

**Company Registration No. NI003426 (Northern Ireland)**

**CYRIL JOHNSTON & CO. LIMITED**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 OCTOBER 2017**

# CYRIL JOHNSTON & CO. LIMITED

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# CYRIL JOHNSTON & CO. LIMITED

## BALANCE SHEET

AS AT 31 OCTOBER 2017

		2017		2016 as restated	
	Notes	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	6	1,290,362		1,385,798	
Investment properties	7	2,122,000		2,122,000	
		<u>3,412,362</u>		<u>3,507,798</u>	
<b>Current assets</b>					
Stocks	9	2,273,972		1,823,392	
Debtors	10	497,809		770,617	
Cash at bank and in hand		636,923		229,232	
		<u>3,408,704</u>		<u>2,823,241</u>	
<b>Creditors: amounts falling due within one year</b>	11	<u>(2,477,433)</u>		<u>(2,320,020)</u>	
<b>Net current assets</b>		<u>931,271</u>		<u>503,221</u>	
<b>Total assets less current liabilities</b>		<u>4,343,633</u>		<u>4,011,019</u>	
<b>Creditors: amounts falling due after more than one year</b>	12	<u>(764,708)</u>		<u>(299,343)</u>	
<b>Provisions for liabilities</b>	14	<u>(353,894)</u>		<u>(415,745)</u>	
<b>Net assets</b>		<u><u>3,225,031</u></u>		<u><u>3,295,931</u></u>	
<b>Capital and reserves</b>					
Called up share capital	16	10,000		10,000	
Fixed asset revaluation reserve		485,638		493,976	
Investment property revaluation reserve		867,234		848,608	
Profit and loss reserves		1,862,159		1,943,347	
<b>Total equity</b>		<u><u>3,225,031</u></u>		<u><u>3,295,931</u></u>	

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

## **CYRIL JOHNSTON & CO. LIMITED**

### **BALANCE SHEET (CONTINUED)**

***AS AT 31 OCTOBER 2017***

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The financial statements were approved by the board of directors and authorised for issue on 3 May 2018 and are signed on its behalf by:

Mr D. W. Johnston  
**Director**

**Company Registration No. NI003426**

The notes on pages 3 - 15 form part of these financial statements and should be read in conjunction therewith.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

#### Company information

Cyril Johnston & Co. Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is Ballynahinch Road, Carryduff, Belfast, BT8 8DJ.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 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.

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

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

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

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. The surplus or deficit on revaluation is recognised in profit or loss.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

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 company after deducting all of its liabilities.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.



# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

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### 1 Accounting policies

(Continued)

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

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.

#### 1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

#### 1.16 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.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

### 3 Operating loss

	2017	2016 as restated
	£	£
Operating loss for the year is stated after charging/(crediting):		
Exchange gains	(17,510)	(21,053)
Fees payable to the company's auditor for the audit of the company's financial statements	13,300	9,000
Depreciation of owned tangible fixed assets	134,585	143,849
Depreciation of tangible fixed assets held under finance leases	10,998	4,432
(Profit)/loss on disposal of tangible fixed assets	-	4,271
(Profit)/loss on disposal of investment property	-	44,000
Cost of stocks recognised as an expense	6,111,075	6,791,785
Operating lease charges	65,500	43,202

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £17,510 (2016 - £21,053).

### 4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Distribution	33	36
Administrative Staff	8	8
	41	44

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 4 Employees

(Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,251,605	1,482,800
Social security costs	108,506	134,155
Pension costs	19,029	22,632
	<u>1,379,140</u>	<u>1,639,587</u>

### 5 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	<u>58,954</u>	<u>93,431</u>

### 6 Tangible fixed assets

	Land and buildings Freehold £	Plant and machinery £	Fixtures, fittings & equipment £	Motor vehicles £	Total £
<b>Cost or valuation</b>					
At 1 November 2016	1,114,615	145,806	768,154	116,111	2,144,686
Additions	24,562	1,144	24,442	-	50,148
	<u>1,139,177</u>	<u>146,950</u>	<u>792,596</u>	<u>116,111</u>	<u>2,194,834</u>
<b>Depreciation and impairment</b>					
At 1 November 2016	79,058	118,150	525,286	36,395	758,889
Depreciation charged in the year	22,527	5,839	99,420	17,797	145,583
	<u>101,585</u>	<u>123,989</u>	<u>624,706</u>	<u>54,192</u>	<u>904,472</u>
<b>Carrying amount</b>					
At 31 October 2017	<u>1,037,592</u>	<u>22,961</u>	<u>167,890</u>	<u>61,919</u>	<u>1,290,362</u>
At 31 October 2016	<u>1,035,558</u>	<u>27,655</u>	<u>242,868</u>	<u>79,717</u>	<u>1,385,798</u>

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 6 Tangible fixed assets

(Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2017 £	2016 £
Plant and machinery	13,279	16,125
Motor vehicles	28,361	36,513
	<u>41,640</u>	<u>52,638</u>
Depreciation charge for the year in respect of leased assets	<u>10,998</u>	<u>4,432</u>

Land and buildings with a carrying amount of £875,000 were revalued at 31 October 2013 by Ian McCullough Estate Agents and Chartered Surveyors, independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If revalued assets were stated on an historical cost basis rather than a fair value basis, the total amounts included would have been as follows:

	2017 £	2016 £
Cost	709,543	684,981
Accumulated depreciation	160,252	146,061
Carrying value	<u>549,291</u>	<u>538,920</u>

