtors	10	571,356		1,354,911	
Cash at bank and in hand		323,396		142,980	
		5,457,148		4,662,732	
CREDITORS					
Amounts falling due within one year	11	6,243,181		5,393,198	
NET CURRENT LIABILITIES			(786,033)		(730,466)
TOTAL ASSETS LESS CURRENT LIABILITIES			3,478,427		5,258,432
CREDITORS					
Amounts falling due after more than one year	12		(2,271,486)		(4,473,134)
PROVISIONS FOR LIABILITIES	16		(95,674)		(138,484)
NET ASSETS			1,111,267		646,814
CAPITAL AND RESERVES					
Called up share capital	17		2		2
Retained earnings	18		1,111,265		646,812
SHAREHOLDERS' FUNDS			1,111,267		646,814

The financial statements were approved by the Board of Directors on 29 September 2017 and were signed on its behalf by:

A J Seale - Director

Ms N S Seale - Director

Statement of Changes in Equity
for the Year Ended 31 December 2016

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	2	291,003	291,005
Changes in equity			
Total comprehensive income	-	355,809	355,809
Balance at 31 December 2015	2	646,812	646,814
Changes in equity			
Total comprehensive income	-	464,453	464,453
Balance at 31 December 2016	2	1,111,265	1,111,267

**Cash Flow Statement
for the Year Ended 31 December 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	2,476,427	3,936,501
Interest paid		(79,005)	(35,373)
Interest element of hire purchase payments paid		(67,933)	(72,725)
Tax paid		(18,197)	(14,714)
Net cash from operating activities		<u>2,311,292</u>	<u>3,813,689</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		-	(13,467)
Purchase of tangible fixed assets		(1,822,627)	(5,473,591)
Sale of tangible fixed assets		3,029,425	1,698,408
Interest received		412	718
Net cash from investing activities		<u>1,207,210</u>	<u>(3,787,932)</u>
Cash flows from financing activities			
New loans in year		-	4,250,000
Loan repayments in year		(1,694,591)	(2,982,533)
Capital repayments in year		(1,643,495)	(1,843,916)
Net cash from financing activities		<u>(3,338,086)</u>	<u>(576,449)</u>
Increase/(decrease) in cash and cash equivalents		<u>180,416</u>	<u>(550,692)</u>
Cash and cash equivalents at beginning of year	2	<u>142,980</u>	<u>693,672</u>
Cash and cash equivalents at end of year	2	<u><u>323,396</u></u>	<u><u>142,980</u></u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement
for the Year Ended 31 December 2016**

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2016	2015
	£	£
Profit for the financial year	464,453	355,809
Depreciation charges	57,359	74,379
Loss on disposal of fixed assets	121,281	142,016
Revaluation losses	339,000	415,624
Finance costs	146,938	108,098
Finance income	(412)	(718)
Taxation	104,877	88,105
	1,233,496	1,183,313
(Increase)/decrease in stocks	(1,397,555)	3,391,125
Decrease in trade and other debtors	783,555	101,286
Increase/(decrease) in trade and other creditors	1,856,931	(739,223)
Cash generated from operations	2,476,427	3,936,501

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	323,396	142,980

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	142,980	693,672

Notes to the Financial Statements
for the Year Ended 31 December 2016

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are prepared in sterling which is the functional currency of the company.

The directors believe that the company is well placed to successfully manage its business risks (as outlined in the Strategic Report) despite the current uncertain economic outlook. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the going concern basis is adopted in preparing these financial statements.

Significant judgements and estimates

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However the nature of estimation means that actual outcomes could differ from those estimates.

In preparing the financial statements, the directors have made the following judgements:

Finance and operating lease commitments

The company has entered into agricultural hire agreements as a lessor on its plant assets. The classification of such leases as operating or finance leases requires the company to determine, based on an evaluation of the terms and conditions of the arrangements, whether it retains the significant risks and rewards of ownership of these assets and accordingly whether the lease requires an asset and liability to be recognised in the balance sheet.

