



# Unaudited Financial Statements John Brocklehurst Manufacturing Limited

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For the Year Ended 31 December 2016

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COMPANIES HOUSE

Registered number: 00832625

## John Brocklehurst Manufacturing Limited

### Company Information

<b>Directors</b>	Mr J M Brocklehurst Ms L Brocklehurst
<b>Company secretary</b>	Ms L Brocklehurst
<b>Registered number</b>	00832625
<b>Registered office</b>	The Beeches Matlock Street BAKEWELL DE45 1EE
<b>Accountants</b>	Grant Thornton UK LLP Chartered Accountants 2 Broadfield Court SHEFFIELD S8 0XF
<b>Bankers</b>	HSBC Bank Plc Market Place CHESTERFIELD S40 1TN
<b>Key management personnel</b>	Mr J M Brocklehurst Ms L Brocklehurst

**John Brocklehurst Manufacturing Limited**

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## Statement of financial position

As at 31 December 2016

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	4	265,385	255,654
		<u>265,385</u>	<u>255,654</u>
<b>Current assets</b>			
Stocks		683,150	608,143
Debtors		54,604	35,952
Cash at bank and in hand		221,805	207,643
		<u>959,559</u>	<u>851,738</u>
Creditors: amounts falling due within one year		(245,456)	(220,717)
<b>Net current assets</b>		<u>714,103</u>	<u>631,021</u>
<b>Total assets less current liabilities</b>		<u>979,488</u>	<u>886,675</u>
Creditors: amounts falling due after more than one year		(16,132)	-
<b>Provisions for liabilities</b>			
Deferred tax		(13,674)	(10,960)
		<u>(13,674)</u>	<u>(10,960)</u>
<b>Net assets</b>		<u>949,682</u>	<u>875,715</u>
<b>Capital and reserves</b>			
Called up share capital		65,108	65,108
Share premium account		377,052	377,052
Profit and loss account		507,522	433,555
		<u>949,682</u>	<u>875,715</u>

## Statement of financial position (continued)

As at 31 December 2016

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2016 and of its profit for the period in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirements of the Companies Act 2006 relating to financial directors statements, so far as applicable to the company.

The financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

As permitted by s444(5A) of the Companies Act 2006 the directors have not delivered to the Registrar a copy of the company's statement of income and retained earnings.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 March 2017.



**Mr J M Brocklehurst**

Director

The notes on pages 3 to 10 form part of these financial statements.

# Notes to the financial statements

For the Year Ended 31 December 2016

## 1. General information

John Brocklehurst Manufacturing Limited is a limited liability company incorporated in England and Wales. Its registered head office is located at The Beeches, Matlock Street, Bakewell, DE45 1EE.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is pound sterling.

The following principal accounting policies have been applied:

### 2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

#### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

## Notes to the financial statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Freehold property	- 2% straight line
Leasehold property	- 18 years
Plant & machinery	- 20% straight line
Motor vehicles	- 20% straight line
Equipment, fixtures & fittings	- 10% straight line

#### 2.4 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each reporting date, stocks are assessed for impairment. If stock is 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.

#### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

#### 2.6 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Notes to the financial statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.7 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of income and retained earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an 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.

#### 2.8 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### 2.9 Finance costs

Finance costs are charged to the Statement of income and retained earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.



## Notes to the financial statements

For the Year Ended 31 December 2016

### **2. Accounting policies (continued)**

#### **2.10 Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

#### **2.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

#### **2.12 Pensions**

##### **Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

#### **2.13 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of income and retained earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

## Notes to the financial statements

For the Year Ended 31 December 2016

### 2. Accounting policies (continued)

#### 2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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 income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 3. Judgments in applying accounting policies and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

#### Useful economic life of assets

The directors have applied their judgement in assessing the useful economic life of the fixed assets held by the company.

#### Provision of stock

Where the company has excess amounts of stock or stock is showing signs of obsolescence, which may indicate that the selling price may be below cost, then a provision is made against stock to reduce the value to the lower of the cost or estimated selling price.

## Notes to the financial statements

For the Year Ended 31 December 2016

## 4. Tangible fixed assets

	Freehold property £	Leasehold property £	Plant & machinery £	Motor vehicles £	Equipment fixtures & fittings £	Total £
<b>Cost or valuation</b>						
At 1 January 2016	298,633	3,738	-	98,264	122,186	522,821
Additions	-	-	1,900	24,964	9,551	36,415
Disposals	-	-	-	(39,805)	(1,720)	(41,525)
At 31 December 2016	<u>298,633</u>	<u>3,738</u>	<u>1,900</u>	<u>83,423</u>	<u>130,017</u>	<u>517,711</u>
<b>Depreciation</b>						
At 1 January 2016	108,848	2,056	-	88,795	67,468	267,167
Charge for the period on owned assets	5,976	204	382	3,161	10,653	20,376
Disposals	-	-	-	(33,497)	(1,720)	(35,217)
At 31 December 2016	<u>114,824</u>	<u>2,260</u>	<u>382</u>	<u>58,459</u>	<u>76,401</u>	<u>252,326</u>
<b>Net book value</b>						
At 31 December 2016	<u>183,809</u>	<u>1,478</u>	<u>1,518</u>	<u>24,964</u>	<u>53,616</u>	<u>265,385</u>
At 31 December 2015	<u>189,785</u>	<u>1,682</u>	<u>-</u>	<u>9,469</u>	<u>54,718</u>	<u>255,654</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	<u>24,964</u>	<u>-</u>
	<u>24,964</u>	<u>-</u>

# Notes to the financial statements

For the Year Ended 31 December 2016

## 5. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	8,416	-
Between 1-2 years	8,416	-
Between 2-5 years	7,716	-
	<u>24,548</u>	<u>-</u>

Finance leases are secured against the assets to which they relate to.

## 6. Contingent liabilities

There were no contingent liabilities at 31 December 2016 or 31 December 2015.

## 7. Capital commitments

There were no capital commitments at 31 December 2016 or 31 December 2015.

## 8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £28,139 (2015 - £26,700). Contributions totalling £nil (2015 - £nil) were payable to the fund at the balance sheet date.

## 9. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	44,122	44,122
Later than 1 year and not later than 5 years	176,488	176,488
Later than 5 years	55,153	99,274
	<u>275,763</u>	<u>319,884</u>

## Notes to the financial statements

For the Year Ended 31 December 2016

### **10. First time adoption of FRS 102**

This is the first time that the company has applied the recognition and measurement requirements of FRS 102, having previously applied the Financial Reporting Standard for Smaller Entities (FRSSE).

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.