

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
FRANK SUTTON LIMITED**



FRANK SUTTON LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016**

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FRANK SUTTON LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016**

DIRECTORS:

C F Sutton
Mrs M Sutton
B F Sutton

SECRETARY:

Mrs M Sutton

REGISTERED OFFICE:

Castle Garages
Cuckoos Row
Raglan
Monmouthshire
NP15 2HH

REGISTERED NUMBER:

05030390 (England and Wales)

AUDITORS:

Graham Paul Limited
(Statutory Auditor)
Court House
Court Road
Bridgend
CF31 1BE

SOLICITORS:

Gabb and Co
Old Bank House
Beufort Street
Crickhowell
Powys
NP8 1AD

FRANK SUTTON LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

FRANK SUTTON LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

REVIEW OF BUSINESS

The company's principal activity during the year continued to be that of the supply and maintenance of agricultural machinery in the new and second-hand market.

The company is a main dealer for the sale and maintenance of John Deere and Caterpillar equipment also selling a variety of other main brands relevant to this market.

During the year the company experienced a rise in turnover of 14%, following drop in 2015. The company trades in diverse markets across Wales and into Southern England. The directors are committed to the ongoing development of the company seeking new customers and markets whilst continuing to deliver an excellent service to its existing customer base.

The directors are expecting Turnover to slow down in 2018 following a good start to the year. Brexit continues to cause uncertainty in the machinery market, while sterling movements have meant that imported machinery is more expensive. The continuing aim of the director's to use the strong financial and market place position of the Company to deliver ongoing growth, to reinforce the strong foundation of a unique business model.

Both of the company's sites at Raglan and Bridgend continued in 2017 continued to perform well both delivering a resilient trading performance.

The company has now completed a program of site expansion and modernisation at Raglan and will now continue with further investment being made into the site at St Mary's Hill Bridgend and the continuing development of the information technology systems employed across the company.

The directors remain committed to the John Deere brand along with the other brands and franchises utilised and partnered by the company.

The directors are satisfied with the trading results returned in a year of Brexit uncertainty and ongoing development. The company has maintained all of its franchise accreditations and approvals. They are also pleased to be able to report a further strengthening of the balance sheet position of the company which sees further improvement in short term liquidity and reports significant distributable reserves putting the company in a strong position to develop and expand.

The directors continue to be aware of the cash flow challenges faced by the business but feel confident that as they have done so far in the development of the company they will be able to fund growth as it develops from the various third party financial resources they have worked with so far and by using the directors own sources of finance.

Financial Key Performance Indicators

The company uses a range of performance measures to monitor and manage the business effectively.

These are both financial and non-financial and the most significant of these are the key performance indicators (KPI's). The KPI's for the year ended 31 December 2016 with comparatives for 2015 and 2014 are summarised as follows:

	2016 £	2015 £	2014 £
Turnover	14,035,871	12,314,746	14,207,969
Turnover growth	14%	(13%)	7%
Gross profit margin	9%	11%	10%
Profit before tax	513,641	523,900	594,589

FRANK SUTTON LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

PRINCIPAL RISKS AND UNCERTAINTIES

The company is exposed to price, credit, liquidity and cash flow risks as it trades from day to day. The company manages these risks by financing its operations through retained profits, use of an overdraft, main dealer finance plans, long term bank and shareholder borrowings where necessary.

The management objectives are to retain sufficient liquid funds in the business to enable it to meet its day to day requirements, minimise the company's exposure to fluctuating cash flows, and ensure that the business maintains and monitors its plans to manage 'spikes' in cash outflows caused by VAT and significant supplier payments.

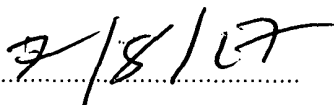
The company makes little use of financial instruments other than standard overdraft funding, a bank loan and an operational bank account so its exposure to price risk, credit risk, liquidity risk and cash flow risk is not material for the assessment of the assets, liabilities, financial position and profit or loss of the company.

ON BEHALF OF THE BOARD:



.....
C F Sutton - Director

Date:



FRANK SUTTON LIMITED

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.

DIVIDENDS

An interim dividend of £200 per share was paid on 28 December 2016. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2016 will be £200,000.

DIRECTORS

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

C F Sutton
Mrs M Sutton
B F Sutton

DISCLOSURE IN THE STRATEGIC REPORT

Matters in respect of future developments and post balance sheet events have been outlined in the strategic report on page 3.

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.

