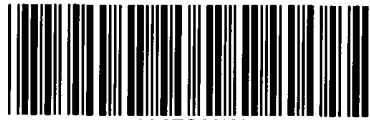


Company Registration No. 01263890 (England and Wales)

**AUBREY ALLEN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 SEPTEMBER 2017**

WEDNESDAY



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# AUBREY ALLEN LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr P H Allen Mrs J M Allen Mr R A H Allen Mr A Healy Ms L M Allen Mr S C Smith Mr N A F Donders Mrs J L Cranor	(Appointed 29 September 2017) (Appointed 29 September 2017)
<b>Secretary</b>	Mrs J M Allen	
<b>Company number</b>	01263890	
<b>Registered office</b>	Unit 1 3040 Siskin Parkway East Middlemarch Business Park Coventry West Midlands CV3 4PE	
<b>Auditor</b>	Baldwins Audit Services Limited Churchill House 59 Lichfield Street Walsall West Midlands WS4 2BX	
<b>Business address</b>	Unit 1 3040 Siskin Parkway East Middlemarch Business Park Coventry West Midlands CV3 4PE	

# AUBREY ALLEN LIMITED

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# AUBREY ALLEN LIMITED

## STRATEGIC REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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The directors present the strategic report and financial statements for the period ended 30th September 2017.

#### **Fair review of the business**

The directors are pleased to provide a review of the company during the period, the position as the end of the period and the main objectives for the immediate future.

2017 has been another challenging year for the retail sites, which reflects the conditions within this market sector as a whole. Due to a continued erosion of both revenues and margins at our Warwick site, the decision was made to terminate operations there at the end of this season. This will eliminate future losses arising from this site whilst the production of items that are sold at our Leamington shop will be transferred to Aubrey Allez. Both Oscar's and Leamington showed a small contraction in both sales and margins and this was reflected in reduced operating profits.

The new Aubrey Allez site had its first full year of trading. Sales and margins did not meet budgeted figures and consequently it showed an operating loss of £164k. Although disappointing, recent changes to the operation have helped to reduce wage costs and improve margins. If a moderate increase in sales can be achieved then the site will start to make money in early 2018, albeit at a modest level.

The Middlemarch site(s) continued to trade profitably and grow sales, and contributed over 90% of the Company's revenue. Sales grew by 11% with no erosion to the gross margin. Operating profits also showed a £380k increase. Continued investment at both sites has been undertaken which allows us more efficient stock handling and the current redesign of the main site will expand production capacity and improve operational efficiency.

By virtue of the size of the contribution from Middlemarch the Company showed an overall sales growth of over 9% and operating profits grew by over £25k.

As a result of a wage review implemented this year, staff productivity and retention remain high, but there has been an inevitable increase in operating costs. However, overall group results show an improvement when compared with the previous year. The directors recognise that, although the trading climate remains a demanding one, with forthcoming plans the Company is well placed to meet future challenges.

The company's balance sheet reflects the efforts made in this period to control its exposure to debt. The directors actively seek to mitigate exposure to bad debts, and this is reflected in the financial statements showing a bad debt provision of 0.07% of total sales.

No dividends were voted or proposed for this year, and none are envisaged for 2018.

Aubrey Allen remain focused on strengthening their sales base through expansion in both the retail and wholesale parts of the business. Plans are to increase market share and target prospects within the company's market sector. The growth figure for 2018 is expected to show an increase over those for the past 12 months.

#### **Principal risks and uncertainties**

- Price volatility of meat (primarily beef) supplies
- The impact of competition
- Exposure to new legislation or regulatory requirements
- The recruitment and retention of a skilled workforce
- The potential loss of any of our more significant clients
- The risk of exposure to bad debt
- Uncertainties arising from the referendum decision to leave the EU

# AUBREY ALLEN LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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### Key performance indicators

The board recognises the value of high quality management information to help them manage the business efficiently and effectively. The directors consider the following KPI's to be the most important, and monitor them on a regular basis:

- Sales within a period
- Gross margin
- Wage costs
- Overhead run rate
- Cash balances and any movements in working capital
- Bad debts incurred

On behalf of the board



.....  
Mr R A H Allen

Director

..... 05/02/2018

# AUBREY ALLEN LIMITED

## DIRECTORS' REPORT

### FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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The directors present their report and financial statements for the 52 weeks ended 30th September 2017.

