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Registered number: 00554602

F.G.HALLADEY & SONS,LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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F.G.HALLADEY & SONS,LIMITED

COMPANY INFORMATION

Directors	B Halladey D Halladey V Halladey
Company secretary	V Halladey
Registered number	00554602
Registered office	11 Orient Industrial Park Simmonds Road Leyton London E10 7DE
Independent auditors	Haslers Chartered Accountants & Statutory Auditor Old Station Road Loughton Essex IG10 4PL

F.G.HALLADEY & SONS,LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditors' Report	4 - 6
Statement of Comprehensive Income	7
Balance Sheet	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 24

F.G.HALLADEY & SONS,LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

Introduction

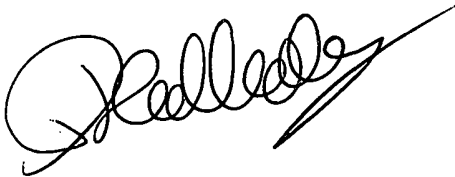
Throughout 2017 the principal activity of the company continued to be the wholesale distribution of tobacco and confectionary.

Business review

For some years the company has struggled to achieve overall acceptable levels of gross margin and profitability. In the main, the trading activities have been unprofitable and losses incurred covered by rental income. With the termination of the lease over the company's rented warehouse it was decided to scale down the business and dispose of the non tobacco wholesale and distribution side of the business. All staff except the directors were made redundant. As mentioned in the director's report the company continues to trade but on a smaller level. This should result in much increased net profits where the rental income is not used to merely make good trading losses. It will still be necessary to obtain finance to cover trading activities, but given the value of the fixed asset investment property and the greatly reduced fixed costs the directors do not believe this will give rise to difficulties.

This report was approved by the board on 26 April 2018 and signed on its behalf.

D Halladey
Director

A handwritten signature in black ink, appearing to read 'D Halladey', with a long, sweeping horizontal stroke extending to the right.

F.G.HALLADEY & SONS,LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors present their report and the financial statements for the year ended 31 December 2017.

Principal activity

The company's principal activity during the year continued to be the wholesale distribution of tobacco and confectionery.

Results and dividends

The profit for the year, after taxation, amounted to £135,574 (2016 - loss £335,021).

Directors

The directors who served during the year were:

B Halladey
D Halladey
V Halladey

Future developments

The directors intend to restructure the trading activities on a smaller scale than hitherto referred to below.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

On 10th January 2018 the company sold its non tobacco products business. The company continues to trade as wholesalers and distributors of tobacco products. The lease on the company's warehouse ends on the 24th March 2018 and a charge for dilapidation of the property in the sum of £37,500 which has been provided for following the year end.

Auditors

The auditors, Haslers, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 26 April 2018 and signed on its behalf.

D Halladey
Director



F.G.HALLADEY & SONS,LIMITED

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

F.G.HALLADEY & SONS,LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF F.G.HALLADEY & SONS,LIMITED

Opinion

We have audited the financial statements of F.G.Halladey & Sons,Limited (the 'Company') for the year ended 31 December 2017, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Cash Flows, the Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2017 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material

F.G.HALLADEY & SONS,LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF F.G.HALLADEY & SONS,LIMITED
(CONTINUED)**

inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

F.G.HALLADEY & SONS,LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF F.G.HALLADEY & SONS,LIMITED
(CONTINUED)**

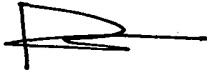
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

Use of our report

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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.