Other key sources of estimation uncertainty

Tangible fixed assets

Tangible fixed assets, other than hire assets, are depreciated over their useful lives, taking into account residual values where appropriate. The actual lives of the assets, and their residual values, are assessed annually and may vary depending on a number of factors.

The company carries its hire equipment, which consists of items of agricultural machinery, at fair value, with changes in fair value being recognised in the income statement. The directors have valued these assets based on their knowledge of the agricultural machinery market taking into account the age and condition of each individual asset. These valuations are, by their nature, subjective and depend upon the directors' ability to accurately assess the market value of the assets.

Stocks

The company carries its stock at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell. The directors have performed impairment tests based on the estimated fair value of each asset. The estimation of fair value is based on the directors' knowledge of the agricultural machinery market and is therefore dependant upon the directors' ability to accurately assess the realisable value of the assets.

Turnover

Turnover is the amount derived from ordinary activities and is stated after trade discounts, other sales taxes and net of VAT. Turnover consists primarily of amounts receivable during the year for the sale and hire of agricultural machinery.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

Turnover relating to the sales of agricultural machinery is recognised at the point that goods are delivered to the customer.

Turnover relating to the hire of agricultural machinery, is recognised on a straight line basis over the hire period.

Turnover also includes income from the provision of service and parts, which is recognised when delivered.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

BPS Entitlements are being amortised evenly over their estimated useful life of five years.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Improvements to property	- 20% on cost
Plant and machinery	- 20% on reducing balance
Motor vehicles	- 25% on reducing balance
Hire equipment	- annual revaluation

Freehold property consists solely of land assets which are considered to have an unlimited useful life and are therefore not depreciated.

Cost represents purchase price together with any incidental costs of acquisition.

Hire equipment is carried at fair value and is revalued annually by the directors to market value. Revaluation gains/losses are recognised in the income statement or other comprehensive income in accordance with FRS 102.

Stocks

Stocks are valued at the lower of cost and net realisable value being the estimated selling price less costs to complete and sell, after making due allowance for obsolete and slow moving items.

Stocks received on a consignment basis are recognised in the balance sheet once the risks and rewards of ownership have transferred.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

1. ACCOUNTING POLICIES - continued

Leased assets

Rentals paid under operating leases are charged to the income statement on a straight line basis over the period of the lease.

Assets held under finance leases and hire purchase contracts are capitalised and included in fixed assets or stock. These assets are revalued annually by the directors based on open market value at the balance sheet date with any revaluation gains/losses being recognised in the income statement. The interest element of rental obligations is charged to the income statement over the period of the lease. The capital element of the future payments is treated as a liability.

Assets held for leasing under operating leases are included in tangible fixed assets at cost less accumulated depreciation.

Financial instruments

Financial instruments are classified and accounted for as financial assets, financial liabilities or equity instruments, according to the substance of the contractual arrangement.

Financial instruments are measured at amortised cost using the effective interest method. Financial instruments that are payable or receivable within one year are measured at the undiscounted amount of the consideration expected to be paid or received.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2016 £	2015 £
Agricultural machinery sales	10,748,961	9,953,888
Agricultural machinery hire	558,873	515,073
	<u>11,307,834</u>	<u>10,468,961</u>

3. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	450,011	446,690
Social security costs	47,930	47,285
	<u>497,941</u>	<u>493,975</u>

The average monthly number of employees during the year was as follows:

	2016	2015
Sales and servicing staff	10	9
Administrative staff	4	3
	<u>14</u>	<u>12</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

3. EMPLOYEES AND DIRECTORS - continued

	2016	2015
	£	£
Directors' remuneration	<u>30,000</u>	<u>30,000</u>

4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	54,666	73,706
Loss on disposal of fixed assets	121,281	142,016
BPS Entitlements amortisation	2,693	673
Auditors' remuneration	10,000	5,000
Auditors' remuneration for non audit work	<u>7,500</u>	<u>12,500</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016	2015
	£	£
Bank loan interest	79,005	35,373
Hire purchase	<u>67,933</u>	<u>72,725</u>
	<u>146,938</u>	<u>108,098</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2016	2015
	£	£
Current tax:		
UK corporation tax	147,508	18,018
Prior year adjustment	<u>179</u>	<u>(757)</u>
Total current tax	<u>147,687</u>	<u>17,261</u>
Deferred tax	<u>(42,810)</u>	<u>70,844</u>
Tax on profit	<u>104,877</u>	<u>88,105</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

6. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2016 £	2015 £
Profit before tax	<u>569,330</u>	<u>443,914</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	113,866	88,783
Effects of:		
Expenses not deductible for tax purposes	104,159	85
Capital allowances in excess of depreciation	(70,517)	(70,850)
Adjustments to tax charge in respect of previous periods	179	(757)
Movement in deferred tax provision	(42,810)	70,844
Total tax charge	<u>104,877</u>	<u>88,105</u>

Unused tax losses and tax credits

As at 31 December 2016 the company had £23,556 of unrelieved capital losses arising from the partial disposal of freehold property.

7. INTANGIBLE FIXED ASSETS

	BPS Entitlements £
COST	
At 1 January 2016 and 31 December 2016	<u>13,467</u>
AMORTISATION	
At 1 January 2016	673
Amortisation for year	<u>2,693</u>
At 31 December 2016	<u>3,366</u>
NET BOOK VALUE	
At 31 December 2016	<u>10,101</u>
At 31 December 2015	<u>12,794</u>

The BPS Entitlement assets provide an entitlement to receive Basic Payment Scheme payments from the Rural Payments Agency. They have no set expiration date and, provided the Scheme's conditions are met, will persist for as long as the Scheme remains in effect. Because there is no fixed period to which the Entitlements relate, their economic life cannot be accurately determined and the assets are therefore amortised evenly over a period of 5 years in accordance with paragraph 18.20 of FRS 102 (August 2014).

The amortisation charge is included within administrative expenses in the income statement.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
COST OR VALUATION			
At 1 January 2016	3,005,118	64,775	67,357
Additions	-	-	2,992
At 31 December 2016	<u>3,005,118</u>	<u>64,775</u>	<u>70,349</u>
DEPRECIATION			
At 1 January 2016	-	25,910	24,068
Charge for year	-	12,955	9,256
Eliminated on disposal	-	-	-
At 31 December 2016	<u>-</u>	<u>38,865</u>	<u>33,324</u>
NET BOOK VALUE			
At 31 December 2016	<u>3,005,118</u>	<u>25,910</u>	<u>37,025</u>
At 31 December 2015	<u>3,005,118</u>	<u>38,865</u>	<u>43,289</u>
	Motor vehicles £	Hire equipment £	Totals £
COST OR VALUATION			
At 1 January 2016	198,933	2,762,233	6,098,416
Additions	40,370	1,779,265	1,822,627
Disposals	(60,905)	(3,113,559)	(3,174,464)
Revaluations	-	(339,000)	(339,000)
At 31 December 2016	<u>178,398</u>	<u>1,088,939</u>	<u>4,407,579</u>
DEPRECIATION			
At 1 January 2016	72,334	-	122,312
Charge for year	32,455	-	54,666
Eliminated on disposal	(23,758)	-	(23,758)
At 31 December 2016	<u>81,031</u>	<u>-</u>	<u>153,220</u>
NET BOOK VALUE			
At 31 December 2016	<u>97,367</u>	<u>1,088,939</u>	<u>4,254,359</u>
At 31 December 2015	<u>126,599</u>	<u>2,762,233</u>	<u>5,976,104</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2016 is represented by:

	Freehold property £	Improvements to property £	Plant and machinery £
Cost	<u>3,005,118</u>	<u>64,775</u>	<u>70,349</u>
	<u>3,005,118</u>	<u>64,775</u>	<u>70,349</u>
	Motor vehicles £	Hire equipment £	Totals £
Valuation in 2014	-	(200,190)	(200,190)
Valuation in 2015	-	(413,601)	(413,601)
Valuation in 2016	-	(339,000)	(339,000)
Cost	<u>178,398</u>	<u>2,041,730</u>	<u>5,360,370</u>
	<u>178,398</u>	<u>1,088,939</u>	<u>4,407,579</u>

Operating leases (as lessor)

Hire equipment includes assets held for use in operating leases. These assets are revalued annually by the directors based on open market value at the balance sheet date with the decrease in the value being charged through the income statement. Agricultural machinery is leased on a short-term basis and leasing revenues are dependent on the level of usage by customers - determination of minimum lease payments is not therefore relevant to these accounts.

