

REGISTERED NUMBER: 05030390 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FOR
FRANK SUTTON LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	4
Report of the Independent Auditors	6
Statement of Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Statement of Cash Flows	12
Notes to the Financial Statements	13

FRANK SUTTON LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017**

DIRECTORS:	C F Sutton Mrs M Sutton B F Sutton
SECRETARY:	Mrs M Sutton
REGISTERED OFFICE:	Castle Garage 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 Beaufort Street Crickhowell Powys NP8 1AD

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their strategic report for the year ended 31 December 2017.

REVIEW OF BUSINESS

The company's principal activity during the year continued to be that of the supply and maintenance of agricultural and turf 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 15%, following a rise of 14% in 2016. 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 is to use the strong financial and market place position of the Company to deliver ongoing growth and reinforce the strong foundation of a unique business model.

Both of the company's sites at Raglan and Bridgend 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 has started building a new purpose built workshop at Raglan. Further investment is also being made into the site at St Mary's Hill, Bridgend and the continuing development of the information technology systems employed across the company are underway.

The directors remain committed to the John Deere brand and are introducing Kramer Telehandlers into the portfolio, 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. The directors 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 2017 with comparatives for 2016 and 2015 are summarised as follows:

	2017	2016	2015
£	£	£	
Turnover	16,174,424	14,035,871	12,314,746
Turnover growth	15%	14%	(13%)
Gross profit margin	10%	9%	11%
Profit before tax	736,319	476,636	523,900

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

17 September 2018

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report with the financial statements of the company for the year ended 31 December 2017.

DIVIDENDS

An interim dividend of 200 per share was paid on 5 July 2017. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2017 will be £ 200,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2017 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.

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

17 September 2018

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

Opinion

We have audited the financial statements of Frank Sutton Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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.

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

17 September 2018

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
TURNOVER	3	16,174,424	14,035,871
Cost of sales		14,524,649	12,797,494
GROSS PROFIT		1,649,775	1,238,377
Administrative expenses		845,134	688,098
OPERATING PROFIT	5	804,641	550,279
Interest receivable and similar income		4,906	2,976
		809,547	553,255
Interest payable and similar expenses	6	73,228	76,619
PROFIT BEFORE TAXATION		736,319	476,636
Tax on profit	7	149,455	104,110
PROFIT FOR THE FINANCIAL YEAR		586,864	372,526
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		586,864	372,526

The notes form part of these financial statements

STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2017

		2017		2016	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	9		727,968		592,200
CURRENT ASSETS					
Stocks	10	4,076,213		3,667,168	
Debtors	11	1,530,742		1,559,278	
Cash in hand		249		177	
		<u>5,607,204</u>		<u>5,226,623</u>	
CREDITORS					
Amounts falling due within one year	12	<u>3,877,774</u>		<u>3,688,932</u>	
NET CURRENT ASSETS			<u>1,729,430</u>		<u>1,537,691</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			2,457,398		2,129,891
CREDITORS					
Amounts falling due after more than one year	13		(147,670)		(238,413)
PROVISIONS FOR LIABILITIES	17		<u>(122,401)</u>		<u>(91,015)</u>
NET ASSETS			<u>2,187,327</u>		<u>1,800,463</u>
CAPITAL AND RESERVES					
Called up share capital	18		1,000		1,000
Retained earnings	19		<u>2,186,327</u>		<u>1,799,463</u>
SHAREHOLDERS' FUNDS			<u>2,187,327</u>		<u>1,800,463</u>

The financial statements were approved by the Board of Directors on 17 September 2018 and were signed on its behalf by:

C F Sutton - Director

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2016	1,000	1,626,937	1,627,937
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	372,526	372,526
Balance at 31 December 2016	1,000	1,799,463	1,800,463
Changes in equity			
Dividends	-	(200,000)	(200,000)
Total comprehensive income	-	586,864	586,864
Balance at 31 December 2017	1,000	2,186,327	2,187,327