Charalambos Patsalides (Senior Statutory Auditor)

**for and on behalf of
Haslers**

**Chartered Accountants
Statutory Auditor**

**Old Station Road
Loughton
Essex
IG10 4PL**

26 April 2018

F.G.HALLADEY & SONS,LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £	2016 £
Turnover	4	8,291,561	11,920,529
Cost of sales		(7,835,920)	(11,432,652)
Gross profit		455,641	487,877
Distribution costs		(366,999)	(350,239)
Administrative expenses		(283,925)	(325,044)
Other operating income	5	170,475	163,847
Fair value movements		-	341,650
Other operating charges		(12,110)	(8,598)
Operating (loss)/profit	6	(36,918)	309,493
Interest receivable and similar income	9	153	212
Interest payable and expenses	10	(14,457)	(22,548)
(Loss)/profit before tax		(51,222)	287,157
Tax on (loss)/profit	11	186,796	(622,178)
Profit/(loss) for the financial year		135,574	(335,021)

There was no other comprehensive income for 2017 (2016:£NIL).

F.G.HALLADEY & SONS,LIMITED
REGISTERED NUMBER: 00554602

BALANCE SHEET
AS AT 31 DECEMBER 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	13	29,568	52,376
Investment property	14	3,850,000	3,850,000
		<u>3,879,568</u>	<u>3,902,376</u>
Current assets			
Stocks	15	144,204	494,784
Debtors: amounts falling due within one year	16	300,660	853,558
Cash at bank and in hand	17	46,633	58,792
		<u>491,497</u>	<u>1,407,134</u>
Creditors: amounts falling due within one year	18	(515,468)	(1,385,446)
Net current (liabilities)/assets		<u>(23,971)</u>	<u>21,688</u>
Total assets less current liabilities		<u>3,855,597</u>	<u>3,924,064</u>
Creditors: amounts falling due after more than one year	19	(39,500)	(39,500)
Provisions for liabilities			
Deferred tax	21	(596,543)	(779,579)
		<u>(596,543)</u>	<u>(779,579)</u>
Net assets		<u><u>3,219,554</u></u>	<u><u>3,104,985</u></u>
Capital and reserves			
Called up share capital		2,500	2,500
Revaluation reserve	23	2,942,250	2,942,250
Profit and loss account	23	274,804	160,235
		<u>3,219,554</u>	<u>3,104,985</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 26 April 2018.



D Halladey
Director

The notes on pages 11 to 24 form part of these financial statements.

F.G.HALLADEY & SONS,LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	2,500	2,942,250	160,235	3,104,985
Comprehensive income for the year				
Profit for the year	-	-	135,574	135,574
Dividends: Equity capital	-	-	(21,005)	(21,005)
At 31 December 2017	2,500	2,942,250	274,804	3,219,554

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2016	2,500	2,600,600	836,906	3,440,006
Comprehensive income for the year				
Loss for the year	-	-	(335,021)	(335,021)
Fair value adjustments	-	-	(341,650)	(341,650)
Transfer to/from profit and loss account	-	341,650	-	341,650
At 31 December 2016	2,500	2,942,250	160,235	3,104,985

The notes on pages 11 to 24 form part of these financial statements.

F.G.HALLADEY & SONS,LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 £	2016 £
Cash flows from operating activities		
(Loss)/profit for the financial year	135,574	(335,021)
Adjustments for:		
Depreciation of tangible assets	9,213	79,031
Loss on disposal of tangible assets	4,942	4,774
Interest paid	14,457	22,548
Interest received	(153)	(212)
Taxation charge	(186,796)	622,178
Decrease/(increase) in stocks	350,580	(69,595)
Decrease in debtors	531,894	40,098
(Decrease)/increase in creditors	(586,830)	65,891
Net fair value losses/(gains) recognised in P&L	-	(341,650)
Corporation tax (paid)	(3,989)	(8,673)
Net cash generated from operating activities	268,892	79,369
Cash flows from investing activities		
Purchase of tangible fixed assets	(9,499)	-
Sale of tangible fixed assets	18,152	7,652
Interest received	153	212
Net cash from investing activities	8,806	7,864
Cash flows from financing activities		
Interest paid	(14,457)	(22,548)
Net cash used in financing activities	(14,457)	(22,548)
Net increase in cash and cash equivalents	263,241	64,685
Cash and cash equivalents at beginning of year	(427,878)	(492,563)
Cash and cash equivalents at the end of year	(164,637)	(427,878)
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	46,633	58,792
Bank overdrafts	(211,270)	(486,670)
	(164,637)	(427,878)