### 7 Investment property

2017  
£

#### Fair value

At 1 November 2016 and 31 October 2017

2,122,000

Investment property comprises the premises at 129-135 Ballynahinch Road, Carryduff, Belfast, BT8 8DJ. The fair value of the investment property has been arrived at on the basis of a valuation carried out at 31st October 2016 by CBRE, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 7 Investment property

(Continued)

If investment properties were stated on an historical cost basis rather than a fair value basis, the amounts would have been included as follows:

	2017 £	2016 £
Cost	1,128,676	1,128,676
Accumulated depreciation	(225,141)	(225,141)
Carrying amount	<u>903,535</u>	<u>903,535</u>

### 8 Financial instruments

	2017 £	2016 as restated £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>407,978</u>	<u>607,840</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>3,182,201</u>	<u>2,486,040</u>

### 9 Stocks

	2017 £	2016 £
Finished goods and goods for resale	<u>2,273,972</u>	<u>1,823,392</u>

### 10 Debtors

	2017 £	2016 £
<b>Amounts falling due within one year:</b>		
Trade debtors	381,760	520,769
Amounts owed by Cyril Johnston Hire Limited	8,906	11,677
Other debtors	17,312	75,394
Prepayments and accrued income	89,831	162,777
	<u>497,809</u>	<u>770,617</u>

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 11 Creditors: amounts falling due within one year

	Notes	2017 £	2016 as restated £
Bank loans and overdrafts	13	1,458,789	1,006,801
Obligations under finance leases		9,964	9,364
Other borrowings	13	32,000	32,000
Trade creditors		629,235	756,611
Other taxation and social security		59,940	133,323
Other creditors		183,169	245,996
Accruals and deferred income		104,336	135,925
		<u>2,477,433</u>	<u>2,320,020</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.

### 12 Creditors: amounts falling due after more than one year

	Notes	2017 £	2016 £
Bank loans and overdrafts	13	475,330	-
Obligations under finance leases		17,132	27,097
Other borrowings	13	272,246	272,246
		<u>764,708</u>	<u>299,343</u>

### 13 Loans and overdrafts

	2017 £	2016 as restated £
Bank loans	837,946	-
Bank overdrafts	1,096,173	1,006,801
Preference shares	304,246	304,246
	<u>2,238,365</u>	<u>1,311,047</u>
Payable within one year	1,490,789	1,038,801
Payable after one year	747,576	272,246

The long-term loans are 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 2017

### 13 Loans and overdrafts

(Continued)

Included in bank loans is an amount of £503,036 which is payable in quarterly instalments. The interest rate applicable to the loan is 4.4%.

Included in bank loans is an amount of £334,910 which is payable in quarterly instalments. The interest rate applicable to the loan is 4.049190%.

### 14 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	15	353,894	415,745

### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
Accelerated capital allowances	-	43,225
Revaluations	353,894	372,520
	<u>353,894</u>	<u>415,745</u>

The net deferred tax liability expected to reverse in 12 months is £18,626. This primarily relates to future changes in the corporation tax rate.

### 16 Share capital

	2017 £	2016 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary Shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The ordinary shares entitle the shareholders to:

- full rights to receive notice of and attend, speak and vote at all general meetings of the Company;
- full rights to participate in lawful dividends; and
- full rights to participate in a lawful distribution.

# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 17 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Dr R I Peters Gallagher OBE FCA.  
The auditor was Moore Stephens (NI) LLP.

### 18 Financial commitments, guarantees and contingent liabilities

The company has a contingent liability in respect of a bank guarantee in place for VAT liabilities, totalling £25,000.

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	20,120	34,647
Between two and five years	25,402	7,210
In over five years	65,500	65,500
	<u>111,022</u>	<u>107,357</u>

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	<u>58,954</u>	<u>93,431</u>

During the year the company paid rent amounts of £65,500 (2016 - £43,202) 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.

### 21 Controlling party

The ultimate controlling party is Mr D W Johnston.



# CYRIL JOHNSTON & CO. LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 OCTOBER 2017

### 22 Prior period adjustment

The 2016 financial statements have been revised to incorporate the restatement of amounts contained within the following categories:-

#### Changes to the balance sheet

	At 31 October 2016		
	As previously reported	Adjustment	As restated
	£	£	£
<b>Creditors due within one year</b>			
Loans and overdrafts	(1,054,585)	(230,212)	(1,284,797)
Other creditors	(807,251)	(85,285)	(892,536)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Net assets	3,611,428	(315,497)	3,295,931
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Capital and reserves</b>			
Revaluation reserve	490,598	3,378	493,976
Other reserves	959,703	(111,095)	848,608
Profit and loss	2,151,127	(207,780)	1,943,347
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total equity	3,611,428	(315,497)	3,295,931
	<u>                    </u>	<u>                    </u>	<u>                    </u>

#### Changes to the profit and loss account

	Period ended 31 October 2016		
	As previously reported	Adjustment	As restated
	£	£	£
Cost of sales	(6,664,879)	(161,304)	(6,826,183)
Distribution costs	(1,277,494)	(13,400)	(1,290,894)
Administrative expenses	(1,184,812)	(140,793)	(1,325,605)
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Loss for the financial period	(399,480)	(315,497)	(714,977)
	<u>                    </u>	<u>                    </u>	<u>                    </u>

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