

SALMONS BROS LIMITED

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2018

SALMONS BROS LIMITED
REGISTERED NUMBER: 02764962

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
FIXED ASSETS			
Tangible assets	5	571,284	584,927
Investment property	6	300,000	300,000
		<u>871,284</u>	<u>884,927</u>
CURRENT ASSETS			
Stocks		718,083	1,006,827
Debtors: amounts falling due after more than one year	7	126,676	126,675
Debtors: amounts falling due within one year	7	270,864	259,225
Cash at bank and in hand	8	897,320	741,979
		<u>2,012,943</u>	<u>2,134,706</u>
Creditors: amounts falling due within one year	9	(664,519)	(811,720)
NET CURRENT ASSETS		<u>1,348,424</u>	<u>1,322,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,219,708</u>	<u>2,207,913</u>
Creditors: amounts falling due after more than one year	10	(189,467)	(209,057)
PROVISIONS FOR LIABILITIES			
Deferred tax	13	(64,245)	(74,118)
NET ASSETS		<u><u>1,965,996</u></u>	<u><u>1,924,738</u></u>
CAPITAL AND RESERVES			
Called up share capital		1,000	1,000
Investment property reserve	14	254,545	254,545
Profit and loss account	14	1,710,451	1,669,193
		<u><u>1,965,996</u></u>	<u><u>1,924,738</u></u>

SALMONS BROS LIMITED
REGISTERED NUMBER: 02764962

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2018

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.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 28 April 2019.

Mr M W Salmons
Director

The notes on pages 3 to 11 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. GENERAL INFORMATION

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 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 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 accounting policies.

The following principal accounting policies have been applied:

2.2 TURNOVER

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

Rendering of services

Turnover 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 turnover 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.

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.

Contrary to the requirements of Financial Reporting Standard 102 no depreciation has been provided on the freehold property. The property is maintained in such a state of repair that the residual value is at least equal to book value. As a result the corresponding depreciation would not be material.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives on the following basis, land is not depreciated:

Plant and machinery 10% - 15% reducing balance

Motor vehicles 25% reducing balance

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.4 INVESTMENT PROPERTY

Investment property is carried at fair value determined annually by management 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 Income and Retained Earnings.

2.5 STOCKS AND WORK IN PROGRESS

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 the statement of comprehensive income.

2.6 DEBTORS

Short term debtors are measured at transaction price, less any impairment.

2.7 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.

2.8 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.

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.

2.9 CREDITORS

Short term creditors are measured at the transaction price.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. ACCOUNTING POLICIES (CONTINUED)

2.10 FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.11 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.

2.12 DIVIDENDS

Equity dividends are recognised when they become legally payable.

2.13 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Income and Retained Earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.14 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 Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.15 INTEREST INCOME

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.16 BORROWING COSTS

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

2.17 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 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.

SALMONS BROS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2018

2. ACCOUNTING POLICIES (CONTINUED)

2.18 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 corporation 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.

- 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. EMPLOYEES

The average monthly number of employees, including directors, during the year was 30 (2017 - 30).

4. DIVIDENDS

	2018 £	2017 £
Declared and paid during the year	<u>80,000</u>	<u>70,000</u>

SALMONS BROS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. TANGIBLE FIXED ASSETS

	Land and buildings £	Plant and machinery etc. £	Total £
COST			
At 1 January 2018	476,022	279,021	755,043
Additions	-	11,985	11,985
Disposals	-	(19,995)	(19,995)
At 31 December 2018	<u>476,022</u>	<u>271,011</u>	<u>747,033</u>
DEPRECIATION			
At 1 January 2018	-	170,116	170,116
Charge for the year on owned assets	-	24,827	24,827
Disposals	-	(19,194)	(19,194)
At 31 December 2018	<u>-</u>	<u>175,749</u>	<u>175,749</u>
NET BOOK VALUE			
At 31 December 2018	<u>476,022</u>	<u>95,262</u>	<u>571,284</u>
At 31 December 2017	<u>476,022</u>	<u>108,905</u>	<u>584,927</u>

SALMONS BROS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. INVESTMENT PROPERTY

Freehold
investment
property
£

VALUATION

At 1 January 2018	300,000
AT 31 DECEMBER 2018	300,000

The 2018 valuations were made by the directors, on an open market value for existing use basis.

REVALUATION RESERVES

	2018 £	2017 £
At 1 January 2018	254,545	254,545
AT 31 DECEMBER 2018	254,545	254,545

If the Investment properties had been accounted for under the historic cost accounting rules, the properties would have been measured as follows:

	2018 £	2017 £
Historic cost	45,455	45,455
	<u>45,455</u>	<u>45,455</u>

7. DEBTORS

	2018 £	2017 £
DUE AFTER MORE THAN ONE YEAR		
Other debtors	126,676	126,676
	<u>126,676</u>	<u>126,676</u>
DUE WITHIN ONE YEAR		
Trade debtors	203,835	215,458
Other debtors	49,470	25,986
Prepayments and accrued income	17,559	17,781
	<u>270,864</u>	<u>259,225</u>

SALMONS BROS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. CASH AND CASH EQUIVALENTS

	2018 £	2017 £
Cash at bank and in hand	<u>897,320</u>	<u>741,979</u>

9. CREDITORS: Amounts falling due within one year

	2018 £	2017 £
Bank loans	21,500	204,010
Trade creditors	582,193	497,914
Corporation tax	29,662	44,496
Other taxation and social security	26,934	61,070
Accruals and deferred income	4,230	4,230
	<u>664,519</u>	<u>811,720</u>

10. CREDITORS: Amounts falling due after more than one year

	2018 £	2017 £
Bank loans	<u>189,467</u>	<u>209,057</u>

11. LOANS

Analysis of the maturity of loans is given below:

	2018 £	2017 £
AMOUNTS FALLING DUE WITHIN ONE YEAR		
Bank loans	21,500	204,010
AMOUNTS FALLING DUE 1-2 YEARS		
Bank loans	21,500	21,500
AMOUNTS FALLING DUE 2-5 YEARS		
Bank loans	86,000	86,000
AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS		
Bank loans	81,967	101,557
	<u>210,967</u>	<u>413,067</u>

SALMONS BROS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. FINANCIAL INSTRUMENTS

	2018 £	2017 £
FINANCIAL ASSETS		
Financial assets measured at fair value through profit or loss	<u>897,320</u>	<u>741,979</u>

Financial assets measured at fair value through profit or loss comprise cash at bank and in hand.

13. DEFERRED TAXATION

	2018 £	2017 £
At beginning of year	(74,118)	(79,564)
Charged to profit or loss	9,873	5,446
AT END OF YEAR	<u>(64,245)</u>	<u>(74,118)</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	(26,317)	(31,727)
Tax on investment property	(37,928)	(42,391)
	<u>(64,245)</u>	<u>(74,118)</u>

14. RESERVES

Investment property revaluation reserve

Includes all revaluation gains and losses on investment property.

Profit & loss account

Includes all current and prior period retained profit and losses less any dividends paid.

15. 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 £32,164 (2017 - £83,119). Contributions totalling £3,139 (2017 - £Nil) were payable to the fund at the balance sheet date and are included in creditors.

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.