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

		2017 £	2016 £
	Notes		
Cash flows from operating activities			
Cash generated from operations	1	1,013,653	244,665
Interest paid		(48,325)	(55,209)
Interest element of hire purchase payments paid		(24,903)	(21,410)
Tax paid		(78,341)	(117,568)
Net cash from operating activities		<u>862,084</u>	<u>50,478</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(63,593)	(353,626)
Sale of tangible fixed assets		289,300	187,000
Interest received		4,906	2,976
Net cash from investing activities		<u>230,613</u>	<u>(163,650)</u>
Cash flows from financing activities			
Loan repayments in year		(53,049)	-
Capital repayments in year		(188,720)	395,382
Amount introduced by directors		306,820	200,000
Amount withdrawn by directors		(457,949)	(389,197)
Equity dividends paid		(200,000)	(200,000)
Net cash from financing activities		<u>(592,898)</u>	<u>6,185</u>
Increase/(decrease) in cash and cash equivalents		<u>499,799</u>	<u>(106,987)</u>
Cash and cash equivalents at beginning of year	2	(796,141)	(689,154)
Cash and cash equivalents at end of year	2	<u>(296,342)</u>	<u>(796,141)</u>

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**
1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2017	2016
	£	£
Profit before taxation	736,319	476,636
Depreciation charges	153,306	138,509
Profit on disposal of fixed assets	(108,139)	(56,812)
Finance costs	73,228	76,619
Finance income	(4,906)	(2,976)
	<u>849,808</u>	<u>631,976</u>
(Increase)/decrease in stocks	(409,045)	409,060
Decrease/(increase) in trade and other debtors	145,025	(405,425)
Increase/(decrease) in trade and other creditors	<u>427,865</u>	<u>(390,946)</u>
Cash generated from operations	<u>1,013,653</u>	<u>244,665</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 2017

	31.12.17	1.1.17
	£	£
Cash and cash equivalents	249	177
Bank overdrafts	<u>(296,591)</u>	<u>(796,318)</u>
	<u>(296,342)</u>	<u>(796,141)</u>

Year ended 31 December 2016

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

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 has been fully amortised in the current year.

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% reducing balance 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 2017

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:

	2017	2016
	£	£
United Kingdom	15,910,638	13,952,621
Europe	263,786	83,250
	<u>16,174,424</u>	<u>14,035,871</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

4. EMPLOYEES AND DIRECTORS

	2017	2016
	£	£
Wages and salaries	819,053	786,150
Social security costs	73,380	70,240
Other pension costs	2,088	5,258
	<u>894,521</u>	<u>861,648</u>

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

	2017	2016
Administration	3	3
Development	4	4
Distribution	18	18
Sales	5	5
	<u>30</u>	<u>30</u>

	2017	2016
	£	£
Directors' remuneration	<u>37,301</u>	<u>36,692</u>

5. OPERATING PROFIT

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

	2017	2016
	£	£
Hire of plant and machinery	5,606	4,059
Other operating leases	60,000	60,000
Depreciation - owned assets	34,288	59,751
Depreciation - assets on hire purchase contracts	119,018	78,758
Profit on disposal of fixed assets	(108,139)	(56,812)
Auditors' remuneration	<u>8,580</u>	<u>6,335</u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2017	2016
	£	£
Bank interest	16,812	23,338
Interest payable	31,513	31,871
Hire purchase	24,903	21,410
	<u>73,228</u>	<u>76,619</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017
7. TAXATION**Analysis of the tax charge**

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

	2017 £	2016 £
Current tax:		
UK corporation tax	118,069	78,341
Deferred tax	31,386	25,769
Tax on profit	<u>149,455</u>	<u>104,110</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:

	2017 £	2016 £
Profit before tax	<u>736,319</u>	<u>476,636</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19.247% (2016 - 20%)	141,719	95,327
Effects of:		
Expenses not deductible for tax purposes	670	-
Capital allowances in excess of depreciation	(6,705)	(5,623)
Chargeable Gains	3,199	-
Deferred tax	31,386	25,769
Profit on sale of asset	(20,814)	(11,363)
Total tax charge	<u>149,455</u>	<u>104,110</u>

8. DIVIDENDS

	2017 £	2016 £
Ordinary shares of £1 each		
Interim	<u>200,000</u>	<u>200,000</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

9. TANGIBLE FIXED ASSETS

	Long leasehold £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 January 2017	208,296	220,719	764,522	1,193,537
Additions	12,100	3,041	484,494	499,635
Disposals	-	-	(453,280)	(453,280)
At 31 December 2017	<u>220,396</u>	<u>223,760</u>	<u>795,736</u>	<u>1,239,892</u>
DEPRECIATION				
At 1 January 2017	52,828	193,116	355,393	601,337
Charge for year	14,217	8,779	130,310	153,306
Eliminated on disposal	-	-	(242,719)	(242,719)
At 31 December 2017	<u>67,045</u>	<u>201,895</u>	<u>242,984</u>	<u>511,924</u>
NET BOOK VALUE				
At 31 December 2017	<u>153,351</u>	<u>21,865</u>	<u>552,752</u>	<u>727,968</u>
At 31 December 2016	<u>155,468</u>	<u>27,603</u>	<u>409,129</u>	<u>592,200</u>