FRANK SUTTON LIMITED

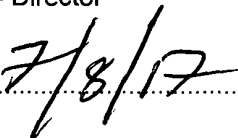
**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016**

AUDITORS

The auditors, Graham Paul Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:


.....
C F Sutton - Director

Date: 
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF FRANK SUTTON LIMITED

We have audited the financial statements of Frank Sutton Limited for the year ended 31 December 2016 on pages nine to twenty two. 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
FRANK SUTTON 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.

Nigel Williams

Nigel Williams BCom FCA (Senior Statutory Auditor)
for and on behalf of Graham Paul Limited
(Statutory Auditor)
Court House
Court Road
Bridgend
CF31 1BE

Date: *7 August 2017*

FRANK SUTTON LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
TURNOVER	3	14,035,871	12,314,746
Cost of sales		12,797,494	11,000,664
GROSS PROFIT		1,238,377	1,314,082
Administrative expenses		688,098	736,262
OPERATING PROFIT	5	550,279	577,820
Interest receivable and similar income		2,976	1,079
		553,255	578,899
Interest payable and similar expenses	6	76,619	54,999
PROFIT BEFORE TAXATION		476,636	523,900
Tax on profit	7	104,110	107,035
PROFIT FOR THE FINANCIAL YEAR		372,526	416,865
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		372,526	416,865

The notes form part of these financial statements

FRANK SUTTON LIMITED (REGISTERED NUMBER: 05030390)

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016**

	Notes	£	2016	£	2015	£
FIXED ASSETS						
Intangible assets	9		-		-	
Tangible assets	10		592,200		507,271	
			<u>592,200</u>		<u>507,271</u>	
CURRENT ASSETS						
Stocks	11	3,667,168		4,076,228		
Debtors	12	1,559,278		1,153,854		
Cash in hand		177		383		
			<u>5,226,623</u>	<u>5,230,465</u>		
CREDITORS						
Amounts falling due within one year	13	3,688,932		3,838,558		
NET CURRENT ASSETS			<u>1,537,691</u>	<u>1,391,907</u>		
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>2,129,891</u>	<u>1,899,178</u>		
CREDITORS						
Amounts falling due after more than one year	14		(238,413)	(205,995)		
PROVISIONS FOR LIABILITIES	18		(91,015)	(65,246)		
NET ASSETS			<u><u>1,800,463</u></u>	<u><u>1,627,937</u></u>		
CAPITAL AND RESERVES						
Called up share capital	19		1,000	1,000		
Retained earnings	20		1,799,463	1,626,937		
SHAREHOLDERS' FUNDS			<u><u>1,800,463</u></u>	<u><u>1,627,937</u></u>		

The financial statements were approved by the Board of Directors on 7/8/17 and were signed on its behalf by:


C F Sutton - Director

The notes form part of these financial statements

FRANK SUTTON LIMITED

**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	1,000	1,690,072	1,691,072
Changes in equity			
Dividends	-	(480,000)	(480,000)
Total comprehensive income	-	416,865	416,865
Balance at 31 December 2015	<u>1,000</u>	<u>1,626,937</u>	<u>1,627,937</u>
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	372,526	372,526
Balance at 31 December 2016	<u>1,000</u>	<u>1,799,463</u>	<u>1,800,463</u>

The notes form part of these financial statements

FRANK SUTTON LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

		2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	244,665	771,920
Interest paid		(55,209)	(35,238)
Interest element of hire purchase payments paid		(21,410)	(19,761)
Tax paid		(117,568)	(134,809)
Net cash from operating activities		<u>50,478</u>	<u>582,112</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(353,626)	(233,440)
Sale of tangible fixed assets		187,000	172,149
Interest received		2,976	1,079
Net cash from investing activities		<u>(163,650)</u>	<u>(60,212)</u>
Cash flows from financing activities			
Capital repayments in year		395,382	(193,284)
Amount introduced by directors		200,000	221,236
Amount withdrawn by directors		(389,197)	-
Equity dividends paid		(200,000)	(480,000)
Net cash from financing activities		<u>6,185</u>	<u>(452,048)</u>
(Decrease)/increase in cash and cash equivalents		<u>(106,987)</u>	<u>69,852</u>
Cash and cash equivalents at beginning of year	2	(689,154)	(759,006)
Cash and cash equivalents at end of year	2	<u>(796,141)</u>	<u>(689,154)</u>

