

Company Registration No. NI003426 (Northern Ireland)

CYRIL JOHNSTON & CO. LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 OCTOBER 2015



CYRIL JOHNSTON & CO. LIMITED

COMPANY INFORMATION

Directors	Mrs M. E. Johnston Mr D. W. Johnston Mr D.C. Johnston
Secretary	Mr D.C. Johnston
Company number	NI003426
Registered office	Ballynahinch Road Carryduff BT8 8DJ
Auditors	Moore Stephens (NI) LLP 4th Floor Donegall House 7 Donegall Square North Belfast BT1 5GB
Bankers	Ulster Bank Limited 47 Donegall Place Belfast BT1 5AU Danske Bank Donegall Square West Belfast BT1 6JS
Solicitors	Carson Mc Dowell Murray House Murray Street Belfast Co Antrim BT1 6HS

CYRIL JOHNSTON & CO. LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditors' report	4 - 5
Profit and loss account	6
Statement of total recognised gains and losses	7
Balance sheet	8
Cash flow statement	9
Notes to the cash flow statement	10
Notes to the financial statements	11 - 21

CYRIL JOHNSTON & CO. LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their strategic report and financial statements for the year ended 31 October 2015.

Principal Activities

The principal activity of the company continued to be that of the distribution of goods and machinery to the horticultural, leisure and consumer sectors.

Review of the business and future developments

The directors consider the results for the year to be disappointing and have put in place plans to increase turnover and reduce costs. Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Financial risk management

The company's operations expose it to a variety of financial risks that include price risk, foreign exchange risk, credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company by monitoring levels of debt finance and the related finance costs. Given the size of the company, the directors have assumed responsibility for the monitoring of financial risk management.

Price risk

The company is exposed to commodity price risk. However, given the size of the company's operations, the costs of managing exposure to commodity price risk exceed any potential benefits. The directors will keep this policy under review having regard to the company's operations and any change in size or nature. The company has no exposure to equity securities as it holds no listed or unlisted investments.

Foreign currency risk

A proportion of the company's trading is conducted in euros, US dollars and Japanese YEN. However, the company regularly monitors movements in foreign exchange rates and thus any exposure to foreign exchange risk is minimal.

Credit risk

The company is exposed to credit risk due to its policy of giving credit to customers. In these instances the company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure to individual customers is subject to a limit, which is reassessed regularly by the directors.

Liquidity risk

The company has short term debt finance that is designed to ensure it has sufficient available funds for operations.

Interest rate cash flow risk

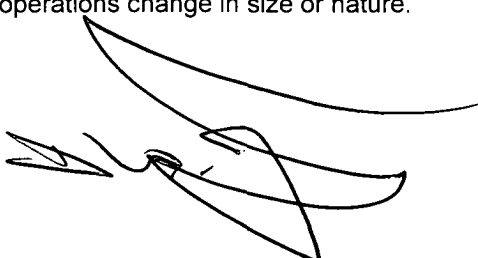
The company has both interest bearing assets and liabilities. Interest bearing assets include only cash balances, all of which earn interest at a fixed rate. The company has a policy of monitoring its debt finance to ensure certainty of future interest cash flows. The directors will revisit the appropriateness of this policy should the company's operations change in size or nature.

On behalf of the board

Mr D. W. Johnston

Director

28 July 2016



CYRIL JOHNSTON & CO. LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 OCTOBER 2015

The directors present their report and financial statements for the year ended 31 October 2015.

Results and dividends

The results for the year are set out on page 6.

Dividends totalling £45,000 (2014 £76,000) were paid during the year.

It is proposed that the retained loss of £609,521 is transferred from reserves.

Directors

The following directors have held office since 1 November 2014:

Mrs M. E. Johnston

Mr D. W. Johnston

Mr D.C. Johnston

Mr D Beck

(Appointed 18 June 2015 and resigned 31 May 2016)

Auditors

The auditors, Moore Stephens (NI) LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' 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 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.

CYRIL JOHNSTON & CO. LIMITED

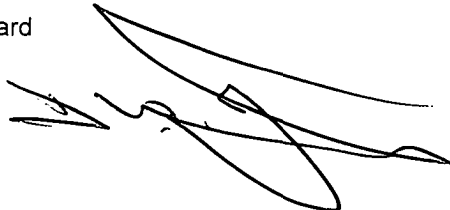
DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

Statement of disclosure to auditors

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board

A handwritten signature in black ink, appearing to be 'D. W. Johnston', written over a horizontal line.

