

Registration number: 08261006

Delves & Co Limited

Annual Report and Financial Statements

for the Period from 1 March 2015 to 28 February 2016



Mitchell Meredith Limited
Chartered Accountants and Statutory Auditor
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Delves & Co Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Statement of Directors' Responsibilities	4
Independent Auditor's Report	5 to 6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Statement of Cash Flows	11
Notes to the Financial Statements	12 to 29
Non-statutory pages	30 to 32
Detailed Profit and Loss Account	30

Delves & Co Limited

Company Information

Directors

Mr D P Delves
Mrs R A Delves
Mr H T W Delves
Mr R P Delves

Registered office

Craven Centre
Craven Arms
Shropshire
SY7 9PY

Auditors

Mitchell Meredith Limited
Chartered Accountants and Statutory Auditor
The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

Delves & Co Limited

Strategic Report for the Period from 1 March 2015 to 28 February 2016

The Directors present their strategic report for the period from 1 March 2015 to 28 February 2016.

Principal activity

The principal activity of the company is that of a supermarket

Fair review of the business

The company's key financial performance indicators were as follows:-

Turnover increased from £11,124,262 to £11,863,026 - an increase of 6.6%.

Gross profit increased from 19.28% to 19.56%.

Profit before tax decreased from £472,973 to £134,712- a decrease of 71.5%.

The company invested over £550,000 in capital expenditure including the purchase of Craven Lodge in order to improve the Craven Arms site and update fittings and equipment. The company has also expanded by acquiring a site in Builth Wells in November 2015.

Trading conditions for the company continued to be very competitive. The aim is to keep current customers, maintain relationships that have been built up over a number of years while continually looking for new business.

Current performance in 2016 is satisfactory and in line with expectations.

Principal risks and uncertainties

The company operates an established supermarket and filling station at Craven Arms, Shropshire and Builth Wells, Powys.

The principal risks and uncertainties are competition from large supermarket operators and global supply and price fluctuations of motor fuel.

Approved by the Board on 29 November 2016 and signed on its behalf by:



Mr D P Delves
Director

Delves & Co Limited

Directors' Report for the Period from 1 March 2015 to 28 February 2016

The Directors present their report and the financial statements for the period from 1 March 2015 to 28 February 2016.

Directors of the Company

The directors who held office during the period were as follows:

Mr D P Delves

Mrs R A Delves

Mr H T W Delves

Mr R P Delves

Financial instruments

Objectives and policies

The company's principal financial instruments combine bank balances, sales invoicing, trade creditors, trade debtors and loans to the company. The main purpose of these instruments is to raise funds for the company's operations and to finance the company's operations.

Price risk, credit risk, liquidity risk and cash flow risk

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of loans, these comprise loans from the directors and external loans. The interest rate on these loans is variable. The company manages the liquidity risk by ensuring there are sufficient funds to meet the repayments when they fall due.

Trade debtors are managed in respect of credit and cashflow risk by policies concerning the credit offer to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet the amounts due.

Disclosure of information to the auditors

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29 November 2016 and signed on its behalf by:



Mr D P Delves
Director

Delves & Co Limited

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Delves & Co Limited

Independent Auditor's Report

We have audited the financial statements of Delves & Co Limited for the period from 1 March 2015 to 28 February 2016, set out on pages 7 to 29. 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).

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 an auditor's report 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 auditor

As explained more fully in the Statement of Directors' Responsibilities (set out on page 4), 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 (APB's) Ethical Standards for Auditors to the financial statements.

