

REGISTRAR OF COMPANIES COPY

COMPANY REGISTRATION NUMBER: 07743098

M Brears & Sons Limited
Filleted Unaudited Financial Statements
For the year ended
31 March 2017

TUESDAY



A18

A6H8B6Y8
17/10/2017
COMPANIES HOUSE

#303

M Brears & Sons Limited

Financial Statements

Year ended 31 March 2017

Contents	Page
Statement of financial position	1
Notes to the financial statements	3

M Brears & Sons Limited

Statement of Financial Position

31 March 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	574,838	513,981
Investments	6	848,848	756,849
		<u>1,423,686</u>	<u>1,270,830</u>
Current assets			
Stocks		217,784	264,525
Debtors	7	106,995	135,012
Cash at bank and in hand		451,325	597,431
		<u>776,104</u>	<u>996,968</u>
Creditors: amounts falling due within one year	8	<u>943,425</u>	<u>1,017,790</u>
Net current liabilities		<u>167,321</u>	<u>20,822</u>
Total assets less current liabilities		<u>1,256,365</u>	<u>1,250,008</u>
Creditors: amounts falling due after more than one year	9	32,634	16,520
Provisions			
Taxation including deferred tax		87,718	93,568
Net assets		<u>1,136,013</u>	<u>1,139,920</u>

The statement of financial position
continues on the following page.

The notes on pages 3 to 9 form part of these financial statements.

M Brears & Sons Limited

Statement of Financial Position (continued)

31 March 2017

	Note	2017 £	£	2016 £	£
Capital and reserves					
Called up share capital			800,000		800,000
Profit and loss account			336,013		339,920
Shareholders funds			<u>1,136,013</u>		<u>1,139,920</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 March 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

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

These financial statements were approved by the board of directors and authorised for issue on ~~10 October 2017~~ and are signed on behalf of the board by:

J. Brears

Mrs J Brears
Director

T. Brears

Dr T Brears
Director

Company registration number: 07743098

The notes on pages 3 to 9 form part of these financial statements.

M Brears & Sons Limited

Notes to the Financial Statements

Year ended 31 March 2017

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Beal House Farm, Ings Lane, Beal, Goole, East Yorkshire, DN14 0SJ.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

(i) Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities.

The financial statements are prepared in sterling, which is the functional currency of the entity.

(ii) Transition to FRS 102

The entity transitioned from previous UK GAAP to FRS 102 as at 1 April 2015. Details of how FRS 102 has affected the reported financial position and financial performance is given in note 12.

(iii) Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

(iv) Current & deferred tax

Deferred tax is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may crystallise.

(v) Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses.

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

3. Accounting policies (continued)

(vi) Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Buildings	- 5% reducing balance
Grain Dryers	- 5% reducing balance
Plant & Machinery	- 15% reducing balance
Tractors	- 25% reducing balance
Computer Equipment	- 25% reducing balance

(vii) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

(viii) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

(ix) Stocks

Stocks are measured in accordance with FRS 102 Section 1A by applying the cost model. As such, agricultural produce harvested from the company's biological assets is measured at the lower of cost and estimated selling price less costs to complete and sell.

(x) Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

3. Accounting policies (continued)

Finance leases and hire purchase contracts (continued)

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

(xi) Government grants

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

Grants relating to specific assets are treated as deferred income and are credited to the statement of comprehensive income over the expected useful life of the asset to which they relate.

(xii) Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

3. Accounting policies (continued)

(xiii) Financial instruments

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.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Employee numbers

The average number of persons employed by the company during the year, including the directors, amounted to 4 (2016: 4).