Mr D. W. Johnston

Director

28 July 2016

CYRIL JOHNSTON & CO. LIMITED

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF CYRIL JOHNSTON & CO. LIMITED

We have audited the financial statements of Cyril Johnston & Co. Limited for the year ended 31 October 2015 which comprise the Profit and Loss Account, the Balance Sheet, the Cash Flow Statement, the Statement of Total Recognised Gains and Losses, reconciliation of movement in shareholders funds, and the related notes. 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 auditors' 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's and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement, as set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 October 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

CYRIL JOHNSTON & CO. LIMITED

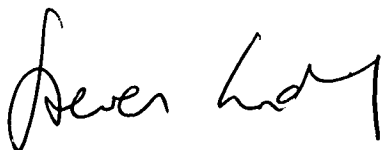
INDEPENDENT AUDITORS' REPORT (CONTINUED)

TO THE MEMBERS OF CYRIL JOHNSTON & CO. LIMITED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Mr Steven Lindsay FCA (Senior Statutory Auditor)
for and on behalf of Moore Stephens (NI) LLP

28 July 2016

Chartered Accountants
Statutory Auditor

4th Floor Donegall House
7 Donegall Square North
Belfast
BT1 5GB

CYRIL JOHNSTON & CO. LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	2015 £	2014 £
Turnover	2	7,947,058	8,317,895
Cost of sales		(6,230,321)	(6,603,191)
Gross profit		1,716,737	1,714,704
Distribution costs		(1,119,440)	(901,068)
Administrative expenses		(1,301,538)	(801,054)
Other operating income		180,471	168,073
Operating (loss)/profit	3	(523,770)	180,655
Other interest receivable and similar income	4	205	248
Interest payable and similar charges	5	(11,317)	(5,606)
(Loss)/profit on ordinary activities before taxation		(534,882)	175,297
Tax on (loss)/profit on ordinary activities	6	(29,639)	(42,022)
(Loss)/profit for the year	17	(564,521)	133,275

The profit and loss account has been prepared on the basis that all operations are continuing operations.

The notes on pages 11 to 21 form part of these financial statements and should be read in conjunction therewith.

CYRIL JOHNSTON & CO. LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 OCTOBER 2015

	Notes	2015 £	2014 £
(Loss)/profit for the financial year		(564,521)	133,275
Total recognised gains and losses relating to the year		(564,521)	133,275
Prior year adjustment		-	(318,986)
Total gains and losses recognised since last financial statements		(564,521)	(185,711)

Note of historical cost profits and losses

	31 October 2015 £	31 October 2014 £
Reported (loss)/profit on ordinary activities before taxation	(534,882)	175,297
Difference between an historical cost depreciation charge and the actual depreciation charge of the year calculated on the revalued amount	(13,259)	(13,259)
Historical cost (loss)/profit on ordinary activities before taxation	(548,141)	162,038
Historical cost (loss)/profit for the year retained after taxation, extraordinary items and dividends	(622,780)	44,016

CYRIL JOHNSTON & CO. LIMITED

BALANCE SHEET AS AT 31 OCTOBER 2015

		2015		2014	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8	1,632,437		1,502,949	
Investment Property	9	1,850,000		1,850,000	
		<u>3,482,437</u>		<u>3,352,949</u>	
Current assets					
Stocks	10	2,093,651	1,761,460		
Debtors	11	881,822	709,396		
Cash at bank and in hand		180,428	675,998		
		<u>3,155,901</u>	<u>3,146,854</u>		
Creditors: amounts falling due within one year	12	<u>(1,923,769)</u>	<u>(1,201,218)</u>		
Net current assets		<u>1,232,132</u>		<u>1,945,636</u>	
Total assets less current liabilities		<u>4,714,569</u>		<u>5,298,585</u>	
Creditors: amounts falling due after more than one year	13	(272,246)	(276,380)		
Provisions for liabilities	14	<u>(48,295)</u>	<u>(18,656)</u>		
		<u>4,394,028</u>		<u>5,003,549</u>	
Capital and reserves					
Called up share capital	16	10,000	10,000		
Revaluation reserve	17	1,664,080	1,677,339		
Profit and loss account	17	2,719,948	3,316,210		
Shareholders' funds	18	<u>4,394,028</u>	<u>5,003,549</u>		

Approved by the Board and authorised for issue on 28 July 2016

Mr D. W. Johnston
Director



Company Registration No. NI003426

The notes on pages 11 to 21 form part of these financial statements and should be read in conjunction therewith.