Finance leases (as lessee)

The net book value of hire equipment held under hire purchase agreements as at 31 December 2016 is £363,877 (2015: £2,110,998). See note 14 for further details of finance lease commitments.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

9. STOCKS

	2016	2015
	£	£
Stocks	<u>4,562,396</u>	<u>3,164,841</u>

Stocks consist of the following:

	2016	2015
	£	£
Agricultural machinery - wholegoods	4,449,076	2,979,841
Agricultural machinery - attachments	70,000	70,000
Agricultural machinery - used spare	5,000	-
Agricultural machinery - parts	<u>38,320</u>	<u>115,000</u>
	<u>4,562,396</u>	<u>3,164,841</u>

An impairment loss of £243,386 (2015: £106,610) was recognised in cost of sales during the year due to slow-moving and obsolete stock.

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade debtors	377,653	1,054,860
Other debtors	17,116	20,973
Prepayments and accrued income	<u>176,587</u>	<u>279,078</u>
	<u>571,356</u>	<u>1,354,911</u>

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 13)	257,896	75,659
Other loans (see note 13)	513,467	458,058
Hire purchase contracts (see note 14)	1,001,681	2,375,765
Trade creditors	3,958,585	2,207,836
Tax	147,508	18,018
Social security and other taxes	14,959	10,864
VAT	215,922	160,849
Accrued expenses	<u>133,163</u>	<u>86,149</u>
	<u>6,243,181</u>	<u>5,393,198</u>

Hire purchase liabilities are secured over the fixed assets or stock items to which they relate.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans (see note 13)	2,242,104	4,174,341
Hire purchase contracts (see note 14)	29,382	298,793
	<u>2,271,486</u>	<u>4,473,134</u>

13. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank loans	257,896	75,659
Loan from shareholder	480,000	104,000
Loan from related company	33,467	354,058
	<u>771,363</u>	<u>533,717</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>2,242,104</u>	<u>4,174,341</u>

The bank loan and overdraft facility are secured by a personal guarantee of £1m from the shareholder J A Seale, and a legal charge over a property owned by the shareholder J A Seale.

The bank loan accrues interest at a variable rate equivalent to LIBOR plus 1.85% per annum.

Repayments of the bank loan fall due as follows:

	£
Year ended 31 December 2017	257,896
Year ended 31 December 2018	210,528
Year ended 31 December 2019	210,528
Year ended 31 December 2020	<u>1,821,048</u>
	<u>2,500,000</u>

The bank loan includes a covenant with regards to the debt service cover. The company is not currently in breach of this covenant.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

14. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2016	2015
	£	£
Net obligations repayable:		
Within one year	1,001,681	2,375,765
Between one and five years	29,382	298,793
	<u>1,031,063</u>	<u>2,674,558</u>

The company uses hire purchase contracts to acquire agricultural machinery fixed assets and stock. See note 8 for details of the net carrying amount of fixed assets held under hire purchase arrangements, note 9 for details of the net carrying amount of stock held under hire purchase arrangements and note 5 for details of finance charges.