#### Principal activities

The principal activity of the company continued to be that of catering and retail butchers.

#### Directors

The directors who held office during the Period and up to the date of signature of the financial statements were as follows:

Mr P H Allen	
Mrs J M Allen	
Mr R A H Allen	
Mr J L Holliday	(Resigned 6 October 2017)
Mr A Healy	
Ms L M Allen	
Mr S C Smith	
Mr N A F Donders	(Appointed 29 September 2017)
Mrs J L Cranor	(Appointed 29 September 2017)

#### Results and dividends

The results for the Period are set out on page 7.

No dividend will be distributed for the period to 30 September 2017, and none are envisaged for 2018.

#### Auditor

In accordance with the company's articles, a resolution proposing that Baldwins Audit Services Limited be reappointed as auditors of the company will be put at a general meeting.

#### Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

.....  
Mr R A H Allen

Director

Date: ..... 05/02/2018



# **AUBREY ALLEN LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE PERIOD ENDED 30 SEPTEMBER 2017***

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The directors are responsible for preparing the Strategic Report, 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 period. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 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.

# AUBREY ALLEN LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUBREY ALLEN LIMITED

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### Opinion

We have audited the financial statements of Aubrey Allen Limited (the 'company') for the Period ended 30 September 2017 set out on pages 7 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 30 September 2017 and of its profit for the Period 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 Auditor's 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 UK, including the FRC'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 auditor's 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 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.

### Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial Period 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.



# AUBREY ALLEN LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF AUBREY ALLEN LIMITED

### 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 and the Directors' Report.

We have nothing to report in respect of the following matters where 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 set out on page 4, 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.

### Auditor's 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 auditor's 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.



Mr John Edwards (Senior Statutory Auditor)  
for and on behalf of Baldwins Audit Services Limited

Chartered Accountants  
Statutory Auditor

..... 05/02/2018  
Churchill House  
59 Lichfield Street  
Walsall  
West Midlands  
WS4 2BX

# AUBREY ALLEN LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Notes	52 weeks ended 30 September 2017 £	53 weeks ended 01 October 2016 £
<b>Turnover</b>	<b>4</b>	27,984,604	25,659,974
Cost of sales		(21,841,101)	(19,911,716)
<b>Gross profit</b>		<b>6,143,503</b>	<b>5,748,258</b>
Distribution costs		(1,421,383)	(1,491,225)
Administrative expenses		(3,939,400)	(3,500,522)
<b>Operating profit</b>	<b>5</b>	<b>782,720</b>	<b>756,511</b>
Interest receivable and similar income	<b>8</b>	198	1,618
Amounts written off investments	<b>9</b>	56,740	287,594
<b>Profit before taxation</b>		<b>839,658</b>	<b>1,045,723</b>
Tax on profit	<b>10</b>	(197,610)	(182,621)
<b>Profit for the financial Period</b>		<b>642,048</b>	<b>863,102</b>
Retained earnings brought forward		5,910,031	5,046,929
Retained earnings carried forward		6,552,079	5,910,031

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

# AUBREY ALLEN LIMITED

## BALANCE SHEET

AS AT 30 SEPTEMBER 2017

	Notes	2017		2016	
		£	£	£	£
<b>Fixed assets</b>					
Goodwill	11		30,130		60,260
Tangible assets	12		1,751,563		1,286,646
			<u>1,781,693</u>		<u>1,346,906</u>
<b>Current assets</b>					
Stocks	14	673,094		606,478	
Debtors	15	2,942,404		2,770,115	
Investments	16	2,638,187		2,681,447	
Cash at bank and in hand		937,296		857,307	
		<u>7,190,981</u>		<u>6,915,347</u>	
<b>Creditors: amounts falling due within one year</b>	17	<u>(2,310,558)</u>		<u>(2,238,770)</u>	
<b>Net current assets</b>			<u>4,880,423</u>		<u>4,676,577</u>
<b>Total assets less current liabilities</b>			<u>6,662,116</u>		<u>6,023,483</u>
<b>Provisions for liabilities</b>	18		<u>(81,535)</u>		<u>(84,950)</u>
<b>Net assets</b>			<u><u>6,580,581</u></u>		<u><u>5,938,533</u></u>
<b>Capital and reserves</b>					
Called up share capital	21		21,322		21,322
Share premium account			7,180		7,180
Profit and loss reserves			6,552,079		5,910,031
<b>Total equity</b>			<u><u>6,580,581</u></u>		<u><u>5,938,533</u></u>

