

# Unaudited Financial Statements

## N. E. Salmon Limited

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For the Year Ended 31 May 2017

Registered number: 00581440



N. E. Salmon Limited

## Company Information

<b>Directors</b>	R J Salmon M Salmon E W Salmon
<b>Company secretary</b>	R J Salmon
<b>Registered number</b>	00581440
<b>Registered office</b>	Hyde Hall Main Road Great Fransham Dereham Norfolk NR19 2HR
<b>Accountants</b>	Grant Thornton UK LLP Chartered Accountants Kingfisher House 1 Gilders Way St James Place Norwich Norfolk NR3 1UB
<b>Bankers</b>	Barclays Bank PLC Norfolk NR3 1WX

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Grant Thornton

## Report to the directors on the preparation of the unaudited statutory financial statements of N. E. Salmon Limited for the year ended 31 May 2017

We have compiled the accompanying financial statements of N. E. Salmon Limited based on the information you have provided. These financial statements comprise the Balance Sheet of N. E. Salmon Limited as at 31 May 2017, the Statement of Comprehensive Income for the year then ended, and a summary of significant accounting policies and other explanatory information.

This report is made solely to the Board of Directors of N. E. Salmon Limited, as a body, in accordance with the terms of our engagement letter dated 4 January 2018. Our work has been undertaken solely to prepare for your approval the financial statements of N. E. Salmon Limited and state those matters that we have agreed to state to the Board of Directors of N. E. Salmon Limited, as a body, in this report in accordance with our engagement letter dated 4 January 2018. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than N. E. Salmon Limited and its Board of Directors, as a body, for our work or for this report.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), Compilation Engagements.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com).

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

Grant Thornton UK LLP

Chartered Accountants

Norwich

Date: 7<sup>th</sup> March 2018

## Balance Sheet

As at 31 May 2017

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Intangible assets	4	108,828	145,104
Tangible assets	5	6,186,022	6,501,585
Investments	6	3,807	2,307
		<u>6,298,657</u>	<u>6,648,996</u>
<b>Current assets</b>			
Stocks	7	691,906	656,905
Debtors: amounts falling due within one year	8	354,506	310,491
Cash at bank and in hand	9	949	514
		<u>1,047,361</u>	<u>967,910</u>
Creditors: amounts falling due within one year	10	<u>(791,609)</u>	<u>(681,344)</u>
<b>Net current assets</b>		<u>255,752</u>	<u>286,566</u>
<b>Total assets less current liabilities</b>		<u>6,554,409</u>	<u>6,935,562</u>
Creditors: amounts falling due after more than one year	11	(4,727,966)	(4,897,754)
<b>Provisions for liabilities</b>			
Deferred tax	12	<u>(116,765)</u>	<u>(141,233)</u>
		<u>(116,765)</u>	<u>(141,233)</u>
<b>Net assets</b>		<u><u>1,709,678</u></u>	<u><u>1,896,575</u></u>
<b>Capital and reserves</b>			
Called up share capital	13	1,650	1,650
Capital redemption reserve		550	550
Other reserves		108,828	145,104
Profit and loss account		<u>1,598,650</u>	<u>1,749,271</u>
		<u><u>1,709,678</u></u>	<u><u>1,896,575</u></u>

**N. E. Salmon Limited**  
**Registered number:00581440**

## Balance Sheet (continued)

As at 31 May 2017

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

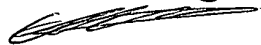
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on  
17 February 2018.



**E W Salmon**  
Director

The notes on pages 5 to 16 form part of these financial statements.

## Statement of Changes in Equity

For the Year Ended 31 May 2017

	Called up share capital £	Capital redemption reserve £	Other reserves £	Profit and loss account £	Total equity £
At 1 June 2015	1,650	550	-	1,991,150	1,993,350
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(241,879)	(241,879)
BPS entitlements	-	-	181,380	-	181,380
<b>Other comprehensive income for the year</b>	-	-	181,380	-	181,380
<b>Total comprehensive income for the year</b>	-	-	181,380	(241,879)	(60,499)
Transfer to/from profit and loss account	-	-	(36,276)	-	(36,276)
<b>Total transactions with owners</b>	-	-	(36,276)	-	(36,276)
At 1 June 2016	1,650	550	145,104	1,749,271	1,896,575
<b>Comprehensive income for the year</b>					
Loss for the year	-	-	-	(150,621)	(150,621)
<b>Other comprehensive income for the year</b>	-	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	-	(150,621)	(150,621)
Transfer to/from profit and loss account	-	-	(36,276)	-	(36,276)
<b>Total transactions with owners</b>	-	-	(36,276)	-	(36,276)
At 31 May 2017	1,650	550	108,828	1,598,650	1,709,678

