Company Number: 3811755
(England and Wales)

FARRINGTONS LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDING
31 AUGUST 2018

PAGES FOR FILING WITH REGISTRAR

Contents

Company Information

The board of directors	Ronald Farrington Christine Farrington Paul Farrington
Company secretary	Christine Farrington
Company number	03811755
Registered office	Anchorage Estate Guide Road Hesketh Bank Preston PR4 6XS

Balance sheet

at 31 August 2018

	Note	31 August 2018	31 August 2017
		£	£
Fixed assets			
Tangible assets	3	238,234	223,094
Current assets			
Stock		68,335	41,009
Debtors	4	548,269	477,028
Cash at bank and in hand		156	443
		616,760	518,480
Creditors: amounts falling due within one year	5	(730,346)	(624,569)
Net current assets		(113,586)	(106,089)
Total assets plus current assets		124,648	117,005
Creditors: amounts falling due after one year	6	(546,231)	(547,706)
Net assets / (liabilities)		(421,583)	(430,701)
Capital and reserves			
Called up equity share capital	7	350,000	350,000
Profit and loss account		(771,583)	(780,701)
Total equity		(421,583)	(430,701)

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 August 2018 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

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

The members have 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 by the board of directors and authorised for issue on 18/2/2019, and are signed on their behalf by:

....

Paul Farrington
Director

Company Registration Number: 03811755

Notes

(forming part of the financial statements)

1 Accounting policies

Company information

Farringtons Limited is a private company limited by shares incorporated in England and Wales. The registered office is Anchorage Estate, Guide Road, Hesketh Bank, Preston, PR4 6XS.

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 rue 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, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements are prepared in accordance with FRS 102.

1.2 Going concern

At 31 August 2018 the liabilities of the company exceeded its assets by £421,583. However, the accounts include a balance of £412,604 due to the directors of the company and they will not be seeking repayments of this balance in the foreseeable future. The company has reported profits for six of the last nine accounting periods in line with plans put in place to improve the profitability of the business. The bank has indicated its ongoing support.

Accordingly, at the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sales of vegetables and nursery products.

Revenue from the sale of seeds is recognised when the plants are ordered. Revenue from the sale of plants is recognised when the plants are dispatched.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their estimated residual value over their useful lives on the following basis:

Plant and equipment	15% reducing balance
Motor Vehicles	25% reducing balance

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 and loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

1.6 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 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.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 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 balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 and cash and bank balances, 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 receivables 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 entity after deducting all of its financial liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group companies 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. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.9 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.

1.10 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 port 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.

1.11 Retirement benefits

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

1.12 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 balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account 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.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 12 (2017 – 16).

3 Tangible fixed assets

	Plant & machinery etc
	£
Cost	
At 1 September 2017	626,289
Additions	60,720
Disposals	-
At 31 August 2018	**687,009**
Depreciation	
At 1 September 2017	403,195
Charge for the year	45,580
Adjustment for disposal	
At 31 August 2018	**448,775**
Net book value	
At 31 August 2018	**238,234**
At 31 August 2017	223,094

4 Debtors

Amounts falling due within one year:	**2018** £	**2017** £
Trade debtors	482,564	401,195
Amounts owed by group undertaking	61,752	71,305
Other debtors	3,953	4,528
	548,269	477,028

5 Creditors: amounts falling due within one year

	2018 £	2017 £
Bank loans and overdrafts	100,174	69,591
Trade creditors	445,162	324,832
Taxation and social security	39,119	1,441
Other creditors	145,891	228,705
	730,346	624,569

Included in creditors above are balances totalling £247,963 (2017: £192,667) which are secured on the company's assets and by a cross-guarantee between this company and a fellow group company.

6 Creditors: amounts falling due after more one year

	2018 £	2017 £
Bank loans and overdrafts	77,723	81,471
Other creditors	468,508	466,235
	546,231	547,706

Included in creditors above are balances totalling £133,628 (2017: £128,136) which are secured on the company's assets and by a cross-guarantee between this company and a fellow group company.

7 Called up share capital

	2018 £	2017 £
Ordinary share capital		
Issued and fully paid		
350,000 Ordinary A shares of £1 each	350,000	350,000
	350,000	350,000

8 Financial commitments, guarantees and contingent liabilities

A cross guarantee exists between this company and a fellow group company regarding bank debt. At the year end the bank debt in the other group company covered by this cross guarantee was £284,012 (2017: £284,568). The bank debt is secured against the assets held by the group.

9 Operating leases commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2018 £	2017 £
	7,500	7,500

10 Related party transactions

The following amounts were outstanding at the reporting end date:

Amounts owed to related parties	2018 £	2017 £
Key management personnel	412,604	419,570
Other related parties	211	14,327

The following amounts were outstanding at the reporting end date:

Amounts owed by related parties	2018 £	2017 £
Entities with control, joint control or significant influence over the company	61,752	71,305