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

	Motor vehicles £
COST	
At 1 January 2017	526,162
Additions	471,000
Disposals	(337,780)
Transfer to ownership	(10,500)
At 31 December 2017	<u>648,882</u>
DEPRECIATION	
At 1 January 2017	132,141
Charge for year	119,018
Eliminated on disposal	(127,969)
Transfer to ownership	(7,875)
At 31 December 2017	<u>115,315</u>
NET BOOK VALUE	
At 31 December 2017	<u>533,567</u>
At 31 December 2016	<u>394,021</u>

10. STOCKS

	2017 £	2016 £
Finished goods	<u>4,076,213</u>	<u>3,667,168</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017
11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Trade debtors	924,834	1,199,147
Amounts recoverable on contract	121,262	108,773
Other debtors	80,931	3,752
Directors' current accounts	203,762	52,633
Prepayments and accrued income	199,953	194,973
	<u>1,530,742</u>	<u>1,559,278</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £	2016 £
Bank loans and overdrafts (see note 14)	357,968	857,695
Hire purchase contracts (see note 15)	888,892	734,318
Trade creditors	1,974,833	1,559,439
Tax	184,471	78,341
Social security and other taxes	17,300	16,140
VAT	93,915	120,343
Other creditors	68,400	67,121
Accruals and deferred income	291,995	255,535
	<u>3,877,774</u>	<u>3,688,932</u>

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

	2017 £	2016 £
Bank loans (see note 14)	41,724	96,729
Hire purchase contracts (see note 15)	105,946	141,684
	<u>147,670</u>	<u>238,413</u>

14. LOANS

An analysis of the maturity of loans is given below:

	2017 £	2016 £
Amounts falling due within one year or on demand:		
Bank overdrafts	296,591	796,318
Bank loans	61,377	61,377
	<u>357,968</u>	<u>857,695</u>
Amounts falling due between one and two years:		
Bank loans - 1-2 years	<u>41,724</u>	<u>61,377</u>

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

14. LOANS - continued

	2017 £	2016 £
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>-</u>	<u>35,352</u>

15. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2017 £	2016 £
Net obligations repayable:		
Within one year	888,892	734,318
Between one and five years	<u>105,946</u>	<u>141,684</u>
	<u>994,838</u>	<u>876,002</u>
	Non-cancellable operating leases	
	2017 £	2016 £
Within one year	3,586	3,586
Between one and five years	<u>5,677</u>	<u>9,263</u>
	<u>9,263</u>	<u>12,849</u>

16. SECURED DEBTS

The following secured debts are included within creditors:

	2017 £	2016 £
Bank overdrafts	296,591	796,318
Bank loans	103,101	158,106
Hire purchase contracts	<u>994,838</u>	<u>876,002</u>
	<u>1,394,530</u>	<u>1,830,426</u>

The bank overdraft of £296,591 (2016 £796,318) 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 £103,101 (2016 £158,106) 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.

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2017

17. PROVISIONS FOR LIABILITIES

	2017 £	2016 £
Deferred tax	<u>122,401</u>	<u>91,015</u>
		Deferred tax £
Balance at 1 January 2017		91,015
Charge to Statement of Comprehensive Income during year		<u>31,386</u>
Balance at 31 December 2017		<u>122,401</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2017 £	2016 £
Number:	Class:	Nominal value:		
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

19. RESERVES

	Retained earnings £
At 1 January 2017	1,799,463
Profit for the year	586,864
Dividends	<u>(200,000)</u>
At 31 December 2017	<u>2,186,327</u>

20. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2017 and 31 December 2016:

	2017 £	2016 £
C F Sutton and Mrs M Sutton		
Balance outstanding at start of year	52,633	-
Amounts advanced	457,949	52,633
Amounts repaid	(306,820)	-
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>203,762</u>	<u>52,633</u>

During the year interest of £4,906 (2016 £2,976) has been charged on any overdue balances at a rate of 3% & 2.5% on the loan to the directors.

21. **ULTIMATE CONTROLLING PARTY**

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

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.