The notes form part of these financial statements

FRANK SUTTON LIMITED

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2016 £	2015 £
Profit before taxation	476,636	523,900
Depreciation charges	138,509	123,661
Profit on disposal of fixed assets	(56,812)	(45,962)
Finance costs	76,619	54,999
Finance income	(2,976)	(1,079)
	<u>631,976</u>	<u>655,519</u>
Decrease in stocks	409,060	579,106
(Increase)/decrease in trade and other debtors	(405,425)	510,705
Decrease in trade and other creditors	(390,946)	(973,410)
Cash generated from operations	<u><u>244,665</u></u>	<u><u>771,920</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 December 2016

	31.12.16 £	1.1.16 £
Cash and cash equivalents	177	383
Bank overdrafts	(796,318)	(689,537)
	<u>(796,141)</u>	<u>(689,154)</u>

Year ended 31 December 2015

	31.12.15 £	1.1.15 £
Cash and cash equivalents	383	204
Bank overdrafts	(689,537)	(759,210)
	<u>(689,154)</u>	<u>(759,006)</u>

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

1. STATUTORY INFORMATION

Frank Sutton Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. 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.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. Turnover is recognised once a purchase order is raised.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2005, is being amortised evenly over its estimated useful life of ten years.

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.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Long leasehold	- Straight line over 15 years
Plant and machinery	- at varying rates on cost
Motor vehicles	- 25% on cost

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Machinery stock is valued at the lower of cost and net realisable value. Parts stock is valued at average cost.

If after twelve months an item of plant and machinery for resale remains in stock, the company will write down the asset by 20% each year. Parts stock is written down by 100% when it is three years old.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

2. ACCOUNTING POLICIES - continued

Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

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

An analysis of turnover by geographical market is given below:

	2016	2015
	£	£
United Kingdom	13,952,621	11,935,210
Europe	83,250	105,000
Other	-	274,536
	<u>14,035,871</u>	<u>12,314,746</u>

FRANK SUTTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. EMPLOYEES AND DIRECTORS

	2016 £	2015 £
Wages and salaries	786,150	820,779
Social security costs	70,240	71,704
Other pension costs	5,258	-
	<u>861,648</u>	<u>892,483</u>

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

	2016	2015
Administration	3	3
Development	4	4
Distribution	18	18
Sales	5	5
	<u>30</u>	<u>30</u>

	2016 £	2015 £
Directors' remuneration	<u>36,692</u>	<u>36,783</u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2016 £	2015 £
Hire of plant and machinery	4,059	4,229
Other operating leases	60,000	60,000
Depreciation - owned assets	59,751	45,383
Depreciation - assets on hire purchase contracts	78,758	78,278
Profit on disposal of fixed assets	(56,812)	(45,962)
Auditors' remuneration	<u>6,335</u>	<u>7,550</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2016 £	2015 £
Bank interest	23,338	22,185
Interest payable	31,871	13,053
Hire purchase	21,410	19,761
	<u>76,619</u>	<u>54,999</u>

FRANK SUTTON LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016****7. 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	78,341	117,568
Deferred tax	25,769	(10,533)
Tax on profit	<u>104,110</u>	<u>107,035</u>

Reconciliation of total tax charge included in profit and loss

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

	2016 £	2015 £
Profit before tax	<u>476,636</u>	<u>523,900</u>
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	95,327	104,780
Effects of:		
Capital allowances in excess of depreciation	(5,623)	-
Depreciation in excess of capital allowances	-	11,914
Marginal relief	-	(565)
Changes in tax rates	-	1,439
Deferred tax	25,769	(10,533)
Profit on sale of asset	(11,363)	-
Total tax charge	<u>104,110</u>	<u>107,035</u>

8. DIVIDENDS

	2016 £	2015 £
Ordinary shares of £1 each		
Interim	<u>200,000</u>	<u>480,000</u>

FRANK SUTTON LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

9. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2016	925,000
Disposals	(925,000)
At 31 December 2016	-
AMORTISATION	
At 1 January 2016	925,000
Eliminated on disposal	(925,000)
At 31 December 2016	-
NET BOOK VALUE	
At 31 December 2016	-
At 31 December 2015	-

10. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2016	208,296	217,475	615,140	1,040,911
Additions	-	3,244	350,382	353,626
Disposals	-	-	(201,000)	(201,000)
At 31 December 2016	208,296	220,719	764,522	1,193,537
DEPRECIATION				
At 1 January 2016	27,256	183,436	322,948	533,640
Charge for year	25,572	9,680	103,257	138,509
Eliminated on disposal	-	-	(70,812)	(70,812)
At 31 December 2016	52,828	193,116	355,393	601,337
NET BOOK VALUE				
At 31 December 2016	155,468	27,603	409,129	592,200
At 31 December 2015	181,040	34,039	292,192	507,271

