

Potbury & Sons Limited

Annual Report and Unaudited Abridged Financial Statements

for the Year Ended 31 January 2020

Easterbrook Eaton Limited
Chartered Accountants
8 Jesu Street
Ottery St Mary
Devon
EX11 1EU

Potbury & Sons Limited

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Potbury & Sons Limited

Company Information

Directors Mr Michael Graham Lee
Mrs Bridget Ellen Lee

Company secretary Mr Michael Graham Lee

Registered office High Street
Sidmouth
Devon
EX10 8LN

Bankers Nat West Bank Plc

Accountants Easterbrook Eaton Limited
Chartered Accountants
8 Jesu Street
Ottery St Mary
Devon
EX11 1EU

**Chartered Accountants' Report to the Board of Directors on the
Preparation of the Unaudited Statutory Accounts of
Potbury & Sons Limited
for the Year Ended 31 January 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Potbury & Sons Limited for the year ended 31 January 2020 as set out on pages [3](#) to [9](#) from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/en/members/regulations-standards-and-guidance/>.

This report is made solely to the Board of Directors of Potbury & Sons Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Potbury & Sons Limited and state those matters that we have agreed to state to the Board of Directors of Potbury & Sons Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Potbury & Sons Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Potbury & Sons Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and loss of Potbury & Sons Limited. You consider that Potbury & Sons Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Potbury & Sons Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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Easterbrook Eaton Limited
Chartered Accountants
8 Jesu Street
Ottery St Mary
Devon
EX11 1EU

27 March 2020

Potbury & Sons Limited
(Registration number: 00493320)
Abridged Balance Sheet as at 31 January 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	2,157,366	2,173,010
Current assets			
Stocks	5	397,577	360,771
Debtors		88,708	70,270
Cash at bank and in hand		23,026	14,110
		<u>509,311</u>	<u>445,151</u>
Prepayments and accrued income		50,145	14,426
Creditors: Amounts falling due within one year		<u>(607,003)</u>	<u>(594,601)</u>
Net current liabilities		<u>(47,547)</u>	<u>(135,024)</u>
Total assets less current liabilities		2,109,819	2,037,986
Creditors: Amounts falling due after more than one year		(523,253)	(421,103)
Accruals and deferred income		<u>(13,678)</u>	<u>(18,410)</u>
Net assets		<u>1,572,888</u>	<u>1,598,473</u>
Capital and reserves			
Called up share capital	6	17,448	17,448
Revaluation reserve		884,386	884,386
Profit and loss account		671,054	696,639
		<u>1,572,888</u>	<u>1,598,473</u>

For the financial year ending 31 January 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476; and
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime and the option not to file the Profit and Loss Account has been taken.

All of the company's members have consented to the preparation of an Abridged Balance Sheet in accordance with Section 444(2A) of the Companies Act 2006.

Potbury & Sons Limited

(Registration number: 00493320)
Abridged Balance Sheet as at 31 January 2020

Approved and authorised by the Board on 27 March 2020 and signed on its behalf by:

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Mr Michael Graham Lee
Director

Potbury & Sons Limited

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 January 2020

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:
High Street
Sidmouth
Devon
EX10 8LN

These financial statements were authorised for issue by the Board on 27 March 2020.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These abridged financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006.

Basis of preparation

These abridged financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:
The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

Tax

The tax expense for the period comprises current tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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 taxable income.

Tangible assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Potbury & Sons Limited

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 January 2020

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Freehold property	Nil
Fixtures, fittings and equipment	20% reducing balance
Office and computer equipment	50% reducing balance
Motor vehicles	25% reducing balance

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

Trade creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Borrowings

Potbury & Sons Limited

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 January 2020

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 41 (2019 - 41).

Potbury & Sons Limited

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 January 2020

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2019	2,350,000	94,683	346,674	2,791,357
At 31 January 2020	2,350,000	94,683	346,674	2,791,357
Depreciation				
At 1 February 2019	238,124	89,815	290,408	618,347
Charge for the year	-	1,577	14,067	15,644
At 31 January 2020	238,124	91,392	304,475	633,991
Carrying amount				
At 31 January 2020	2,111,876	3,291	42,199	2,157,366
At 31 January 2019	2,111,876	4,868	56,266	2,173,010

Included within the net book value of land and buildings above is £2,111,876 (2019 - £2,111,876) in respect of freehold land and buildings.

5 Stocks

	2020 £	2019 £
Work in progress	16,046	4,578
Other inventories	381,531	356,193
	397,577	360,771

6 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary Shares of £1 each	17,448	17,448	17,448	17,448

7 Dividends

Interim dividends paid

Potbury & Sons Limited

Notes to the Unaudited Abridged Financial Statements for the Year Ended 31 January 2020

	2020 £	2019 £
Interim dividend of £1 (2019 - £Nil) per each Ordinary Shares	17,448	-

8 Related party transactions

Directors' remuneration

The directors' remuneration for the year was as follows:

	2020 £	2019 £
Remuneration	17,188	16,335