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 Annual Report 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 28 February 2016 and of its profit for the period 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 Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Delves & Co Limited

Independent Auditor's Report

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



T Richardson (Senior Statutory Auditor)

For and on behalf of Mitchell Meredith Limited, Statutory Auditor

The Exchange
Fiveways
Temple Street
Llandrindod Wells
Powys
LD1 5HG

29 November 2016

Delves & Co Limited

Profit and Loss Account for the Period from 1 March 2015 to 28 February 2016

	Note	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Turnover	3	11,863,026	11,124,262
Cost of sales		<u>(9,542,196)</u>	<u>(8,979,927)</u>
Gross profit		2,320,830	2,144,335
Administrative expenses		(2,197,988)	(1,682,683)
Other operating income	4	<u>128,336</u>	<u>114,104</u>
Operating profit	6	<u>251,178</u>	<u>575,756</u>
Other interest receivable and similar income	7	2,089	2,805
Interest payable and similar charges	8	<u>(118,555)</u>	<u>(105,588)</u>
		<u>(116,466)</u>	<u>(102,783)</u>
Profit before tax		134,712	472,973
Taxation	12	<u>(38,784)</u>	<u>(85,994)</u>
Profit for the financial period		<u><u>95,928</u></u>	<u><u>386,979</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the period other than the results above.

Delves & Co Limited

Statement of Comprehensive Income for the Period from 1 March 2015 to 28 February 2016


	Note	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Profit for the period		<u>95,928</u>	<u>386,979</u>
Total comprehensive income for the period		<u><u>95,928</u></u>	<u><u>386,979</u></u>

The notes on pages 12 to 29 form an integral part of these financial statements.

Delves & Co Limited
(Registration number: 8261006)
Balance Sheet as at 28 February 2016

	Note	28 February 2016 £	28 February 2015 £
Fixed assets			
Intangible assets	13	80,000	120,000
Tangible assets	14	5,489,577	4,022,270
Other financial assets	15	40,100	40,100
		<u>5,609,677</u>	<u>4,182,370</u>
Current assets			
Stocks	16	618,381	510,654
Debtors	17	345,902	184,709
Cash at bank and in hand		224,255	455,570
		<u>1,188,538</u>	<u>1,150,933</u>
Creditors: Amounts falling due within one year	19	<u>(2,345,548)</u>	<u>(1,191,050)</u>
Net current liabilities		<u>(1,157,010)</u>	<u>(40,117)</u>
Total assets less current liabilities		4,452,667	4,142,253
Creditors: Amounts falling due after more than one year	19	(3,708,804)	(3,514,951)
Provisions for liabilities		<u>(203,625)</u>	<u>(127,992)</u>
Net assets		<u>540,238</u>	<u>499,310</u>
Capital and reserves			
Called up share capital	20	2	2
Profit and loss account		540,236	499,308
Total equity		<u>540,238</u>	<u>499,310</u>

Approved and authorised by the Board on 29 November 2016 and signed on its behalf by:



 Mr D P Delves
 Director

The notes on pages 12 to 29 form an integral part of these financial statements.

Delves & Co Limited

Statement of Changes in Equity for the Period from 1 March 2015 to 28 February 2016

	Share capital £	Profit and loss account £	Total £
At 1 March 2015	2	499,308	499,310
Profit for the period	-	95,928	95,928
Total comprehensive income	-	95,928	95,928
Dividends	-	(55,000)	(55,000)
At 28 February 2016	2	540,236	540,238
	Share capital £	Profit and loss account £	Total £
At 1 March 2014	2	157,329	157,331
Profit for the period	-	386,979	386,979
Total comprehensive income	-	386,979	386,979
Dividends	-	(45,000)	(45,000)
At 28 February 2015	2	499,308	499,310

The notes on pages 12 to 29 form an integral part of these financial statements.

