

Potbury & Sons Limited

Annual Report and Unaudited Financial Statements

for the Year Ended 31 January 2021



Potbury & Sons Limited

Contents

Balance Sheet	1 to 2
Notes to the Unaudited Financial Statements	3 to 9

Potbury & Sons Limited

(Registration number: 00493320) Balance Sheet as at 31 January 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	4	2,393,879	2,157,366
Current assets			
Stocks	5	450,470	397,577
Debtors	6	74,301	138,853
Cash at bank and in hand		80,083	23,026
		<hr/> 604,854	<hr/> 559,456
Creditors: Amounts falling due within one year	7	<hr/> (399,079)	<hr/> (620,681)
Net current assets/(liabilities)		<hr/> 205,775	<hr/> (61,225)
Total assets less current liabilities		2,599,654	2,096,141
Creditors: Amounts falling due after more than one year	7	<hr/> (672,598)	<hr/> (523,253)
Net assets		<hr/> <hr/> 1,927,056	<hr/> <hr/> 1,572,888
Capital and reserves			
Called up share capital	8	17,448	17,448
Revaluation reserve		1,122,510	884,386
Profit and loss account		787,098	671,054
		<hr/> 1,927,056	<hr/> 1,572,888
Shareholders' funds		<hr/> <hr/> 1,927,056	<hr/> <hr/> 1,572,888

For the financial year ending 31 January 2021 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.

Approved and authorised by the Board on 4 August 2021 and signed on its behalf by:

Potbury & Sons Limited

(Registration number: 00493320)
Balance Sheet as at 31 January 2021

.....

Mr Michael Graham Lee
Company secretary and director

Potbury & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2021

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 4 August 2021.

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 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 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 balance sheet 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 Financial Statements for the Year Ended 31 January 2021

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 Financial Statements for the Year Ended 31 January 2021

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 (2020 - 41).

Potbury & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2021

4 Tangible assets

	Land and buildings £	Furniture, fittings and equipment £	Motor vehicles £	Total £
Cost or valuation				
At 1 February 2020	2,350,000	94,683	346,674	2,791,357
Additions	-	-	13,199	13,199
At 31 January 2021	<u>2,350,000</u>	<u>94,683</u>	<u>359,873</u>	<u>2,804,556</u>
Depreciation				
At 1 February 2020	238,124	91,392	304,475	633,991
Charge for the year	-	960	13,850	14,810
Impairment	(238,124)	-	-	(238,124)
At 31 January 2021	<u>-</u>	<u>92,352</u>	<u>318,325</u>	<u>410,677</u>
Carrying amount				
At 31 January 2021	<u>2,350,000</u>	<u>2,331</u>	<u>41,548</u>	<u>2,393,879</u>
At 31 January 2020	<u>2,111,876</u>	<u>3,291</u>	<u>42,199</u>	<u>2,157,366</u>

Included within the net book value of land and buildings above is £2,350,000 (2020 - £2,111,876) in respect of freehold land and buildings.

Revaluation

The fair value of the company's Freehold land and buildings was revalued on 31 January 2021. An independent valuer was not involved.

The property was last revalued professionally in 2005..

Had this class of asset been measured on a historical cost basis, the carrying amount would have been £660,331 (2020 - £660,331).

5 Stocks

	2021 £	2020 £
Work in progress	37,973	16,046
Other inventories	412,497	381,531
	<u>450,470</u>	<u>397,577</u>

6 Debtors

Potbury & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2021

	2021 £	2020 £
Trade debtors	45,923	70,093
Prepayments	3,582	50,145
Other debtors	24,796	18,615
	74,301	138,853
	74,301	138,853

7 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Due within one year			
Loans and borrowings	10	28,473	104,018
Trade creditors		146,935	208,052
Taxation and social security		130,584	68,722
Accruals and deferred income		10,668	13,678
Other creditors		82,419	226,211
		399,079	620,681
		399,079	620,681

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Due after one year			
Loans and borrowings	10	672,598	523,253
		672,598	523,253

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary Shares of £1 each	17,448	17,448	17,448	17,448
		17,448	17,448	17,448

9 Reserves

The changes to each component of equity resulting from items of other comprehensive income for the current year were as follows:

Potbury & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2021

	Revaluation reserve £	Total £
Surplus/(deficit) on property, plant and equipment revaluation	238,124	238,124

10 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	672,598	523,253

	2021 £	2020 £
Current loans and borrowings		
Bank borrowings	24,824	43,774
Bank overdrafts	3,649	60,244
	28,473	104,018

11 Dividends

Interim dividends paid

	2021 £	2020 £
Interim dividend of £5 (2020 - £1) per each Ordinary Shares	81,133	17,448

12 Related party transactions

Transactions with directors

	At 1 February 2020 £	Advances to directors £	At 31 January 2021 £
2021			
Directors loan account	(156,000)	153,800	(2,200)

	At 1 February 2019 £	Advances to directors £	At 31 January 2020 £
2020			
Directors loan account	(224,459)	68,459	(156,000)

Directors' remuneration

The directors' remuneration for the year was as follows:

Potbury & Sons Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 January 2021

	2021	2020
	£	£
Remuneration	<u>8,925</u>	<u>17,188</u>