

REGISTERED NUMBER: 05201871 (England and Wales)

Unaudited Financial Statements for the Year Ended 31 December 2017

for

Adam James Limited

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for the Year Ended 31 December 2017**

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Adam James Limited

**Company Information
for the Year Ended 31 December 2017**

DIRECTORS:

J J Pye
Mrs M A Pye
A J W Pye

SECRETARY:

Mrs M A Pye

REGISTERED OFFICE:

James Shipstone House
Radford Road
Nottingham
Nottinghamshire
NG7 7EA

REGISTERED NUMBER:

05201871 (England and Wales)

ACCOUNTANTS:

Brockhurst Davies Limited
11 The Office Village
North Road
Loughborough
Leicestershire
LE11 1QJ

**Abridged Balance Sheet
31 December 2017**

	Notes	2017 £	2016 Restated £
FIXED ASSETS			
Tangible assets	4	359	718
Investment property	5	<u>9,910,750</u>	<u>9,910,750</u>
		9,911,109	9,911,468
CURRENT ASSETS			
Debtors		33,465	138,727
Cash at bank		<u>47,748</u>	<u>53,996</u>
		81,213	192,723
CREDITORS			
Amounts falling due within one year		<u>448,382</u>	<u>754,795</u>
NET CURRENT LIABILITIES		<u>(367,169)</u>	<u>(562,072)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,543,940	9,349,396
CREDITORS			
Amounts falling due after more than one year	6	(4,702,125)	(4,878,601)
PROVISIONS FOR LIABILITIES	8	<u>(380,515)</u>	<u>(396,036)</u>
NET ASSETS		<u>4,461,300</u>	<u>4,074,759</u>
CAPITAL AND RESERVES			
Called up share capital		1,261,502	1,261,502
Share premium		1,616	1,616
Fair value reserve		1,836,485	1,820,964
Retained earnings		<u>1,361,697</u>	<u>990,677</u>
SHAREHOLDERS' FUNDS		<u>4,461,300</u>	<u>4,074,759</u>

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2017.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2017 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The notes form part of these financial statements

Adam James Limited (Registered number: 05201871)

Abridged Balance Sheet - continued
31 December 2017

The financial statements have been prepared and delivered in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

All the members have consented to the preparation of an abridged Balance Sheet for the year ended 31 December 2017 in accordance with Section 444(2A) of the Companies Act 2006.

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors on 24 September 2018 and were signed on its behalf by:

A J W Pye - Director

A handwritten signature in black ink, appearing to read 'A J W Pye', is written over the printed name.

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2017**

1. STATUTORY INFORMATION

Adam James 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provision of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Restatement

Financial Reporting Standard 102 Section 1A requires that deferred tax is recognised on the revaluation of investment properties. The revaluation of investment properties is recognised in a fair value reserve rather than as part of retained earnings available for distribution. The related deferred tax has previously been recognised as forming part of the retained earnings and a restatement has been made to amend the deferred tax liability and recognise it as part of the fair value reserve, including movements in the deferred tax liability year on year. See note 8 for further details.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers. Rental income is recognised in the period to which it relates.

Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation. Cost includes the original purchase price of the asset and the cost attributable to bringing the asset to its working condition for its intended use. Depreciation is charged on a straight line basis at rates calculated to write down assets to estimated residual value over their expected useful life as follows:

Computer equipment - 33%

Investment property

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are initially recognized at cost which includes purchase cost and any directly attributable expenses. Subsequently the investment property is shown at fair value. Gains or losses are recognized in the income statement. Deferred taxation is provided on these gains at the rate expected to apply when the property is sold.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

2. ACCOUNTING POLICIES - continued

Deferred tax

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

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

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

Impairment

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through the profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in the profit or loss. When subsequent events cause the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the profit or loss.

Non-financial assets

The carrying amounts of the company's non-financial assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in the profit or loss. An impairment loss is reversed if and only if the reasons for the impairment have ceased to apply.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Basic financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-convertible preference and non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 6 (2016 - 5).

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

4. TANGIBLE FIXED ASSETS

	Totals £
COST	
At 1 January 2017	
and 31 December 2017	<u>1,077</u>
DEPRECIATION	
At 1 January 2017	359
Charge for year	<u>359</u>
At 31 December 2017	<u>718</u>
NET BOOK VALUE	
At 31 December 2017	<u>359</u>
At 31 December 2016	<u>718</u>

5. INVESTMENT PROPERTY

	Total £
FAIR VALUE	
At 1 January 2017	
and 31 December 2017	<u>9,910,750</u>
NET BOOK VALUE	
At 31 December 2017	<u>9,910,750</u>
At 31 December 2016	<u>9,910,750</u>

The freehold and long leasehold land and buildings portfolio were valued at £6,290,122 on an open market basis in August 2015 by a RICS registered employee of John Pye & Sons Limited, a related company. The directors considered that this valuation would have been the market value of the property portfolio at 31 December 2014 and as such the uplift was reflected in that financial year.

Since then the directors consider this valuation not to be materially different to the market value of the property portfolio. Additions have been valued at cost and not included within the revaluation reserve.

Fair value at 31 December 2017 is represented by:

	£
Valuation in 2014	2,217,000
Cost	<u>7,693,750</u>
	<u>9,910,750</u>

If the investment properties had not been revalued they would have been included at the following historical cost:

	2017 £	2016 £
Cost	<u>7,693,750</u>	<u>7,693,750</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2017

6. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN FIVE YEARS**

	2017 £	2016 £
Repayable by instalments		
Bank loans more 5 yr by instal	<u>3,953,704</u>	<u>4,147,426</u>

7. **SECURED DEBTS**

The following secured debts are included within creditors:

	2017 £	2016 £
Bank loans	<u>4,878,600</u>	<u>5,051,055</u>

The company has three loans which are secured over certain properties.

Interest is charged on loan 1 at the rate of LIBOR plus 1%, the company also entered into an interest rate swap to fix the interest rate at 4.1%.

Interest is charged on loan 2 at a fixed rate of 4.02%.

Interest is charged on loan 3 at a variable rate of 1.5% over base rate.

8. **PROVISIONS FOR LIABILITIES**

	2017 £	2016 Restated £
Deferred tax	<u>380,515</u>	<u>396,036</u>

	Deferred tax £
Balance at 1 January 2017	396,036
Charge to fair value reserve	<u>(15,521)</u>
Balance at 31 December 2017	<u>380,515</u>

Restatement of opening balances

The deferred tax liability introduced on the adoption of Financial Reporting Standard 102 Section 1A for the year ended 31 December 2016 was included as a provision of £250,420. Updated deferred tax computations have been prepared and as a result the opening deferred tax liability on the adoption of the new standard is required to be increased to £426,108. A transfer is also required to reflect the deferred tax liability as part of the fair value reserve rather than the retained profits for distribution. Annual deferred tax movements in respect of the deferred tax on revalued property will continue to be recognised as part of the fair value reserve.

The 2016 deferred tax liability has therefore been restated to:

	£
Balance at 1 January 2016	250,420
Restatement to increase opening balance	175,688
Charge to the fair value reserve	<u>(30,072)</u>
Restated balance at 31 December 2016	<u>396,036</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2017**

9. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

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

	2017	2016
	£	£
A J W Pye		
Balance outstanding at start of year	30,360	3,087
Amounts advanced	7,431	30,875
Amounts repaid	(30,360)	(3,602)
Amounts written off	-	-
Amounts waived	-	-
Balance outstanding at end of year	<u>7,431</u>	<u>30,360</u>

Amounts advanced to the directors are included within other debtors and are fully repayable within 9 months of the balance sheet date.