The financial statements were approved by the board of directors and authorised for issue on 05/02/2018 and are signed on its behalf by:

  
 .....  
 Mr R A H Allen  
 Director

Company Registration No. 01263890

# AUBREY ALLEN LIMITED

## STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

	Notes	2017		2016	
		£	£	£	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	1	1,216,593		1,252,130	
Income taxes paid		(204,428)		(102,344)	
<b>Net cash inflow from operating activities</b>		<b>1,012,165</b>		<b>1,149,786</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(1,034,307)		(475,437)	
Proceeds on disposal of tangible fixed assets		833		18,800	
Proceeds on disposal of fixed asset investments		43,260		-	
Other investments and loans made		56,740		(100,000)	
Interest received		198		1,618	
<b>Net cash used in investing activities</b>		<b>(933,276)</b>		<b>(555,019)</b>	
<b>Financing activities</b>					
Loans made by the company		-		(94,386)	
Repayment of borrowings		1,100		1,200	
<b>Net cash generated from/(used in) financing activities</b>		<b>1,100</b>		<b>(93,186)</b>	
<b>Net increase in cash and cash equivalents</b>		<b>79,989</b>		<b>501,581</b>	
Cash and cash equivalents at beginning of Period		857,307		355,726	
<b>Cash and cash equivalents at end of Period</b>		<b>937,296</b>		<b>857,307</b>	

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# AUBREY ALLEN LIMITED

## STATEMENT OF CASH FLOWS (CONTINUED) FOR THE PERIOD ENDED 30 SEPTEMBER 2017

1	Cash generated from operations	2017	2016
		£	£
	Profit for the Period after tax	642,048	863,102
	<b>Adjustments for:</b>		
	Taxation charged	197,610	182,621
	Investment income	(198)	(1,618)
	Gain on disposal of tangible fixed assets	(833)	(5,057)
	Amortisation and impairment of intangible assets	30,130	30,130
	Depreciation and impairment of tangible fixed assets	569,389	382,241
	Change in investment fair value	(56,740)	(287,594)
	<b>Movements in working capital:</b>		
	(Increase)/decrease in stocks	(66,616)	49,700
	(Increase)/decrease in debtors	(163,074)	1,185
	Increase in creditors	64,877	37,420
	<b>Cash generated from operations</b>	<u>1,216,593</u>	<u>1,252,130</u>

## 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

## 3 Accounting policies

### Company information

Aubrey Allen Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 1, 3040 Siskin Parkway East, Middlemarch Business Park, Coventry, West Midlands, CV3 4PE.

### 3.1 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.

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 certain financial instruments at fair value. The principal accounting policies adopted are set out below.

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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### 3 Accounting policies

(Continued)

#### 3.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 3.3 Turnover

Turnover 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 delivery of the service to the customer.

#### 3.4 Intangible fixed assets - goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life of five years

#### 3.5 Tangible fixed assets

Tangible fixed assets 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:

Improvements to property	- 10% on cost or equal instalments over the period of the lease
Fixtures and fittings	- 33.3% and 10% on cost
Computer equipment	- 33.3% on cost
Motor vehicles	- 33.3% on cost

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.

#### 3.6 Impairment of fixed 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.

# AUBREY ALLEN LIMITED

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

---

### 3 Accounting policies

(Continued)

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.

#### 3.7 Stocks

Stocks 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 stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at cost, adjusted where applicable for any loss of service potential.

Cost of stocks is measured on an average cost basis.

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

#### 3.8 Cash and cash equivalents

Cash at bank and in hand 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.

#### 3.9 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 balance sheet 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.

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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### 3 Accounting policies

(Continued)

#### **Basic financial assets**

Basic financial assets, which include debtors 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.

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **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.



# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

---

### 3 Accounting policies

(Continued)

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, 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 creditors 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income-as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 3.10 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.

### 3.11 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 profit and loss account 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.

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

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### 3 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 profit and loss account, 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.

#### **3.12 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **3.13 Retirement benefits**

The company operates defined contribution pension schemes. Contributions payable to the company's pension schemes are charged to the profit and loss account in the period to which they relate. The Company has implemented its auto enrolment obligations.

#### **3.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### **3.15 Foreign exchange**

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 profit and loss account for the period.

#### **3.16 Capitalisation policy**

The company does not capitalise any potential fixed assets if the cost of the asset is below £500, instead they are written off to profit and loss in the year the cost is incurred.

