

Cantelo Nurseries Limited

UNAUDITED FINANCIAL STATEMENTS

for the year ended

31 December 2016

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COMPANIES HOUSE

Cantelo Nurseries Limited

COMPANY INFORMATION

DIRECTORS

B F Jones
G Jones
T Jones

SECRETARY

A W Hearn

REGISTERED OFFICE

Bradon Farm
Isle Abbots
Taunton
Somerset
TA3 6RX

Cantelo Nurseries Limited
STATEMENT OF FINANCIAL POSITION
At 31 December 2016

Company Registration Number: 02131104

	<i>Notes</i>	2016 £	2015 £
FIXED ASSETS			
Tangible assets	4	1,922,696	2,079,440
CURRENT ASSETS			
Stocks	5	35,582	523,557
Debtors due within one year	6	447,396	584,968
Cash at bank and in hand		55,032	53,051
		<u>538,010</u>	<u>1,161,576</u>
CURRENT LIABILITIES			
Creditors: amounts falling due within one year	7	<u>(384,466)</u>	<u>(1,580,176)</u>
NET CURRENT ASSETS/(LIABILITIES)		153,544	(418,600)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>2,076,240</u>	<u>1,680,840</u>
Creditors: amounts falling due after more than one year	8	(1,352,777)	(717,221)
Provisions for liabilities	9	<u>(167,812)</u>	<u>(219,734)</u>
		<u>555,651</u>	<u>723,885</u>
CAPITAL AND RESERVES			
Called up share capital		20,000	20,000
Profit and loss account		<u>535,651</u>	<u>703,885</u>
TOTAL EQUITY		<u>555,651</u>	<u>723,885</u>

The directors of the company have elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 December 2016 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies and the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

These financial statements have been prepared in accordance with the provisions to companies subject to the small companies regime.

The financial statements on pages 2 to 10 were approved by the board of directors and authorised for issue on 20/9/17 and are signed on their behalf by:



T Jones
 Director

Cantelo Nurseries Limited
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Called up Share Capital £	Profit & loss account £	Total £
BALANCE AT 1 JANUARY 2015	20,000	844,227	864,227
Year ended 31 December 2015			
Loss and total comprehensive income for the year	-	(119,342)	(119,342)
Dividend		(21,000)	(21,000)
	<hr/>	<hr/>	<hr/>
BALANCE AT 31 DECEMBER 2015	20,000	703,885	723,885
Year ended 31 December 2016			
Loss and total comprehensive income for the year	-	(168,234)	(168,234)
	<hr/>	<hr/>	<hr/>
BALANCE AT 31 DECEMBER 2016	<u>20,000</u>	<u>535,651</u>	<u>555,651</u>

Cantelo Nurseries Limited

ACCOUNTING POLICIES

for the year ended 31 December 2016

GENERAL INFORMATION

Cantelo Nurseries Limited ("the Company") is a private company (registered number 02131104) limited by shares and domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is Bradon Farm, Isle Abbots, Taunton, Somerset, TA3 6RX.

The Company's principal activities and nature of the Company's operations are as stated in the Director's Report.

BASIS OF ACCOUNTING

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 as applicable to companies subject to the small companies regime and under the historical cost convention. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

Monetary amounts in these financial statements are rounded to the nearest £1, except where otherwise indicated.

GOING CONCERN

The financial statements have been prepared on a going concern basis.

With effect from 27 November 2016 the company will be in receipt of rental income. The directors have satisfied themselves that the company is a going concern after preparing updated cash flow forecasts.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the Company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

TURNOVER

Turnover is recognised at the fair value of the consideration received or receivable for sale of goods and services to external customers in the ordinary nature of the business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

RENTAL INCOME

Rental income on assets leased under operating leases is recognised on a straight line basis over the lease term and is presented within other operating income.

Cantelo Nurseries Limited

ACCOUNTING POLICIES

for the year ended 31 December 2016

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 provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Glasshouses	- 22 years straight line
Property	- 22 years straight line
Plant and equipment	- 10 years straight line
Boiler and heating plant	- 22 years straight line
Motor vehicles	- 25% reducing balance.

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

IMPAIRMENTS OF FIXED ASSETS

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairments of revalued assets are treated as a revaluation loss. All other impairment losses are recognised in profit or loss.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based upon estimated selling prices less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow moving items.

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 are capitalised as an intangible fixed asset or a tangible fixed asset.

RETIREMENT BENEFITS

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Cantelo Nurseries Limited

ACCOUNTING POLICIES

for the year ended 31 December 2016

TAXATION

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASES

The Company as Lessee – Finance Leases

An asset and corresponding liability are recognised for leasing agreements that transfer to the Company substantially all of the risks and rewards incidental to ownership (“finance leases”). The amount capitalised is the fair value of the leased asset or, if lower, the present value of the minimum lease payments payable during the lease term, both determined at inception of the lease. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are expensed as incurred.