CYRIL JOHNSTON & CO. LIMITED

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2015

	£	2015 £	£	2014 £
Net cash outflow from operating activities		(797,851)		(493,501)
Returns on investments and servicing of finance				
Interest received	205		248	
Interest paid	(11,317)		(5,606)	
Net cash outflow for returns on investments and servicing of finance		(11,112)		(5,358)
Taxation		(21,638)		(5,608)
Capital expenditure				
Payments to acquire tangible assets	(245,383)		(168,686)	
Receipts from sales of tangible assets	6,933		15,597	
Net cash outflow for capital expenditure		(238,450)		(153,089)
Equity dividends paid		(45,000)		(76,000)
Net cash outflow before management of liquid resources and financing		(1,114,051)		(733,556)
Financing				
Repayment of other long term loans	(4,134)		(8,268)	
Repayment of other short term loans	(4,134)		-	
Net cash outflow from financing		(8,268)		(8,268)
Decrease in cash in the year		(1,122,319)		(741,824)

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 OCTOBER 2015

1	Reconciliation of operating (loss)/profit to net cash outflow from operating activities		2015	2014
			£	£
	Operating (loss)/profit		(523,770)	180,655
	Depreciation of tangible assets		109,419	88,819
	Profit on disposal of tangible assets		(457)	(698)
	(Increase)/Decrease in stocks		(332,191)	(382,247)
	(Increase)/Decrease in debtors		(172,426)	(247,637)
	Increase/(decrease) in creditors within one year		121,574	(132,393)
	Net cash outflow from operating activities		(797,851)	(493,501)

2	Analysis of net debt	1 November 2014	Cash flow	Other non-cash changes	31 October 2015
		£	£	£	£
	Net cash:				
	Cash at bank and in hand	675,998	(495,570)	-	180,428
	Bank overdrafts	(554,704)	(626,749)	-	(1,181,453)
		121,294	(1,122,319)	-	(1,001,025)
	Debt:				
	Debts falling due within one year	(40,268)	4,134	-	(36,134)
	Debts falling due after one year	(276,380)	4,134	-	(272,246)
		(316,648)	8,268	-	(308,380)
	Net debt	(195,354)	(1,114,051)	-	(1,309,405)

3	Reconciliation of net cash flow to movement in net debt	2015	2014
		£	£
	Decrease in cash in the year	(1,122,319)	(741,824)
	Cash outflow from decrease in debt	8,268	8,268
	Movement in net debt in the year	(1,114,051)	(733,556)
	Opening net (debt)/funds	(195,354)	538,202
	Closing net debt	(1,309,405)	(195,354)

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

1.1 Compliance with accounting standards

The financial statements are prepared in accordance with applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), which have been applied consistently (except as otherwise stated).

1.2 Turnover

The turnover shown in the profit and loss account represents income from the distribution of goods and machinery to the horticulture and leisure sectors and excludes VAT. Revenue is recognised at the time of collection or delivery to the customer.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings Freehold	2% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	15% straight line
Motor vehicles	25% reducing balance

The part of the annual depreciation charge on revalued assets which relates to the revaluation surplus is transferred from the revaluation reserve to the profit and loss account.

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investment properties

Investment properties are included in the balance sheet at their open market value in accordance with Statement of Standard Accounting Practice No. 19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

1.7 Pensions

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.8 Deferred taxation

Full provision for deferred tax assets and liabilities is provided at current tax rates on differences that arise between the recognition of gains and losses in the financial statements and their recognition in the tax computation, except for differences arising on the revaluation of fixed assets (if no commitment to sell), or gains on any asset sold that will benefit from rollover relief.

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

1 Accounting policies

(continued)

1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.10 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 equity after deducting all of its financial liabilities.

Where the contractual obligations of the financial statements (including share capital) are equivalent to a similar debt instrument, those financial statements are classed as financial liabilities. Financial liabilities are presented 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.

2 Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the United Kingdom and Ireland.

3 Operating (loss)/profit

2015

2014

£

£

Operating (loss)/profit is stated after charging:

Depreciation of tangible assets

109,419

88,819

Loss on foreign exchange transactions

72,153

-

Operating lease rentals

65,500

65,500

Auditors' remuneration

9,000

9,225

and after crediting:

Rents receivable

195,414

158,755

Profit on disposal of tangible assets

(457)

(698)

Profit on foreign exchange transactions

-

(51,299)

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

4	Investment income	2015	2014
		£	£
	Bank interest	205	248
		<hr/>	<hr/>
		205	248
		<hr/>	<hr/>
 5	 Interest payable	 2015	 2014
		£	£
	On bank loans and overdrafts	11,317	4,385
	Other interest	-	1,221
		<hr/>	<hr/>
		11,317	5,606
		<hr/>	<hr/>