F.G.HALLADEY & SONS,LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. General information

F.G. Halladey & Sons,Limited is a private company, limited by shares and domiciled in England and Wales, registration number 00554602. The registered office is Unit 11, Orient Industrial Park, Simmonds Road, London, E10 7DE. The principal activity of the company continued to be that of wholesale tobacconists and confectionists.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest pound sterling.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The accounts have been prepared on a going concern basis even though the directors reached the decision after the year end to cease the loss making wholesale of tobacco and confectionary side of the business. The directors are carefully considering the curtailment of trading operations to ensure that minimum loss is suffered by its stakeholders.

The directors consider the company to be a going concern because the company will continue to generate an income from its investment property which will provide an adequate source of cash flow to ensure that the company meets its day to day operating costs

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.

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model, other than investment properties, 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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Long-term leasehold property	-	2% straight line
Plant and machinery	-	20% straight line
Motor vehicles	-	25% reducing balance
Fixtures and fittings	-	20% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.4 Revaluation of tangible fixed assets

Individual freehold and leasehold properties are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date.

Fair values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of Comprehensive Income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

2.5 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.7 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.

2.8 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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 Financial instruments

The Company only enters into basic financial instrument 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.

2.10 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.

2.11 Finance costs

Finance costs are charged to the Statement of Comprehensive Income 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.

2.12 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.

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.13 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 Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.15 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 Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet 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 Balance Sheet.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 balance sheet 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 Balance Sheet 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 balance sheet date.

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

In applying the Company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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, if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The directors do not believe that there have been judgements (apart from those involving estimates) made in the process of applying the above accounting policies that have had a significant effect on amounts recognised in the financial statements.

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

4. Turnover

An analysis of turnover by class of business is as follows:

	2017	2016
	£	£
Tobacco and confectionary	8,291,561	11,920,529
	8,291,561	11,920,529

All turnover arose within the United Kingdom.

5. Other operating income

	2017	2016
	£	£
Net rents receivable	170,475	163,847
	170,475	163,847

6. Operating loss

The operating loss is stated after charging:

	2017	2016
	£	£
Depreciation of tangible fixed assets	9,212	79,030
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	12,000	12,000
Carrying amount of stock sold	7,385,920	11,432,651

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

7. Employees

	2017	2016
	£	£
Wages and salaries	269,752	311,462
Social security costs	20,341	21,397
Cost of defined contribution scheme	14,989	15,215
	305,082	348,074

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Distribution	12	18

8. Directors' remuneration

	2017	2016
	£	£
Directors' emoluments	42,983	45,672
Company contributions to defined contribution pension schemes	10,800	10,800
	53,783	56,472

During the year retirement benefits were accruing to 1 director (2016 - 1) in respect of defined contribution pension schemes.

9. Interest receivable

	2017	2016
	£	£
Other interest receivable	153	212
	153	212

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

10. Interest payable and similar charges

	2017	2016
	£	£
Bank interest payable	14,059	22,548
Other loan interest payable	398	-
	14,457	22,548

11. Taxation

	2017	2016
	£	£
Corporation tax		
Current tax on profits for the year	-	7,749
Adjustments in respect of previous periods	(3,760)	-
	(3,760)	7,749
Total current tax	(3,760)	7,749
Deferred tax		
Origination and reversal of timing differences	(183,036)	614,429
Total deferred tax	(183,036)	614,429
Taxation on (loss)/profit on ordinary activities	(186,796)	622,178

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2016 - *higher than*) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
(Loss)/profit on ordinary activities before tax	(51,222)	287,157
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	-	57,431
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	-	955
Capital allowances for year in excess of depreciation	-	13,933
Adjustments to tax charge in respect of prior periods	(3,760)	-
Non-taxable income	-	(68,330)
Deferred tax	(183,036)	614,429
Other differences leading to an increase (decrease) in the tax charge	-	3,760
Total tax charge for the year	(186,796)	622,178