Delves & Co Limited

Statement of Cash Flows for the Period from 1 March 2015 to 28 February 2016

	Note	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Cash flows from operating activities			
Profit for the period		95,928	386,979
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	6	236,733	151,130
Profit on disposal of tangible assets	5	(2,000)	-
Finance income	7	(2,089)	(2,805)
Finance costs	8	118,555	105,588
Income tax expense	12	38,784	85,994
		485,911	726,886
Working capital adjustments			
(Increase)/decrease in stocks	16	(107,727)	81,904
(Increase)/decrease in trade debtors	17	(124,344)	216,681
Increase in trade creditors	19	901,987	173,095
Cash generated from operations		1,155,827	1,198,566
Income taxes paid	12	(21,591)	(9,012)
Net cash flow from operating activities		1,134,236	1,189,554
Cash flows from investing activities			
Interest received	7	2,089	2,805
Acquisitions of tangible assets		(1,664,041)	(704,499)
Proceeds from sale of tangible assets		2,000	-
Purchase of investments		-	(22,800)
Net cash flows from investing activities		(1,659,952)	(724,494)
Cash flows from financing activities			
Interest paid	8	(118,555)	(105,588)
Proceeds from other borrowing draw downs		724,193	-
Repayment of other borrowing		(256,237)	(422,110)
Dividends paid	22	(55,000)	(45,000)
Net cash flows from financing activities		294,401	(572,698)
Net decrease in cash and cash equivalents		(231,315)	(107,638)
Cash and cash equivalents at 1 March		455,570	563,208
Cash and cash equivalents at 28 February		224,255	455,570

The notes on pages 12 to 29 form an integral part of these financial statements.

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

1 General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Craven Centre
Craven Arms
Shropshire
SY7 9PY

These financial statements were authorised for issue by the Board on 29 November 2016.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the Company's activities.

Tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates taxable income.

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

Tangible assets

Tangible assets is stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Land and buildings	Over 50 years
Plant and equipment	15% on reducing balance
Motor vehicles	25% on reducing balance

Goodwill

Goodwill is amortised over its useful life, which shall not exceed five years if a reliable estimate of the useful life cannot be made.

Intangible assets

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date.

Negative goodwill arising on an acquisition is recognised on the face of the balance sheet on the acquisition date and subsequently the excess up to the fair value of non-monetary assets acquired is recognised in profit or loss in the periods in which the non-monetary assets are recovered.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	Over 5 years

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Revenue

The analysis of the company's revenue for the period from continuing operations is as follows:

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Sale of goods	<u>11,863,026</u>	<u>11,124,262</u>

4 Other operating income

The analysis of the company's other operating income for the period is as follows:

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Miscellaneous other operating income	<u>128,336</u>	<u>114,104</u>

5 Other gains and losses

The analysis of the company's other gains and losses for the period is as follows:

	1 March 2015 to 28 February 2016 £
Gain (loss) on disposal of property, plant and equipment	<u>2,000</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

6 Operating profit

Arrived at after charging/(crediting)

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Depreciation expense	196,733	111,130
Amortisation expense	40,000	40,000
Operating lease expense - plant and machinery	18,184	12,812
Profit on disposal of property, plant and equipment	<u>(2,000)</u>	<u>-</u>

7 Other interest receivable and similar income

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Interest income on bank deposits	2,089	2,361
Other finance income	<u>-</u>	<u>444</u>
	<u>2,089</u>	<u>2,805</u>

8 Interest payable and similar charges

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Interest expense on other finance liabilities	<u>118,555</u>	<u>105,588</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

9 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Wages and salaries	1,144,880	902,861
Social security costs	62,392	45,960
Pension costs, defined contribution scheme	151,649	127,855
Other employee expense	1,223	1,570
	<u>1,360,144</u>	<u>1,078,246</u>

The average number of persons employed by the company (including directors) during the period, analysed by category was as follows:

	1 March 2015 to 28 February 2016 No.	Year ended 28 February 2015 No.
Other departments	<u>89</u>	<u>72</u>

10 Directors' remuneration

The directors' remuneration for the period was as follows:

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Remuneration	95,288	83,949
Contributions paid to money purchase schemes	140,000	120,000
	<u>235,288</u>	<u>203,949</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

11 Auditors' remuneration

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Audit of the financial statements	<u>7,000</u>	<u>7,000</u>
Other fees to auditors		
All other non-audit services	<u>30,683</u>	<u>22,048</u>

12 Taxation

Tax charged/(credited) in the income statement

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Current taxation		
UK corporation tax	(36,849)	21,591
Deferred taxation		
Arising from origination and reversal of timing differences	<u>75,633</u>	<u>64,403</u>
Tax expense in the income statement	<u>38,784</u>	<u>85,994</u>

The tax on profit before tax for the period is the same as the standard rate of corporation tax in the UK (2015 - the same as the standard rate of corporation tax in the UK) of 20% (2015 - 20%).