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

6	Taxation	2015 £	2014 £
	Domestic current year tax		
	U.K. corporation tax	-	21,638
	Adjustment for prior years	-	1,728
	Total current tax	-	23,366
	Deferred tax		
	Origination and reversal of timing differences	29,639	19,793
	Deferred tax adjustments arising in previous periods	-	(1,137)
		29,639	18,656
		29,639	42,022
	Factors affecting the tax charge for the year		
	(Loss)/profit on ordinary activities before taxation	(534,882)	175,297
	(Loss)/profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2014 - 20.00%)	(106,976)	35,059
	Effects of:		
	Non deductible expenses	3,301	1,179
	Depreciation add back	5,179	5,053
	Capital allowances	(29,115)	(19,653)
	Tax losses utilised	(36,135)	-
	Adjustments to previous periods	-	1,728
	Tax losses carried forward	163,746	-
		106,976	(11,693)
	Current tax charge for the year	-	23,366

The company has estimated losses of £ 1,047,200 (2014 - £ 406,522) available for carry forward against future trading profits.

7	Dividends	2015 £	2014 £
	Ordinary final paid	45,000	76,000

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

8 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
Cost or valuation					
At 1 November 2014	1,263,134	123,736	522,509	163,192	2,072,571
Additions	39,305	3,100	188,028	14,950	245,383
Disposals	-	-	-	(23,756)	(23,756)
At 31 October 2015	1,302,439	126,836	710,537	154,386	2,294,198
Depreciation					
At 1 November 2014	25,263	106,118	373,376	64,865	569,622
On disposals	-	-	-	(17,280)	(17,280)
Charge for the year	25,890	5,579	53,854	24,096	109,419
At 31 October 2015	51,153	111,697	427,230	71,681	661,761
Net book value					
At 31 October 2015	1,251,286	15,139	283,307	82,705	1,632,437
At 31 October 2014	1,237,871	17,618	149,133	98,327	1,502,949

Comparable historical cost for the land and buildings included at valuation:

	£
Cost	
At 1 November 2014	749,661
Additions	39,305
At 31 October 2015	788,966
Depreciation based on cost	
At 1 November 2014	161,500
Charge for the year	12,631
At 31 October 2015	174,131
Net book value	
At 31 October 2015	614,835
At 31 October 2014	588,161

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

8 Tangible fixed assets

(continued)

Freehold property was revalued to £1,250,000 on 31 October 2013. This valuation was carried out by Ian McCullough Estate Agents and Chartered Surveyors.

9 Tangible fixed assets

**Investment
properties
£**

Cost or valuation

At 1 November 2014 & at 31 October 2015	1,850,000
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Net book value

At 31 October 2015	1,850,000
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At 31 October 2014	1,850,000
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Investment property was valued at £1,850,000 on 31 October 2013. This valuation was carried out by Ian McCullough Estate Agents and Chartered Surveyors.

Comparable historical cost for the land and buildings included at valuation:

£

Cost

At 1 November 2014	1,023,122
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Additions	-
-----------	---

At 31 October 2015	1,023,122
--------------------	-----------

Depreciation based on cost

At 1 November 2014	200,751
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Charge for the year	-
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At 31 October 2015	200,751
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Net book value

At 31 October 2015	822,371
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At 31 October 2014	822,371
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10 Stocks

**2015
£**

**2014
£**

Finished goods and goods for resale	2,093,651	1,761,460
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CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

11 Debtors	2015 £	2014 £
Trade debtors	510,235	525,283
Amounts owed by Cyril Johnston Hire Limited	9,661	10,253
Other debtors	83,266	87,698
Prepayments and accrued income	278,660	86,162
	<u>881,822</u>	<u>709,396</u>
12 Creditors: amounts falling due within one year	2015 £	2014 £
Bank overdrafts	1,181,453	554,704
Trade creditors	508,038	449,264
Corporation tax	-	21,638
Other taxes and social security costs	102,501	33,794
Directors' current accounts	-	21,848
Other creditors	4,134	14,889
Accruals and deferred income	95,643	73,081
Preference shares classed as a financial liability (Note 16)	32,000	32,000
	<u>1,923,769</u>	<u>1,201,218</u>

The bank overdraft disclosed under creditors falling due within one year is secured by a fixed and floating charge over the assets of the company.