15. FINANCIAL INSTRUMENTS

The financial statements include the following financial instruments:

Financial assets measured at amortised costs

	2016	2015
	£	£
Trade debtors	377,653	1,054,860
Cash in hand	323,396	142,980
	<u>701,049</u>	<u>1,197,840</u>

Financial liabilities measured at amortised cost

	2016	2015
	£	£
Trade creditors	3,958,585	2,207,836
Hire purchase contracts	1,031,063	2,674,558
Loan from shareholder	480,000	104,000
Loan from related company	33,467	354,058
Bank loans	2,500,000	4,250,000
	<u>8,003,115</u>	<u>9,590,452</u>

16. PROVISIONS FOR LIABILITIES

	2016	2015
	£	£
Deferred tax		
Accelerated capital allowances	100,150	143,195
Tax losses carried forward	(4,476)	(4,711)
	<u>95,674</u>	<u>138,484</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

16. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £
Balance at 1 January 2016	138,484
Accelerated capital allowances	(43,045)
Capital losses	235
Balance at 31 December 2016	<u>95,674</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2016	2015
Number:	Class:	Nominal value:	£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

There are no restrictions on the rights of ordinary shares and each is entitled to one vote in any circumstance.

18. RESERVES

	Retained earnings £
At 1 January 2016	646,812
Profit for the year	464,453
At 31 December 2016	<u>1,111,265</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2016**

19. RELATED PARTY DISCLOSURES

J A Seale
Shareholder

During the year, loan repayments of £104,000 were made to J A Seale and advances of £480,000 were received. This loan is unsecured, interest free and repayable on demand.

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>480,000</u>	<u>104,000</u>

Somborne Estate Limited (formerly known as John Seale Limited)
A company under common control

During the year, the company sold goods to Somborne Estate Limited totalling £14,000 (2015: £257,678). At the year end, trade debtors include nil (2015: £75,870) in respect of sales made during the year. These sales were made at normal market prices.

During the year, the company purchased goods from Somborne Estate Limited totalling £150,000 (2015: £1,270,052). At the year end, trade creditors include nil (2015: nil) in respect of purchases made during the year. These purchases were made at normal market prices.

During the year, the company received income on behalf of Somborne Estate Limited totalling nil (2015: nil) and paid expenses on behalf of Somborne Estate Limited totalling nil (2015: nil).

During the year, loan repayments of £340,591 were made to Somborne Estate Limited and advances of £20,000 were received. This loan is unsecured, interest free and repayable on demand.

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>33,467</u>	<u>354,058</u>

JAS Motor Sport Limited

A company in which J A Seale had an interest until the company dissolved on 16 August 2016.

During the year, the company paid sponsorship to JAS Motor Sport Limited totalling nil (2015: £8,900). At the year end, trade creditors included nil (2015: nil) in respect of these purchases. These purchases were made at normal market prices and the trade creditor balances are unsecured, interest free and payable on normal trade terms.

During the year, the company recharged expenditure of nil (2015: £42,247) to JAS Motor Sport Limited.

Prepayments and accrued income includes nil (2015: nil) in respect of expenses paid on behalf of JAS Motor Sports Limited and recharged after the balance sheet date.

	2016	2015
	£	£
Amount due to related party at the balance sheet date	<u>-</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2016

Chilcomb Estate

A partnership between J A Seale and A J Seale

During the year, sales of £9,000 (2015: £410,000) were made to Chilcomb Estate. At the year end, trade debtors include nil (2015: £80,070) in respect of sales made during the year. These sales were made at normal market prices.

During the year, goods were purchased from Chilcomb Estate for £302,000 (2015: nil). At the year end, trade creditors include nil (2015: nil) in respect of purchases made during the year. These purchases were made at normal market prices.

	2016 £	2015 £
Amount due from related party at the balance sheet date	-	80,070

Dunley Park Estate

A sole tradership owned by J A Seale, a shareholder of the company

During the year, sales of £24,000 (2015: £572,000) were made to Dunley Park Estate. At the year end, trade debtors include nil (2015: £92,070) in respect of sales made during the year. These sales were made at normal market prices.

During the year, goods were purchased from Dunley Park Estate for £253,000 (2015: nil). At the year end, trade creditors include nil (2015: nil) in respect of purchases made during the year. These purchases were made at normal market prices.

	2016 £	2015 £
Amount due from related party at the balance sheet date	-	92,070

20. **ULTIMATE CONTROLLING PARTY**

The ultimate controlling party of the company throughout the year was J A Seale, a shareholder of the company.

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.