5. Tangible assets

	Freehold property £	Grain Dryers £	Plant and machinery £	Tractors £	Computer Equipment £	Total £
Cost						
At 1 Apr 2016	16,674	224,975	154,559	431,353	66	827,627
Additions	–	–	2,599	172,495	–	175,094
Disposals	–	–	–	(50,443)	–	(50,443)
At 31 Mar 2017	16,674	224,975	157,158	553,405	66	952,278
Depreciation						
At 1 Apr 2016	3,490	47,076	58,427	204,604	49	313,646
Charge for the year	659	8,895	14,600	76,447	4	100,605
Disposals	–	–	–	(36,811)	–	(36,811)
At 31 Mar 2017	4,149	55,971	73,027	244,240	53	377,440
Carrying amount						
At 31 Mar 2017	12,525	169,004	84,131	309,165	13	574,838
At 31 Mar 2016	13,184	177,899	96,132	226,749	17	513,981

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

6. Investments

	Investments £
Cost	
At 1 April 2016	756,849
Additions	77,448
Disposals	(14,735)
Revaluations	29,286
At 31 March 2017	848,848
Impairment	
At 1 Apr 2016 and 31 Mar 2017	-
Carrying amount	
At 31 March 2017	848,848
At 31 March 2016	756,849

Tangible fixed asset investments are recorded at fair value. The market value of the listed investments as at 31st March 2017 is £848,848 (2016: £756,849) against a cost price of £624,207 (2016: £546,759).

7. Debtors

	2017 £	2016 £
Trade debtors	96,590	122,463
Other debtors	10,405	12,549
	106,995	135,012

8. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	90,742	62,987
Accruals and deferred income	36,108	42,493
Corporation tax	-	10,026
Social security and other taxes	501	802
Obligations under finance leases and hire purchase contracts	36,167	28,833
Mrs J Brears DLA	6,226	14,815
Dr T Brears DLA	534,684	598,711
Other creditors	238,997	259,123
	943,425	1,017,790

Obligations under finance leases are secured on the associated assets.

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

9. Creditors: amounts falling due after more than one year

	2017	2016
	£	£
Accruals and deferred income	5,967	7,020
Obligations under finance leases and hire purchase contracts	26,667	9,500
	<u>32,634</u>	<u>16,520</u>

Obligations under finance leases are secured on the associated assets.

10. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	2017	2016
	£	£
Included in provisions	<u>87,718</u>	<u>93,568</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2017	2016
	£	£
Accelerated capital allowances	<u>87,718</u>	<u>93,568</u>

11. Related party transactions

During the year the directors made available loans to the company. The loans are interest free and repayable on demand. At the year end date the balance due to the directors totalled £540,910 (2016: £613,526).

12. Transition to FRS 102

These are the first financial statements that comply with FRS 102. The company transitioned to FRS 102 on 1 April 2015.

M Brears & Sons Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2017

12. Transition to FRS 102 (continued)

Reconciliation of equity

	1 April 2015			31 March 2016		
	As previously stated £	Effect of transition £	FRS 102 (as restated) £	As previously stated £	Effect of transition £	FRS 102 (as restated) £
Fixed assets	1,162,491	171,073	1,333,564	1,060,740	210,090	1,270,830
Current assets	649,929	–	649,929	996,968	–	996,968
Creditors: amounts falling due within one year	(1,075,009)	–	(1,075,009)	(1,017,790)	–	(1,017,790)
Net current liabilities	(425,080)	–	(425,080)	(20,822)	–	(20,822)
Total assets less current liabilities	737,411	171,073	908,484	1,039,918	210,090	1,250,008
Creditors: amounts falling due after more than one year	–	–	–	(16,520)	–	(16,520)
Provisions	(84,752)	(30,793)	(115,545)	(55,752)	(37,816)	(93,568)
Net assets	652,659	140,280	792,939	967,646	172,274	1,139,920
Capital and reserves	935,565	140,280	1,075,845	967,646	172,274	1,139,920

Upon transition to FRS 102, Listed fixed asset investments have been valued using the fair value method as required under FRS 102 Section 1A. As a result transitional adjustments were made in prior periods to restate investments to their fair value with the change being recognised through the profit and loss account. Subsequently, reserves brought forward were amended to reflect these adjustments as can be seen in the Reconciliation of Changes in Equity.