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

13 Creditors: amounts falling due after more than one year	2015 £	2014 £
Other loans	-	4,134
Preference shares classed as a financial liability (note 16)	272,246	272,246
	<u>272,246</u>	<u>276,380</u>

Analysis of loans

Wholly repayable within five years	4,134	12,402
	<u>4,134</u>	<u>12,402</u>
Included in current liabilities	(4,134)	(8,268)
	<u>-</u>	<u>4,134</u>

14 Provisions for liabilities

	Deferred tax liability £
Balance at 1 November 2014	18,656
Profit and loss account	29,639
	<u>48,295</u>
Balance at 31 October 2015	<u>48,295</u>

The deferred tax liability is made up as follows:

	2015 £	2014 £
Accelerated capital allowances	<u>48,295</u>	<u>18,656</u>

15 Pension and other post-retirement benefit commitments

Defined contribution

There are no pension benefits accruing to any of the directors.

	2015 £	2014 £
Contributions payable by the company for the year	<u>12,350</u>	<u>19,765</u>

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

16 Share capital	2015 £	2014 £
Allotted, called up and fully paid		
10,000 Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>

Shares classified as debt

304,246 redeemable preference shares, consisting of 137,710 A preference shares and 166,536 B preference shares, were issued during 2013 for consideration of £304,246. These are redeemable by the shareholder only and have been classified as debt in notes 12 & 13 above. There are however certain restrictions which are noted below:

i) Should the registered holder of the preference shares so request, the company shall redeem up to 32,000 preference shares in any financial year;

ii) There shall be no redemption of any preference shares in a financial year unless:

-36.6% of the shares redeemed are A preference shares

-63.4% of the shares redeemed are B preference shares

The redeemable preference shares will entitle the holder to receive notice of all general meetings but will not in any circumstances entitle the holder to attend or vote at any general meeting.

The redeemable preference shares have the right to a fixed dividend at the annual rate, (depending on the Bank of England base rate) of the nominal value of each preference share which shall be paid in one lump sum on the last business day of each financial year.

There are no differences to the rights attributable to the A and B preference shares.

17 Statement of movements on reserves

	Revaluation reserve £	Profit and loss account £
Balance at 1 November 2014	1,677,339	3,316,210
Loss for the year	-	(564,521)
Transfer from revaluation reserve to profit and loss account	(13,259)	13,259
Dividends paid	-	(45,000)
Balance at 31 October 2015	<u>1,664,080</u>	<u>2,719,948</u>

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

18 Reconciliation of movements in shareholders' funds	2015 £	2014 £
(Loss)/Profit for the financial year	(564,521)	133,275
Dividends	(45,000)	(76,000)
Net (depletion in)/addition to shareholders' funds	(609,521)	57,275
Opening shareholders' funds	5,003,549	4,946,274
Closing shareholders' funds	4,394,028	5,003,549

19 Contingent liabilities

The company had no contingent liabilities at 31 October 2015 or 31 October 2014.

20 Financial commitments

At 31 October 2015 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Motor Vehicles	
	2015 £	2014 £	2015 £	2014 £
Operating leases which expire:				
Within one year	-	-	1,896	413
Between two and five years	-	-	33,472	15,012
In over five years	65,500	65,500	-	-
	65,500	65,500	35,368	15,425

21 Capital commitments

The directors have confirmed that there were no capital commitments at 31 October 2015 or 31 October 2014.

22 Directors' remuneration

	2015 £	2014 £
Remuneration for qualifying services	112,524	30,000

CYRIL JOHNSTON & CO. LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2015

23 Employees

Number of employees

The average monthly number of employees (including directors) during the year was:

	2015 Number	2014 Number
Distribution	38	34
Administrative Staff	10	7
	<u>48</u>	<u>41</u>

Employment costs

	2015 £	2014 £
Wages and salaries	1,256,745	891,956
Social security costs	124,362	90,001
Other pension costs	12,350	19,765
	<u>1,393,457</u>	<u>1,001,722</u>

24 Control

The directors are considered the ultimate controlling party of Cyril Johnston & Co Limited by virtue of their shareholding in the company.

25 Related party relationships and transactions

Included within turnover are amounts totalling £60,435 (2014 - £46,864) which represents sales to Cyril Johnston Hire Limited, a company related under common control and directorship.

Included within cost of sales are amounts totalling £865 (2014 - £973) in respect of goods purchased from Cyril Johnston Hire Limited.

The balance outstanding is included within debtors and disclosed separately within Note 11.

The balance owing from the directors at the year end in respect of their current accounts is included in other debtors within Note 11.

During the year the company paid rent amounts of £65,500 (2014 - £65,500) to the trustees of the Cyril Johnston Pension Fund, a fund which the directors are trustees of. There is no balance outstanding at either year end.