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 4 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
<b>Turnover analysed by class of business</b>		
Catering and retail butchers	27,984,604	25,659,974
	<u>27,984,604</u>	<u>25,659,974</u>
	2017 £	2016 £
<b>Other significant revenue</b>		
Interest income	198	1,618
	<u>198</u>	<u>1,618</u>
	2017 £	2016 £
<b>Turnover analysed by geographical market</b>		
UK	27,984,604	25,659,974
	<u>27,984,604</u>	<u>25,659,974</u>

### 5 Operating profit

Operating profit for the period is stated after charging/(crediting):

	2017 £	2016 £
Fees payable to the company's auditor for the audit of the company's financial statements	14,000	14,000
Depreciation of owned tangible fixed assets	569,389	382,241
Profit on disposal of tangible fixed assets	(833)	(5,057)
Amortisation of intangible assets	30,130	30,130
Cost of stocks recognised as an expense	17,290,023	15,688,098
Operating lease charges	403,886	389,133
	<u>403,886</u>	<u>389,133</u>

### 6 Employees

The average monthly number of persons (including directors) employed by the company during the Period was:

	2017 Number	2016 Number
Selling and distribution	164	159
Administration	15	12
Directors	7	7
	<u>186</u>	<u>178</u>

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	5,248,247	4,842,432
Social security costs	447,039	428,942
Pension costs	349,050	285,981
	<u>6,044,336</u>	<u>5,557,355</u>

### 7 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	687,609	737,175
Company pension contributions to defined contribution schemes	150,984	120,908
	<u>838,593</u>	<u>858,083</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 8 (2016 - 6).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2017 £	2016 £
Remuneration for qualifying services	158,446	312,024
Company pension contributions to defined contribution schemes	11,398	14,400
	<u>169,844</u>	<u>326,424</u>

### 8 Interest receivable and similar income

	2017 £	2016 £
<b>Interest income</b>		
Interest on bank deposits	198	1,618
	<u>198</u>	<u>1,618</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	198	1,618
	<u>198</u>	<u>1,618</u>

# AUBREY ALLEN LIMITED

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

<b>9</b>	<b>Amounts written off investments</b>		
	<b>fixed asset investments</b>	<b>2017</b>	<b>2016</b>
		£	£
	<b>Fair value gains/(losses) on financial instruments</b>		
	Change in value of financial assets held at fair value through profit or loss	56,740	287,594
		<u>          </u>	<u>          </u>
<b>10</b>	<b>Taxation</b>		
		<b>2017</b>	<b>2016</b>
		£	£
	<b>Current tax</b>		
	UK corporation tax on profits for the current period	201,025	165,863
		<u>          </u>	<u>          </u>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	(3,415)	16,758
		<u>          </u>	<u>          </u>
	<b>Total tax charge</b>	<u>197,610</u>	<u>182,621</u>

The actual charge for the Period can be reconciled to the expected charge for the Period based on the profit or loss and the standard rate of tax as follows:

	<b>2017</b>	<b>2016</b>
	£	£
Profit before taxation	839,658	1,045,723
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.50% (2016: 20.00%)	163,722	209,145
Tax effect of expenses that are not deductible in determining taxable profit	14,397	7,282
Tax effect of income not taxable in determining taxable profit	(11,226)	(52,470)
Permanent capital allowances in excess of depreciation	30,717	19,028
Deferred tax adjustments in respect of prior years	-	(364)
	<u>          </u>	<u>          </u>
Taxation charge for the period	<u>197,610</u>	<u>182,621</u>

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 11 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 2 October 2016 and 30 September 2017	150,650
<b>Amortisation and impairment</b>	
At 2 October 2016	90,390
Amortisation charged for the Period	30,130
At 30 September 2017	120,520
<b>Carrying amount</b>	
At 30 September 2017	30,130
At 1 October 2016	60,260