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Dividends

	2017 £	2016 £
Ordinary	21,005	-
	21,005	-

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

13. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2017	54,521	47,531	177,036	84,952	364,040
Additions	-	-	9,499	-	9,499
Disposals	(54,521)	-	(92,107)	(84,952)	(231,580)
At 31 December 2017	-	47,531	94,428	-	141,959
Depreciation					
At 1 January 2017	54,521	45,599	126,592	84,952	311,664
Charge for the year on owned assets	-	-	9,213	-	9,213
Disposals	(54,521)	-	(69,013)	(84,952)	(208,486)
At 31 December 2017	-	45,599	66,792	-	112,391
Net book value					
At 31 December 2017	-	1,932	27,636	-	29,568
At 31 December 2016	-	1,932	50,444	-	52,376

14. Investment property

	Freehold investment property £
Valuation	
At 1 January 2017	3,850,000
At 31 December 2017	3,850,000

The 2017 valuations were made by the directors, on an open market value for existing use basis.

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

15. Stocks

	2017 £	2016 £
Finished goods and goods for resale	144,204	494,784
	<u>144,204</u>	<u>494,784</u>

16. Debtors

	2017 £	2016 £
Trade debtors	247,747	778,767
Other debtors	14,889	26,295
Prepayments and accrued income	38,024	48,496
	<u>300,660</u>	<u>853,558</u>

17. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	46,633	58,792
Less: bank overdrafts	(211,270)	(486,670)
	<u>(164,637)</u>	<u>(427,878)</u>

18. Creditors: Amounts falling due within one year

	2017 £	2016 £
Bank overdrafts	211,270	486,670
Trade creditors	183,379	807,962
Corporation tax	-	7,749
Other taxation and social security	37,100	42,765
Other creditors	4,614	4,565
Accruals and deferred income	79,105	35,735
	<u>515,468</u>	<u>1,385,446</u>

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

19. Creditors: Amounts falling due after more than one year

	2017 £	2016 £
Other creditors	39,500	39,500
	<u>39,500</u>	<u>39,500</u>

20. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets measured at fair value through profit or loss	46,633	58,792
Financial assets that are debt instruments measured at amortised cost	262,636	805,063
	<u>309,269</u>	<u>863,855</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(514,134)	(1,354,273)
	<u>(514,134)</u>	<u>(1,354,273)</u>

Financial assets measured at fair value through profit or loss comprise of cash.

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors.

Financial liabilities measured at amortised cost comprise of trade and other creditors.

21. Deferred taxation

	2017 £	2016 £
At beginning of year	(779,579)	(165,150)
Charged to profit or loss	183,036	(614,429)
At end of year	<u>(596,543)</u>	<u>(779,579)</u>

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

21. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(2,012)	(1,870)
Tax losses carried forward	93,294	-
Fair value adjustments	(687,825)	(777,709)
	<u>596,543</u>	<u>779,579</u>

22. Share capital

	2017 £	2016 £
Allotted, called up and fully paid 2,500 Ordinary shares of £1 each	<u>2,500</u>	<u>2,500</u>

23. Reserves

Revaluation reserve

The revaluation reserve represents the culmalative change in the market value of the investment property.

Profit and loss account

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

24. 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 £14,989 (2016: £15,215). At the 31 December 2017 no pension contributions remained unpaid.

F.G.HALLADEY & SONS,LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017**

25. Related party transactions

Remuneration paid to key management personnel totalled £55,264 (2016: £56,472).

Information about related party transactions and outstanding balances is outlined below:

	2016 £
Key management personnel of the company	9,975
	<hr/>
	9,975
	<hr/>

26. Controlling party

There is no ultimate controlling party.