The differences are reconciled below:

	1 March 2015 to 28 February 2016 £	Year ended 28 February 2015 £
Profit before tax	<u>134,712</u>	<u>472,973</u>
Corporation tax at standard rate	26,942	94,595
Tax increase (decrease) from effect of capital allowances and depreciation	<u>11,842</u>	<u>(8,601)</u>
Total tax charge	<u>38,784</u>	<u>85,994</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Deferred tax

Deferred tax assets and liabilities

	Liability £
2016	
Origination and reversal of timing differences	<u>75,633</u>
	Liability £
2015	
Origination and reversal of timing differences	<u>64,403</u>

13 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 March 2015	<u>200,000</u>	<u>200,000</u>
At 28 February 2016	<u>200,000</u>	<u>200,000</u>
Amortisation		
At 1 March 2015	80,000	80,000
Amortisation charge	<u>40,000</u>	<u>40,000</u>
At 28 February 2016	<u>120,000</u>	<u>120,000</u>
Carrying amount		
At 28 February 2016	<u>80,000</u>	<u>80,000</u>
At 28 February 2015	<u>120,000</u>	<u>120,000</u>

The aggregate amount of research and development expenditure recognised as an expense during the period is £Nil (2015 - £Nil).

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

14 Tangible assets

	Land and buildings £	Plant and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 March 2015	3,546,313	647,456	29,275	4,223,044
Additions	<u>1,350,832</u>	<u>284,209</u>	<u>29,000</u>	<u>1,664,041</u>
At 28 February 2016	<u>4,897,145</u>	<u>931,665</u>	<u>58,275</u>	<u>5,887,085</u>
Depreciation				
At 1 March 2015	102,110	88,924	9,740	200,774
Charge for the year	<u>69,744</u>	<u>114,856</u>	<u>12,134</u>	<u>196,734</u>
At 28 February 2016	<u>171,854</u>	<u>203,780</u>	<u>21,874</u>	<u>397,508</u>
Carrying amount				
At 28 February 2016	<u>4,725,291</u>	<u>727,885</u>	<u>36,401</u>	<u>5,489,577</u>
At 28 February 2015	<u>3,444,203</u>	<u>558,532</u>	<u>19,535</u>	<u>4,022,270</u>

15 Other financial assets (current and non-current)

	28 February 2016 £	28 February 2015 £
Non-current financial assets		
Financial assets at cost less impairment	<u>40,100</u>	<u>40,100</u>

16 Stocks

	28 February 2016 £	28 February 2015 £
Other inventories	<u>618,381</u>	<u>510,654</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

17 Debtors

	Note	28 February 2016 £	28 February 2015 £
Trade debtors		160,217	98,914
Amounts owed by related parties	24	137,196	-
Other debtors		-	81,683
Prepayments		11,640	4,112
Income tax asset	12	<u>36,849</u>	<u>-</u>
Total current trade and other debtors		<u><u>345,902</u></u>	<u><u>184,709</u></u>

18 Cash and cash equivalents

	28 February 2016 £	28 February 2015 £
Cash on hand	37,821	37,390
Cash at bank	<u>186,434</u>	<u>418,180</u>
	<u><u>224,255</u></u>	<u><u>455,570</u></u>

19 Creditors

	Note	28 February 2016 £	28 February 2015 £
Due within one year			
Loans and borrowings	21	491,459	217,357
Trade creditors		1,280,737	910,795
Amounts due to related parties	24	500,000	-
Social security and other taxes		46,151	28,484
Outstanding defined contribution pension costs		27,201	12,823
Income tax liability	12	<u>-</u>	<u>21,591</u>
		<u><u>2,345,548</u></u>	<u><u>1,191,050</u></u>
Due after one year			
Loans and borrowings	21	<u><u>3,708,804</u></u>	<u><u>3,514,951</u></u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