### 12 Tangible fixed assets

	Improvements to property £	Fixtures and fittings £	Computer equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 2 October 2016	2,341,216	875,304	247,212	15,422	3,479,154
Additions	772,405	215,356	34,596	11,950	1,034,307
Disposals	-	(3,650)	(142,304)	-	(145,954)
At 30 September 2017	3,113,621	1,087,010	139,504	27,372	4,367,507
<b>Depreciation and impairment</b>					
At 2 October 2016	1,402,030	574,358	204,083	12,038	2,192,509
Depreciation charged in the Period	384,666	155,316	26,488	2,919	569,389
Eliminated in respect of disposals	-	(3,650)	(142,304)	-	(145,954)
At 30 September 2017	1,786,696	726,024	88,267	14,957	2,615,944
<b>Carrying amount</b>					
At 30 September 2017	1,326,925	360,986	51,237	12,415	1,751,563
At 1 October 2016	939,186	300,947	43,129	3,384	1,286,646

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 13 Financial instruments

	2017	2016
	£	£
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,737,845	2,577,135
Equity instruments measured at cost less impairment	2,638,187	2,681,447
	<u>2,638,187</u>	<u>2,681,447</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,985,515	1,928,063
	<u>1,985,515</u>	<u>1,928,063</u>

### 14 Stocks

	2017	2016
	£	£
Finished goods and goods for resale	673,094	606,478
	<u>673,094</u>	<u>606,478</u>

### 15 Debtors

	2017	2016
	£	£
<b>Amounts falling due within one year:</b>		
Trade debtors	2,531,255	2,360,138
Corporation tax recoverable	40,178	29,863
Other debtors	206,590	216,997
Prepayments and accrued income	164,381	163,117
	<u>2,942,404</u>	<u>2,770,115</u>

### 16 Current asset investments

	2017	2016
	£	£
Listed investments	2,638,187	2,681,447
	<u>2,638,187</u>	<u>2,681,447</u>
<b>Listed investments included above:</b>		
Listed investments carrying amount	2,638,187	2,681,447
	<u>2,638,187</u>	<u>2,681,447</u>

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 17 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	1,407,237	1,343,609
Corporation tax	202,637	195,726
Other taxation and social security	122,406	114,981
Other creditors	493,268	480,712
Accruals and deferred income	85,010	103,742
	<u>2,310,558</u>	<u>2,238,770</u>

### 18 Provisions for liabilities

	Notes	2017	2016
		£	£
Deferred tax liabilities	19	<u>81,535</u>	<u>84,950</u>

### 19 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017	Liabilities 2016
	£	£
<b>Balances:</b>		
Accelerated capital allowances	<u>81,535</u>	<u>84,950</u>
<b>Movements in the Period:</b>		<b>2017</b>
		£
Liability at 2 October 2016		84,950
Credit to profit or loss		(3,415)
Liability at 30 September 2017		<u>81,535</u>

The deferred tax liability set out above is expected to reverse within the foreseeable future and relates to accelerated capital allowances that are expected to mature within the same period.



# AUBREY ALLEN LIMITED

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

### 20 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	349,050	285,981

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

At the year end £17,424 (2016: £16,945) was included within other creditors.

### 21 Share capital

	2017	2016
	£	£
Ordinary share capital Issued and fully paid		
213,220 Ordinary shares of 10p each	21,322	21,322
	<u>21,322</u>	<u>21,322</u>

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Within one year	433,888	358,348
Between two and five years	945,519	825,094
In over five years	73,233	171,508
	<u>1,452,640</u>	<u>1,354,950</u>

### 23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	285,000	300,000

The capital commitments stated above will all be delivered within the 6 months following the period end. The commitment will be funded from cash reserves. There will be no associated borrowings.

### 24 Directors' transactions

# AUBREY ALLEN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2017

### 24 Directors' transactions

(Continued)

During the year the directors entered into personal guarantees in relation to audit fees issued by Baldwins Audit Services Limited and accounts fees invoiced by Baldwins (Coventry) Limited.

### 25 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	976,383	925,580

#### Transactions with related parties

During the Period the company entered into the following transactions with related parties:

	Purchase of goods	
	2017 £	2016 £
Entities over which the entity has control, joint control or significant influence	35,400	35,000

The following amounts were outstanding at the reporting end date:

	2017 Balance £
<b>Amounts owed by related parties</b>	
Key management personnel	129,797
	<u>          </u>
	2016 Balance £
<b>Amounts owed in previous period</b>	
Key management personnel	130,897
	<u>          </u>

### 26 Auditor's liability limitation agreement

Upon appointment of Baldwins Audit Services Limited as auditors, the company entered into a limited liability agreement with the auditors. The principle term of the agreement is that liability is limited in terms of losses, damages, costs and expense caused by the auditors negligence or wilful default is limited to £5,000,000 in any circumstances.