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 1. General information

N. E. Salmon Limited is a private company limited by shares and is incorporated in England & Wales. The registered office is Hyde Hall, Main Road, Great Fransham, Dereham, Norfolk, NR19 2HR.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. This is the first year in which the financial statements have been prepared under FRS102 Section 1A and the date of transition is 1 June 2016. An explanation of the transition is referred to in the notes to the financial statements. The financial statements are presented in sterling (£).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

### 2.2 Going concern

The directors have a reasonable expectation that the company has adequate resources to continue its operational existence for the foreseeable future, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 2. Accounting policies (continued)

### 2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.4 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the revaluation model, intangible assets shall be carried at a revalued amount, being its fair value at the date of revaluation less any subsequent accumulated amortisation and subsequent impairment losses - provided that the fair value can be determined by reference to an active market.

Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the balance sheet date.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

## Notes to the Financial Statements

For the Year Ended 31 May 2017

### 2. Accounting policies (continued)

#### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and on a reducing balance basis.

Depreciation is provided on the following basis:

Freehold land and buildings	- Not depreciated
Improvements to leasehold property	- 10% reducing balance or 20% straight line
Plant and machinery	- 20% reducing balance
Motor vehicles	- 20% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

#### 2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

#### 2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 2. Accounting policies (continued)

### 2.9 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

### 2.10 Creditors

Short term creditors are measured at the transaction price.

### 2.11 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of comprehensive income in the same period as the related expenditure.

### 2.12 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## 3. Employees

The average monthly number of employees, including directors, during the year was 10 (2016 - 10).

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 4. Intangible assets

	BPS Entitlements £
<b>Cost</b>	
At 1 June 2016	181,380
At 31 May 2017	181,380
<b>Amortisation</b>	
At 1 June 2016	36,276
Charge for the year	36,276
At 31 May 2017	72,552
<b>Net book value</b>	
At 31 May 2017	108,828
At 31 May 2016	145,104

## Notes to the Financial Statements

For the Year Ended 31 May 2017

## 5. Tangible fixed assets

	Freehold land and buildings £	Improve- ments to leasehold property £	Plant and machinery £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 June 2016	3,899,060	1,915,953	3,335,129	122,236	9,272,378
Additions	-	21,847	105,253	-	127,100
Disposals	-	-	(138,875)	(14,759)	(153,634)
At 31 May 2017	<u>3,899,060</u>	<u>1,937,800</u>	<u>3,301,507</u>	<u>107,477</u>	<u>9,245,844</u>
<b>Depreciation</b>					
At 1 June 2016	-	891,535	1,812,292	66,966	2,770,793
Charge for the year on owned assets	-	102,441	306,349	10,852	419,642
Disposals	-	-	(118,387)	(12,226)	(130,613)
At 31 May 2017	<u>-</u>	<u>993,976</u>	<u>2,000,254</u>	<u>65,592</u>	<u>3,059,822</u>
<b>Net book value</b>					
At 31 May 2017	<u>3,899,060</u>	<u>943,824</u>	<u>1,301,253</u>	<u>41,885</u>	<u>6,186,022</u>
At 31 May 2016	<u>3,899,060</u>	<u>1,024,418</u>	<u>1,522,837</u>	<u>55,270</u>	<u>6,501,585</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2017 £	2016 £
Plant and machinery	<u>785,279</u>	<u>936,691</u>
	<u>785,279</u>	<u>936,691</u>

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 6. Fixed asset investments

	Unlisted investments £
<b>Cost or valuation</b>	
At 1 June 2016	2,307
Additions	1,500
	<hr/>
<b>Net book value</b>	
At 31 May 2017	3,807
	<hr/>
At 31 May 2016	2,307
	<hr/>

## 7. Stocks

	2017 £	2016 £
Raw materials	5,784	5,784
Work in progress	464,961	456,415
Finished goods and goods for resale	221,161	194,706
	<hr/>	<hr/>
	691,906	656,905
	<hr/>	<hr/>

## 8. Debtors

	2017 £	2016 £
Trade debtors	267,867	205,661
Other debtors	12,276	32,350
Prepayments and accrued income	74,363	72,480
	<hr/>	<hr/>
	354,506	310,491
	<hr/>	<hr/>

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 9. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	949	514
Less: bank overdrafts	(135,028)	(93,852)
	<u>(134,079)</u>	<u>(93,338)</u>