20 Share capital

Allotted, called up and fully paid shares

	28 February 2016		28 February 2015	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

21 Loans and borrowings

	28 February 2016 £	28 February 2015 £
Non-current loans and borrowings		
Other borrowings	<u>3,708,804</u>	<u>3,514,951</u>
	28 February 2016 £	28 February 2015 £
Current loans and borrowings		
Other borrowings	<u>491,459</u>	<u>217,357</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Other borrowings

R R Finance Loan with a carrying amount of £3,508,423 (2015 - £3,730,974) is denominated in £ with a nominal interest rate of 3.00%. The final instalment is due on 27 November 2028.

The loan is repayable in 180 monthly repayments of £27,623.77.

R R Finance Loan with a carrying amount of £385,624 (2015 - £Nil) is denominated in £ with a nominal interest rate of 3.00%. The final instalment is due on 30 September 2025.

The loan is repayable in 120 monthly repayments of £3,862.33.

Bridgeview Pension Scheme Loan with a carrying amount of £102,023 (2015 - £Nil) is denominated in £ with a nominal interest rate of 5.00%. The final instalment is due on 1 April 2020.

The loan is repayable in 60 monthly repayments of £2,264.55.

Included in the loans and borrowings are the following amounts due after more than five years:

	28 February 2016 £	28 February 2015 £
After more than five years by instalments	2,487,892	2,548,209

22 Dividends

	28 February 2016 £	28 February 2015 £
Interim dividend of £27,500.00 (2015 - £22,500.00) per ordinary share	<u>55,000</u>	<u>45,000</u>

The directors are proposing a final dividend of £Nil (2015 - £Nil) per share totalling £Nil (2015 - £Nil). This dividend has not been accrued in the Balance Sheet.

23 Commitments

Capital commitments

The total amount contracted for but not provided in the financial statements was £Nil (2015 - £Nil).

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

24 Related party transactions

Summary of transactions with other related parties

Montgomery Waters Limited - a wholly owned subsidiary of Delfin Investments Limited. The director, Mr D P Delves is a director of Delfin Investments Limited.

Delves Subway Limited - a company owed by Mr H T W Delves.

R R Finance Limited - a company owned by the father of Mr D P Delves.

Bridgeview Pension Scheme - the self administered pension scheme for Delves & Co Limited.

During the year the company sold goods and services to Montgomery Waters Limited at an open market rate and paid for goods from Montgomery Waters Limited at an open market rate.

During the year the company sold goods and services to Delves Subway Limited at an open market rate.

During the year the company received a loan advance from R R Finance Limited and made loan repayments to R R Finance Limited.

During the year the company received a loan advance from Bridgeview Pension Scheme and made loan repayments to Bridgeview Pension Scheme.

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Income and receivables from related parties

	Other related parties £
2016	
Sale of goods	566
Receipt of services	95,961
	<u>96,527</u>
	Other related parties £
2015	
Sale of goods	388
Receipt of services	41,668
	<u>42,056</u>

Expenditure with and payables to related parties

	Other related parties £
2016	
Purchase of goods	<u>22,566</u>
	Other related parties £
2015	
Purchase of goods	<u>12,457</u>

Loans from related parties

	Other related parties £
2016	
At start of period	3,730,974
Advanced	520,000
Repaid	(373,437)
Interest charged	<u>118,530</u>
At end of period	<u>3,996,067</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

2015	Other related parties £
At start of period	3,951,754
Repaid	(331,485)
Interest charged	<u>110,705</u>
At end of period	<u><u>3,730,974</u></u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

