

HARVEST EQUIPMENT LIMITED
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2017
PAGES FOR FILING WITH REGISTRAR



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Business Sense*

HARVEST EQUIPMENT LIMITED

COMPANY INFORMATION

Director	Mr M Erwin
Secretary	Mrs M Erwin
Company number	NI053383
Registered office	82 Nutts Corner Road Nutts Corner Crumlin County Antrim BT29 4SJ
Accountants	Harbinson Mulholland Centrepoint 24 Ormeau Avenue Belfast Co. Antrim Northern Ireland BT2 8HS
Bankers	Danske Bank 42 High Street Antrim BT41 4AP

HARVEST EQUIPMENT LIMITED

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HARVEST EQUIPMENT LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Intangible assets			68,333		88,333
Property, plant and equipment	3		271,204		284,589
Investment properties	4		150,000		150,000
Investments	5		300,000		300,000
			<u>789,537</u>		<u>822,922</u>
Current assets					
Inventories			-		39,000
Trade and other receivables	6		373,239		286,168
Cash and cash equivalents			26,923		12,924
			<u>400,162</u>		<u>338,092</u>
Current liabilities	7		(197,466)		(251,767)
Net current assets			<u>202,696</u>		<u>86,325</u>
Total assets less current liabilities			<u>992,233</u>		<u>909,247</u>
Provisions for liabilities			(20,414)		(22,560)
Net assets			<u>971,819</u>		<u>886,687</u>
Equity					
Called up share capital	8		100		100
Retained earnings			971,719		886,587
Total equity			<u>971,819</u>		<u>886,687</u>

The director of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 30 September 2017 the company was entitled to exemption from audit under section 477 of the Companies Act 2006.

The director acknowledges his responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

HARVEST EQUIPMENT LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 30 SEPTEMBER 2017

The financial statements were approved by the board of directors and authorised for issue on 16/01/2018 and are signed on its behalf by:



.....
Mr M Erwin
Director

Company Registration No. NI053383

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

Company information

Harvest Equipment Limited is a private company limited by shares incorporated in Northern Ireland. The registered office is 82 Nutts Corner Road, Nutts Corner, Crumlin, County Antrim, BT29 4SJ.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 September 2017 are the first financial statements of Harvest Equipment Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 October 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 11.

1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.3 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

1.4 Property, plant and equipment

Property, plant and equipment 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	4% straight line
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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 the income statement.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as property, plant and equipment.

1.6 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

1.7 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

1.8 Inventories

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

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories 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.

1.9 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 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 statement of financial position 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.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include trade and other receivables 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.

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 trade and other payables, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.11 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.

1.12 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 income statement 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.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

1 Accounting policies

(Continued)

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 income statement, 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.

1.13 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 income statement for the period.

1.14 Consolidation

The company and its subsidiary comprise a small group, which falls within the Small Companies Regime of the Companies Act 2006. The company is therefore not required to prepare group financial statements and accordingly these financial statements present information about the company as a single undertaking.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2017

2 Intangible fixed assets

Goodwill
£

Cost

At 1 October 2016 and 30 September 2017

200,000

Amortisation and impairment

At 1 October 2016

111,667

Amortisation charged for the year

20,000

At 30 September 2017

131,667

Carrying amount

At 30 September 2017

68,333

At 30 September 2016

88,333

3 Property, plant and equipment

Land and buildings Freehold
£

Cost

At 1 October 2016 and 30 September 2017

334,636

Depreciation and impairment

At 1 October 2016

50,047

Depreciation charged in the year

13,385

At 30 September 2017

63,432

Carrying amount

At 30 September 2017

271,204

At 30 September 2016

284,589

4 Investment property

2017
£

Fair value

At 1 October 2016 and 30 September 2017

150,000

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

5 Fixed asset investments

	2017 £	2016 £
Investments	300,000	300,000

6 Trade and other receivables

	2017 £	2016 £
Amounts falling due within one year:		
Amounts due from group undertakings	362,781	275,841
Other receivables	10,458	10,327
	<u>373,239</u>	<u>286,168</u>

7 Current liabilities

	2017 £	2016 £
Trade payables	4,426	4,188
Corporation tax	18,674	17,129
Other payables	174,366	230,449
	<u>197,466</u>	<u>251,766</u>

Included in other creditors are amounts owed to directors Michael Erwin £2,069 (2016: £33,928) and Norman Erwin £5,911 (2016: £13,940).