FRANK SUTTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor vehicles £
COST	
At 1 January 2016	356,630
Additions	350,382
Disposals	(35,000)
Transfer to ownership	(145,850)
	<u>526,162</u>
At 31 December 2016	
DEPRECIATION	
At 1 January 2016	94,620
Charge for year	78,758
Eliminated on disposal	(5,833)
Transfer to ownership	(35,404)
	<u>132,141</u>
At 31 December 2016	
NET BOOK VALUE	
At 31 December 2016	<u>394,021</u>
At 31 December 2015	<u>262,010</u>

11. STOCKS

	2016 £	2015 £
Finished goods	<u>3,667,168</u>	<u>4,076,228</u>

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016 £	2015 £
Trade debtors	1,199,147	754,686
Amounts recoverable on contract	108,773	90,973
Other debtors	3,752	3,521
Directors' current accounts	52,633	-
Prepayments and accrued income	194,973	304,674
	<u>1,559,278</u>	<u>1,153,854</u>

FRANK SUTTON LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Bank loans and overdrafts (see note 15)	857,695	750,914
Hire purchase contracts (see note 16)	734,318	435,083
Trade creditors	1,559,439	2,050,267
Tax	78,341	117,568
Social security and other taxes	16,140	15,282
VAT	120,343	42,797
Other creditors	67,121	67,054
Directors' current accounts	-	136,564
Accruals and deferred income	255,535	223,029
	<u>3,688,932</u>	<u>3,838,558</u>

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

	2016	2015
	£	£
Bank loans (see note 15)	96,729	160,458
Hire purchase contracts (see note 16)	141,684	45,537
	<u>238,413</u>	<u>205,995</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2016	2015
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	796,318	689,537
Bank loans	61,377	61,377
	<u>857,695</u>	<u>750,914</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>61,377</u>	<u>61,377</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>35,352</u>	<u>99,081</u>

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16. LEASING AGREEMENTS

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Net obligations repayable:		
Within one year	734,318	435,083
Between one and five years	141,684	45,537
	<u>876,002</u>	<u>480,620</u>

17. SECURED DEBTS

The following secured debts are included within creditors:

	2016 £	2015 £
Bank overdrafts	796,318	689,537
Bank loans	158,106	221,835
Hire purchase contracts	876,002	480,620
	<u>1,830,426</u>	<u>1,391,992</u>

The bank overdraft of £796,318 (2015 £689,537) is repayable on demand and is secured by a debenture on the banks standard form dated 6 July 2004 and a limited guarantee given by Mr C F Sutton and Mrs M Sutton for £400,000 dated 29 July 2004. This guarantee is supported by a legal charge over 164 acres of land at Parc Grace Dieu Farm, The Hendre, Gwent.

The bank loan of £158,106 (2015 £221,835) is secured by a First Charge over land and buildings at Castle Garage, Raglan, Monmouthshire which is owned by the Directors. Interest is charged on a daily basis at a rate of 1.25% above the Bank of England base rate.

Obligations under hire purchase contracts are secured on the assets to which they relate.

18. PROVISIONS FOR LIABILITIES

	2016 £	2015 £
Deferred tax	<u>91,015</u>	<u>65,246</u>
		Deferred tax
		£
Balance at 1 January 2016		65,246
Charge to Statement of Comprehensive Income during year		<u>25,769</u>
Balance at 31 December 2016		<u>91,015</u>

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**NOTES TO THE FINANCIAL STATEMENTS - continued
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19. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2016	2015
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

20. RESERVES

	Retained earnings £
At 1 January 2016	1,626,937
Profit for the year	372,526
Dividends	<u>(200,000)</u>
At 31 December 2016	<u>1,799,463</u>

21. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2016 and 31 December 2015:

	2016 £	2015 £
C F Sutton and Mrs M Sutton		
Balance outstanding at start of year	-	84,672
Amounts advanced	52,633	-
Amounts repaid	-	(84,672)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>52,633</u>	<u>-</u>

During the year interest of £2,976 (2015 £1,079) has been charged on any overdue balances at a rate of 4% on the loan to the directors.

22. RELATED PARTY DISCLOSURES

During the year, total dividends of £200,000 (2015 - £480,000) were paid to the directors.

23. ULTIMATE CONTROLLING PARTY

The ultimate controlling party is Mr C F and Mrs M Sutton.