25 Transition to FRS 102

Balance Sheet at 1 March 2014

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	160,000	-	-	160,000
Tangible assets	3,428,900	-	-	3,428,900
Investments	17,300	-	-	17,300
	<u>3,606,200</u>	<u>-</u>	<u>-</u>	<u>3,606,200</u>
Current assets				
Stocks	592,558	-	-	592,558
Debtors	401,391	-	-	401,391
Cash at bank and in hand	563,208	-	-	563,208
	<u>1,557,157</u>	<u>-</u>	<u>-</u>	<u>1,557,157</u>
Creditors: Amounts falling due within one year	<u>(1,189,819)</u>	<u>-</u>	<u>-</u>	<u>(1,189,819)</u>
Net current assets	<u>367,338</u>	<u>-</u>	<u>-</u>	<u>367,338</u>
Total assets less current liabilities	3,973,538	-	-	3,973,538
Creditors: Amounts falling due after more than one year	(3,749,225)	-	-	(3,749,225)
Provisions for liabilities	<u>(66,982)</u>	<u>-</u>	<u>-</u>	<u>(66,982)</u>
Net assets	<u>157,331</u>	<u>-</u>	<u>-</u>	<u>157,331</u>
Capital and reserves				
Called up share capital	(2)	-	-	(2)
Profit and loss account	<u>(157,329)</u>	<u>-</u>	<u>-</u>	<u>(157,329)</u>
Total equity	<u>(157,331)</u>	<u>-</u>	<u>-</u>	<u>(157,331)</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Balance Sheet at 28 February 2015

Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Fixed assets				
Intangible assets	120,000	-	-	120,000
Tangible assets	4,022,270	-	-	4,022,270
Investments	40,100	-	-	40,100
	<u>4,182,370</u>	<u>-</u>	<u>-</u>	<u>4,182,370</u>
Current assets				
Stocks	510,654	-	-	510,654
Debtors	184,710	-	-	184,710
Cash at bank and in hand	455,570	-	-	455,570
	<u>1,150,934</u>	<u>-</u>	<u>-</u>	<u>1,150,934</u>
Creditors: Amounts falling due within one year	<u>(1,178,230)</u>	<u>-</u>	<u>-</u>	<u>(1,178,230)</u>
Net current liabilities	<u>(27,296)</u>	<u>-</u>	<u>-</u>	<u>(27,296)</u>
Total assets less current liabilities	4,155,074	-	-	4,155,074
Creditors: Amounts falling due after more than one year	(3,514,951)	-	-	(3,514,951)
Provisions for liabilities	<u>(140,815)</u>	<u>-</u>	<u>-</u>	<u>(140,815)</u>
Net assets	<u>499,308</u>	<u>-</u>	<u>-</u>	<u>499,308</u>
Capital and reserves				
Called up share capital	(2)	-	-	(2)
Profit and loss account	<u>(499,306)</u>	<u>-</u>	<u>-</u>	<u>(499,306)</u>
Total equity	<u>(499,308)</u>	<u>-</u>	<u>-</u>	<u>(499,308)</u>

Delves & Co Limited

Notes to the Financial Statements for the Period from 1 March 2015 to 28 February 2016

Profit and Loss Account for the year ended 28 February 2015

	Note	As originally reported £	Reclassification £	Remeasurement £	As restated £
Turnover		11,124,262	-	-	11,124,262
Cost of sales		<u>(8,979,926)</u>	<u>-</u>	<u>-</u>	<u>(8,979,926)</u>
Gross profit		2,144,336	-	-	2,144,336
Administrative expenses		(1,682,686)	-	-	(1,682,686)
Other operating income		<u>114,104</u>	<u>-</u>	<u>-</u>	<u>114,104</u>
Operating profit		<u>575,754</u>	<u>-</u>	<u>-</u>	<u>575,754</u>
Other interest receivable and similar income		2,805	-	-	2,805
Interest payable and similar charges		<u>(105,588)</u>	<u>-</u>	<u>-</u>	<u>(105,588)</u>
		<u>(102,783)</u>	<u>-</u>	<u>-</u>	<u>(102,783)</u>
Profit before tax		472,971	-	-	472,971
Taxation		<u>(85,994)</u>	<u>-</u>	<u>-</u>	<u>(85,994)</u>
Profit for the financial period		<u><u>386,977</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>386,977</u></u>