Danske Bank hold a floating charge over all the assets of the company.

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
Issued and fully paid		
51 Class A of £1 each	51	51
25 Class B of £1 each	25	25
24 Class C of £1 each	24	24
	<u>100</u>	<u>100</u>

9 Ultimate controlling party

Michael J. Erwin, director, is the ultimate controlling party.

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

10 Related party transactions

Transactions with related parties

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Entities over which the entity has control, joint control or significant influence	362,782	275,841

In addition to the amounts owed to directors, disclosed in creditors less than one year and more than one year, the following amounts are due to related parties:

	2017 £	2016 £
Other creditors - short term		
Margaret Erwin (Company Secretary)	27,171	32,471

The short term loans owed to directors are on an interest free basis. The loan included in other payables of £128,074 (2016: £139,074) attracted an interest charge of £5,349 (2016: £5,380) in the year. The interest charge has been added to the short term loan balance.

11 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	At 1 October 2015			At 30 September 2016		
		Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Fixed assets							
Goodwill		108,333	-	108,333	88,333	-	88,333
Property, plant and equipment		294,995	-	294,995	284,589	-	284,589
Investment properties		150,000	-	150,000	150,000	-	150,000
Investments		300,000	-	300,000	300,000	-	300,000
		<u>853,328</u>	<u>-</u>	<u>853,328</u>	<u>822,922</u>	<u>-</u>	<u>822,922</u>
Current assets							
Inventories		40,815	-	40,815	39,000	-	39,000
Trade and other receivables		323,435	-	323,435	286,168	-	286,168
Bank and cash		8,897	-	8,897	12,924	-	12,924
		<u>373,147</u>	<u>-</u>	<u>373,147</u>	<u>338,092</u>	<u>-</u>	<u>338,092</u>

HARVEST EQUIPMENT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 2017

11 Reconciliations on adoption of FRS 102

(Continued)

Notes	At 1 October 2015			At 30 September 2016		
	Previous UK GAAP £	Effect of transition £	FRS 102 £	Previous UK GAAP £	Effect of transition £	FRS 102 £
Creditors due within one year						
Borrowings	(70,325)	(139,074)	(209,399)	(80,340)	(139,074)	(219,414)
Taxation	(15,546)	-	(15,546)	(17,129)	-	(17,129)
Other payables	(23,232)	-	(23,232)	(15,224)	-	(15,224)
	(109,103)	(139,074)	(248,177)	(112,693)	(139,074)	(251,767)
Net current assets	264,044	(139,074)	124,970	225,399	(139,074)	86,325
Total assets less current liabilities	1,117,372	(139,074)	978,298	1,048,321	(139,074)	909,247
Creditors due after one year						
Borrowings	(139,074)	139,074	-	(139,074)	139,074	-
Provisions for liabilities						
Deferred tax	(28,916)	-	(28,916)	(22,560)	-	(22,560)
Net assets	949,382	-	949,382	886,687	-	886,687
Equity						
Share capital	100	-	100	100	-	100
Profit and loss	949,282	-	949,282	886,587	-	886,587
Total equity	949,382	-	949,382	886,687	-	886,687

Reconciliation of profit for the financial period

There are no changes to the profit and loss.

Notes to reconciliations on adoption of FRS 102

Other payables

Creditors repayable on demand have been transferred to creditors less than one year.