The Company as Lessee – Operating Leases

All other leases are operating leases and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

The Company as Lessor – Operating Leases

Rental income from assets leased under operating leases is recognised on a straight-line basis over the term of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Cantelo Nurseries Limited

ACCOUNTING POLICIES

for the year ended 31 December 2016

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other receivables 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Impairment of financial assets

Financial assets 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. The impairment loss is recognised in profit or loss.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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. Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the fair value of the proceeds received, net of direct issue costs.

DIVIDENDS

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Cantelo Nurseries Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

1 EMPLOYEES

The average number of staff employed by the company (including directors) during the financial year was 53 (2015: 68)

2 DIRECTORS

In respect of the directors of Cantelo Nurseries Limited the directors' aggregate remuneration in respect of qualifying services were:

	2016 £	2015 £
Remuneration receivable	3,990	15,891
Company contributions to money purchase schemes	-	2,813
	<u>3,990</u>	<u>18,704</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2016 No	2015 No
Money purchase schemes	-	1

3 DIVIDENDS

Equity dividends

	2016 £	2015 £
Ordinary, interim paid during the year: Dividends per ordinary share £Nil (2015: £1.05)	-	21,000

4 TANGIBLE FIXED ASSETS

	Glasshouses £	Property £	Plant and equipment £	Boiler and heating plant £	Motor vehicles £	Total £
Cost						
At 1 January 2016	5,342,060	547,347	2,045,034	735,731	99,833	8,770,005
Additions	-	-	56,793	-	-	56,793
Disposals	-	-	-	-	-	-
At 31 December 2016	<u>5,342,060</u>	<u>547,347</u>	<u>2,045,034</u>	<u>735,731</u>	<u>99,833</u>	<u>8,826,798</u>
Depreciation						
At 1 January 2016	3,657,482	460,485	1,840,981	662,677	68,940	6,690,565
Charge for the year	129,381	11,464	55,093	9,475	8,124	213,537
Eliminated in respect of disposals	-	-	-	-	-	-
At 31 December 2016	<u>3,786,863</u>	<u>471,949</u>	<u>1,896,074</u>	<u>672,152</u>	<u>77,064</u>	<u>6,904,102</u>
Net book value						
At 31 December 2016	<u>1,555,197</u>	<u>75,398</u>	<u>205,753</u>	<u>63,579</u>	<u>22,769</u>	<u>1,922,696</u>
At 31 December 2015	<u>1,684,578</u>	<u>86,862</u>	<u>204,053</u>	<u>73,054</u>	<u>30,893</u>	<u>2,079,440</u>

Cantelo Nurseries Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2016

As disclosed in the accounting policies, the company now leases the site which includes all of the assets above excluding the motor vehicles. The company does not have a formal lease on the land on which the site is built. As such, determining a fair value is not straight forward and the company has therefore concluded that its fair value in the property as equipment leased out cannot be measured without undue cost or effort. It has therefore classified the assets as property plant and equipment in line with section 16, under the cost model.

5	STOCKS		
		2016	2015
		£	£
	Raw materials	35,582	33,097
	Work in progress	-	480,460
		<u>35,582</u>	<u>523,557</u>

6	DEBTORS		
		2016	2015
		£	£
	Amounts falling due within one year:		
	Trade debtors	56,994	5,738
	Other debtors	50,909	87,990
	Prepayments and accrued income	271,010	467,823
	Corporation tax receivable	68,483	23,417
		<u>447,396</u>	<u>584,968</u>

7	CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
		2016	2015
		£	£
	Bank loans and overdrafts	41,422	1,279,217
	Obligations under hire purchase agreements	33,352	7,722
	Trade creditors	106,845	80,303
	Other taxation and social security costs	2,473	18,219
	Directors' current accounts	-	25,476
	Accruals and deferred income	200,374	169,239
		<u>384,466</u>	<u>1,580,176</u>

The bank loans and overdrafts are secured by a mortgage debenture giving fixed and floating charges over certain land and buildings owned by the company as well as certain properties owned by the directors. Other loans are secured on the assets of which the funds were used to purchase. Obligations under hire purchase agreements are secured against the assets at which the finance was obtained for.

Cantelo Nurseries Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2016

8 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2016	2015
	£	£
Bank loans	1,126,933	683,869
Directors' current accounts	225,844	-
Obligations under hire purchase agreements	-	33,352
	<u>1,352,777</u>	<u>717,221</u>

Borrowings

The bank loans and overdrafts are secured by a mortgage debenture giving fixed and floating charges over certain land and buildings owned by the company as well as certain properties owned by the directors. Other loans are secured on the assets of which the funds were used to purchase. Obligations under hire purchase agreements are secured against the assets at which the finance was obtained for.

9 PROVISIONS FOR LIABILITIES

	Deferred taxation
	£
1 January 2016	219,734
Utilised in the year	(51,922)
31 December 2016	<u>167,812</u>

10 RELATED PARTIES TRANSACTIONS

Transactions with directors

During the year, B F Jones, G Jones and T Jones maintained current accounts with the company. The net balances on these accounts at the year end were £225,844 (2015: £25,476). The balances are interest-free and there are no fixed repayment terms. The directors have confirmed that these will not be recalled within the next 12 months.