

Unaudited Financial Statements for the Year Ended 31 July 2019

for

Robert Arnold Limited

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for the Year Ended 31 July 2019

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Robert Arnold Limited

Company Information
for the Year Ended 31 July 2019

DIRECTORS:

Miss S M Arnold
R J Arnold

REGISTERED OFFICE:

Hillcrest Nurseries
Barningham Road
Stanton
Bury St.Edmunds Suffolk
IP31 2DU

REGISTERED NUMBER:

02565797 (England and Wales)

Statement of Financial Position
31 July 2019

	Notes	31.7.19 £	£	31.7.18 £	£
FIXED ASSETS					
Tangible assets	4		1,018,749		988,025
Investment property	5		<u>67,500</u>		<u>178,778</u>
			1,086,249		1,166,803
CURRENT ASSETS					
Stocks		23,743		22,499	
Debtors	6	550,633		535,366	
Cash at bank and in hand		<u>5,698</u>		<u>10,435</u>	
		580,074		568,300	
CREDITORS					
Amounts falling due within one year	7	<u>967,257</u>		<u>992,777</u>	
NET CURRENT LIABILITIES			<u>(387,183)</u>		<u>(424,477)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			699,066		742,326
CREDITORS					
Amounts falling due after more than one year	8		(442,017)		(574,491)
PROVISIONS FOR LIABILITIES			<u>(18,129)</u>		<u>(19,462)</u>
NET ASSETS			<u>238,920</u>		<u>148,373</u>
CAPITAL AND RESERVES					
Called up share capital			100		100
Retained earnings			<u>238,820</u>		<u>148,273</u>
			<u>238,920</u>		<u>148,373</u>

Statement of Financial Position - continued
31 July 2019

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 July 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 July 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395
- (b) and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 30 June 2020 and were signed on its behalf by:

R J Arnold - Director

Notes to the Financial Statements
for the Year Ended 31 July 2019

1. **STATUTORY INFORMATION**

Robert Arnold Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. **ACCOUNTING POLICIES**

Basis of preparing the financial statements

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

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 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably;
- and the costs incurred and the costs to complete the contract can be measured reliably.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

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 charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a straight line or reducing balance basis.

Freehold Property - 2.5%
Leasehold Property - 10% on cost
Plant & machinery - 20% on cost
Commercial vehicles - 6 yrs straight line
Produce vehicle - 25% on cost
Produce buildings - 10% on cost

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.

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 assets. No depreciation is provided. Changes in fair value are recognised in the Statement of comprehensive income.

Stocks

Stocks are valued 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 cost to complete and sell. The impairment loss is recognised immediately in profit or loss.

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-putable ordinary shares.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

2. ACCOUNTING POLICIES - continued

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the Statement of Income and Retained Earnings in the period to which they relate.

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.

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.

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.

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.

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

2. **ACCOUNTING POLICIES - continued**

Provision 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 date.

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.

Borrowing costs

All borrowing costs are recognised in the Statement of Income and Retained Earnings in the year in which they are incurred.

3. **EMPLOYEES AND DIRECTORS**

The average number of employees during the year was 40 (2018 - 40) .

4. **TANGIBLE FIXED ASSETS**

	Freehold property £	Improvements to property £	Plant and machinery £	Motor vehicles £	Totals £
COST					
At 1 August 2018	129,688	63,100	251,968	1,511,737	1,956,493
Additions	-	34,684	10,200	234,184	279,068
Disposals	-	-	-	(124,300)	(124,300)
At 31 July 2019	129,688	97,784	262,168	1,621,621	2,111,261
DEPRECIATION					
At 1 August 2018	78,694	26,143	207,287	656,344	968,468
Charge for year	2,607	4,283	9,547	207,117	223,554
Eliminated on disposal	-	-	-	(99,510)	(99,510)
At 31 July 2019	81,301	30,426	216,834	763,951	1,092,512
NET BOOK VALUE					
At 31 July 2019	48,387	67,358	45,334	857,670	1,018,749
At 31 July 2018	50,994	36,957	44,681	855,393	988,025

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

4. **TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
COST			
At 1 August 2018	6,000	1,096,348	1,102,348
Additions	-	228,184	228,184
Disposals	-	(93,000)	(93,000)
At 31 July 2019	<u>6,000</u>	<u>1,231,532</u>	<u>1,237,532</u>
DEPRECIATION			
At 1 August 2018	1,440	328,912	330,352
Charge for year	912	186,493	187,405
Eliminated on disposal	-	(69,517)	(69,517)
At 31 July 2019	<u>2,352</u>	<u>445,888</u>	<u>448,240</u>
NET BOOK VALUE			
At 31 July 2019	<u>3,648</u>	<u>785,644</u>	<u>789,292</u>
At 31 July 2018	<u>4,560</u>	<u>767,436</u>	<u>771,996</u>

5. **INVESTMENT PROPERTY**

	Total £
COST	
At 1 August 2018	178,778
Disposals	(111,278)
At 31 July 2019	<u>67,500</u>
NET BOOK VALUE	
At 31 July 2019	<u>67,500</u>
At 31 July 2018	<u>178,778</u>

6. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	31.7.19 £	31.7.18 £
Trade debtors	116,193	173,814
Factored debts	383,337	328,945
Other debtors	37,805	28,572
VAT	<u>13,298</u>	<u>4,035</u>
	<u>550,633</u>	<u>535,366</u>

Notes to the Financial Statements - continued
for the Year Ended 31 July 2019

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.7.19	31.7.18
	£	£
Bank loans and overdrafts	2,338	12,338
Hire purchase contracts	252,988	207,611
Trade creditors	304,140	309,546
Tax	30,817	10,517
Social security and other taxes	22,970	34,410
Other creditors	38,820	26,809
Proceeds from factored debts	294,503	328,945
Directors' current accounts	6,271	20,686
Accrued expenses	14,410	41,915
	<u>967,257</u>	<u>992,777</u>

Bank loans and proceeds from factored debts of £296,841 (2018- £341,283) are secured by a debenture over the assets of Robert Arnold Limited. It is also secured by way of a personal guarantee from R J Arnold a director of the company.

Other loans of £- (2018 - £10,000) are secured.

Finance leases and hire purchase contract liabilities are secured on the assets concerned.

8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	31.7.19	31.7.18
	£	£
Bank loans - 1-2 years	3,787	19,035
Bank loans - 2-5 years	-	56,336
Hire purchase contracts	438,230	499,120
	<u>442,017</u>	<u>574,491</u>

Other loans of £3,787 (2018 - £75,371) are secured.

Finance leases and hire purchase contract liabilities are secured on the assets concerned.

9. OTHER FINANCIAL COMMITMENTS

At 31st July 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

Not later than 1 year £14,599 (2018 - £14,598)

Later than 1 year and not later than 5 years £14,599 (2018 - £14,598)

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.