

FREEMAN AND HARDING LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2019

FREEMAN AND HARDING LTD
REGISTERED NUMBER: 02701403

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
FIXED ASSETS			
Tangible assets	5	69,133	62,181
CURRENT ASSETS			
Stocks		145,850	173,242
Debtors: amounts falling due within one year	6	161,592	160,214
Cash at bank and in hand	7	219,271	293,359
		526,713	626,815
Creditors: amounts falling due within one year	8	(193,370)	(313,142)
NET CURRENT ASSETS		333,343	313,673
TOTAL ASSETS LESS CURRENT LIABILITIES		402,476	375,854
PROVISIONS FOR LIABILITIES			
Deferred tax	9	(11,600)	(8,090)
NET ASSETS		390,876	367,764
CAPITAL AND RESERVES			
Called up share capital		5,000	5,000
Revaluation reserve		27,950	34,964
Profit and loss account		357,926	327,800
		390,876	367,764

The director considers 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 the Companies Act 2006.

The director acknowledges her 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 14 February 2020.

S J Harding

**FREEMAN AND HARDING LTD
REGISTERED NUMBER: 02701403**

**STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2019**

Director

The notes on pages 4 to 10 form part of these financial statements.

FREEMAN AND HARDING LTD

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Revaluation reserve £	Profit and loss account £	Total equity £
At 1 January 2018	5,000	39,864	306,734	351,598
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	22,416	22,416
Surplus on revaluation of Moulds	-	-	4,900	4,900
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	27,316	27,316
Dividends: Equity capital	-	-	(6,250)	(6,250)
Transfer to/from profit and loss account	-	(4,900)	-	(4,900)
TOTAL TRANSACTIONS WITH OWNERS	-	(4,900)	(6,250)	(11,150)
At 1 January 2019	5,000	34,964	327,800	367,764
COMPREHENSIVE INCOME FOR THE YEAR				
Profit for the year	-	-	27,112	27,112
Surplus on revaluation of Moulds	-	-	7,014	7,014
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	-	-	34,126	34,126
Dividends: Equity capital	-	-	(4,000)	(4,000)
Transfer to/from profit and loss account	-	(7,014)	-	(7,014)
TOTAL TRANSACTIONS WITH OWNERS	-	(7,014)	(4,000)	(11,014)
AT 31 DECEMBER 2019	<u>5,000</u>	<u>27,950</u>	<u>357,926</u>	<u>390,876</u>

The notes on pages 4 to 10 form part of these financial statements.

FREEMAN AND HARDING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Freeman & Harding Limited is a limited liability company incorporated and domiciled in the UK. The address of the registered office is shown in the company information. This is different to the principal place of business, which is Units 2 & 4 Manford Industrial Estate, Manor Road, Erith, DA8 2AJ.

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 following principal accounting policies have been applied:

2.2 REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 OPERATING LEASES: THE COMPANY AS LESSEE

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.4 INTEREST INCOME

Interest income is recognised in the Statement of income and retained earnings using the effective interest method.

FREEMAN AND HARDING LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

2. ACCOUNTING POLICIES (CONTINUED)

2.5 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.

2.6 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 Statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

2.7 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 income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. ACCOUNTING POLICIES (CONTINUED)

2.9 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.

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

Depreciation is provided on the following basis:

Plant & machinery	-	25%	reducing balance
Motor vehicles	-	25%	reducing balance
Fixtures & fittings	-	25%	reducing balance
Moulds	-		reducing balance over the life of the moulds

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 income and retained earnings.

2.10 REVALUATION OF TANGIBLE FIXED ASSETS

Moulds are carried at current year value at fair value at the date of the revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance Sheet date. The revaluation is based upon the estimated economic useful life of the moulds, having the knowledge that the moulds potential usage decreases at the end of each financial year.

2.11 STOCKS

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

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.12 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 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. ACCOUNTING POLICIES (CONTINUED)

2.14 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair

value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of 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.

2.16 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 9 (2018 - 9).

FREEMAN AND HARDING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

4. INTANGIBLE ASSETS

	Goodwill £
COST	
At 1 January 2019	1,000
At 31 December 2019	<u>1,000</u>
AMORTISATION	
At 1 January 2019	1,000
At 31 December 2019	<u>1,000</u>
NET BOOK VALUE	
At 31 December 2019	<u><u>-</u></u>
At 31 December 2018	<u><u>-</u></u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. TANGIBLE FIXED ASSETS

	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Moulds £	Total £
COST OR VALUATION					
At 1 January 2019	22,220	13,290	19,422	145,103	200,035
Additions	2,100	-	864	21,950	24,914
At 31 December 2019	<u>24,320</u>	<u>13,290</u>	<u>20,286</u>	<u>167,053</u>	<u>224,949</u>
DEPRECIATION					
At 1 January 2019	21,081	13,001	15,619	88,153	137,854
Charge for the year on owned assets	782	72	1,158	15,950	17,962
At 31 December 2019	<u>21,863</u>	<u>13,073</u>	<u>16,777</u>	<u>104,103</u>	<u>155,816</u>
NET BOOK VALUE					
At 31 December 2019	<u>2,457</u>	<u>217</u>	<u>3,509</u>	<u>62,950</u>	<u>69,133</u>
At 31 December 2018	<u>1,139</u>	<u>289</u>	<u>3,803</u>	<u>56,950</u>	<u>62,181</u>

Moulds are revalued by the company at the end of each financial year, based upon their economic useful life. This is charged through the revaluation reserve.

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6. DEBTORS

	2019 £	2018 £
Trade debtors	143,929	154,427
Other debtors	908	400
Prepayments and accrued income	16,755	5,387
	<u>161,592</u>	<u>160,214</u>

7. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>219,271</u>	<u>293,359</u>

FREEMAN AND HARDING LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

8. CREDITORS: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	156,102	260,479
Corporation tax	5,440	6,956
Other taxation and social security	20,470	32,880
Other creditors	3,493	3,505
Accruals and deferred income	7,865	9,322
	<u>193,370</u>	<u>313,142</u>

9. DEFERRED TAXATION

	2019 £
At beginning of year	(8,090)
Charged to profit or loss	(3,510)
AT END OF YEAR	<u>(11,600)</u>

The provision for deferred taxation is made up as follows:

2019 £	2018 £
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Accelerated capital allowances	(5,100)	(490)
Mould revaluation	(6,500)	(7,600)
	<u>(11,600)</u>	<u>(8,090)</u>

10. 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 £1,940 (2018 - £1,289). Contributions totalling £Nil (2018 - £Nil) were payable to the fund at the balance sheet date