## 10. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Bank overdrafts	135,028	93,852
Bank loans	35,110	83,028
Other loans	44,083	43,432
Trade creditors	218,122	81,121
Other taxation and social security	21,009	16,824
Obligations under finance lease and hire purchase contracts	192,445	180,815
Other creditors	103,434	73,883
Accruals and deferred income	42,378	108,389
	<u>791,609</u>	<u>681,344</u>

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 11. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Bank loans	4,357,557	4,341,430
Other loans	136,257	180,340
Net obligations under finance leases and hire purchase contracts	234,152	375,984
	<u>4,727,966</u>	<u>4,897,754</u>

Creditors include amounts not wholly repayable within 5 years as follows:

	2017 £	2016 £
Repayable by instalments	970,208	208,818
Repayable other than by instalments	3,350,299	4,104,134
	<u>4,320,507</u>	<u>4,312,952</u>

The bank loans are repayable as follows:

- loan 1 of £1,750,296 (2016 - £1,750,296) is repayable by one instalment at the term by 30 December 2040, interest is charged at 2.05% above base rate.

- loan 2 of £1,600,000 (2016 - £1,600,000) is repayable by one instalment at the termination of the loan by 30 December 2040, interest charged is at a fixed rate of 5.54%.

- loan 3 of £180,345 (2016 - £223,772) is repayable by annual instalments of £46,788 by 20 January 2020, interest is charged at 1.5%.

- loan 4 of £1,011,423 (2016 - £1,012,464) is repayable by monthly instalments from June 2017 of £5,820 by May 2035, interest is charged at 1.55% above base rate.

The bank loans are secured by a legal charge over High House Farm, Wendling, Norfolk, and Huntingfield Farm, Bradenham, Norfolk.

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 12. Deferred taxation

	2017 £
At beginning of year	(141,233)
Charged to profit or loss	24,468
<b>At end of year</b>	<b>(116,765)</b>

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(194,273)	(206,486)
Tax losses carried forward	77,508	65,253
	<b>(116,765)</b>	<b>(141,233)</b>

## 13. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
1,650 Ordinary shares shares of £1 each	<b>1,650</b>	<b>1,650</b>

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 14. Pension commitments

The company operates two defined contribution pension schemes, one for the benefit of the directors and one for the other employees. The schemes are administered by assurance companies independent of the company's finances. The company's contributions are charged to the profit and loss account in the year in which they accrue and amounted to £10,095 (2016 - £3,387). There were no amounts payable nor outstanding to the schemes at the end of the year (2016 - £Nil). Contributions were made to the directors pension scheme during the year of £Nil (2016 - £Nil).

## 15. Related party transactions

The company was under the control of R J Salmon throughout the current and previous year. At 31 May 2017 the company was (owed)/due to the directors the following, included in other (debtors)/creditors:

	2017 £	2016 £
R J Salmon	(12,276)	(29,563)
M Salmon	255	608
E W Salmon	103,179	73,275

During the year under review the director (E W Salmon) received rent on land owned by them and farmed by the company. The rent paid during the year amounted to £90,381 (2016 - £90,381).

The directors have an interest in the N E Salmon Limited Directors' Pension Scheme from which the company rents farm land under commercial terms. During the year £Nil (2016 - £8,200) of farm rent was paid to the pension scheme. The company received a short term loan and paid loan interest of £5,410 (2016 - £3,356) to the pension scheme. The amount outstanding at 31 May 2017 £180,345 (2016 - £223,772).

Security for the bank overdraft facility is provided by the directors.

# Notes to the Financial Statements

For the Year Ended 31 May 2017

## 16. First time adoption of FRS 102

The Company transitioned to FRS 102 from previously extant UK GAAP as at 1 June 2015. The impact of the transition to FRS 102 is as follows:

### Reconciliation of equity at 1 June 2015

	Note	£
Equity at 1 June 2015 under previous UK GAAP		1,993,350
Basic Payment Entitlements		181,380
<b>Equity shareholders funds at 1 June 2015 under FRS 102</b>		<b>2,174,730</b>

### Reconciliation of equity at 31 May 2016

	Note	£
Equity at 31 May 2016 under previous UK GAAP		1,751,471
Basic Payment Entitlements		145,104
<b>Equity shareholders funds at 31 May 2016 under FRS 102</b>		<b>1,896,575</b>

### Reconciliation of profit and loss account for the year ended 31 May 2016

	£
Loss for the year under previous UK GAAP	(241,879)
Basic Payment Entitlements	145,104
<b>Loss for the year ended 31 May 2016 under FRS 102</b>	<b>(96,775)</b>

The following were changes in accounting policies arising from the transition to FRS 102:

- 1 Basic Payment Entitlements