

Riley & Shutt (Tools) Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 March 2021

Riley & Shutt (Tools) Limited

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Riley & Shutt (Tools) Limited
(Registration number: 00930168)
Balance Sheet as at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	<u>4</u>	317,023	344,994
Current assets			
Stocks	<u>5</u>	1,235,123	1,179,802
Debtors	<u>6</u>	1,347,039	1,666,719
Cash at bank and in hand		134,148	100,984
		2,716,310	2,947,505
Creditors: Amounts falling due within one year	<u>7</u>	(2,405,354)	(2,863,010)
Net current assets		310,956	84,495
Total assets less current liabilities		627,979	429,489
Creditors: Amounts falling due after more than one year	<u>7</u>	(325,604)	(147,890)
Provisions for liabilities		(59,557)	(64,829)
Net assets		242,818	216,770
Capital and reserves			
Called up share capital	<u>8</u>	300	300
Profit and loss account		242,518	216,470
Shareholders' funds		242,818	216,770

Riley & Shutt (Tools) Limited
(Registration number: 00930168)
Balance Sheet as at 31 March 2021

For the financial year ending 31 March 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 and in accordance with the provisions of FRS 102 Section 1A - Small Entities. The profit and loss account and directors' report have not been delivered in accordance with the special provisions applicable to companies subject to the small companies regime.

Approved and authorised by the Board on 17 August 2021 and signed on its behalf by:

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Mr DI Shutt
Director

Riley & Shutt (Tools) Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 March 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:

Malt Street
Accrington
Lancashire
BB5 1DR

These financial statements were authorised for issue by the Board on 17 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.

The financial statements are presented in Sterling, which is the functional currency of the company and are rounded to the nearest pound.

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.

Government grants

The company has received a revenue grant in the form of small business rate relief and the Job Retention Scheme in respect of furloughed staff. Revenue grants are credited to the profit and loss account so as to match them with the expenditure to which they relate.

Tax

The tax expense for the period comprises current and deferred 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.

Riley & Shutt (Tools) Limited

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

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.

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
Leasehold improvements	10% straight line
Fixtures and fittings	15% reducing balance
Motor vehicles	25% reducing balance
Plant and machinery	15% 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.

Riley & Shutt (Tools) Limited

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

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

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.

Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Profit and Loss Account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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.

Riley & Shutt (Tools) Limited

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

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.

Employee Benefits

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

3 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 22 (2020 - 24).

4 Tangible assets

	Leasehold improvements £	Fixtures and fittings £	Motor vehicles £	Plant and machinery £
Cost or valuation				
At 1 April 2020	27,006	19,842	320,628	423,193
Additions	2,200	-	-	42,282
At 31 March 2021	29,206	19,842	320,628	465,475
Depreciation				
At 1 April 2020	8,897	6,929	129,723	300,126
Charge for the year	2,921	1,936	47,726	19,870
At 31 March 2021	11,818	8,865	177,449	319,996
Carrying amount				
At 31 March 2021	17,388	10,977	143,179	145,479
At 31 March 2020	18,109	12,913	190,905	123,067

Riley & Shutt (Tools) Limited

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

	Total £
Cost or valuation	
At 1 April 2020	790,669
Additions	<u>44,482</u>
At 31 March 2021	<u>835,151</u>
Depreciation	
At 1 April 2020	445,675
Charge for the year	<u>72,453</u>
At 31 March 2021	<u>518,128</u>
Carrying amount	
At 31 March 2021	<u><u>317,023</u></u>
At 31 March 2020	<u><u>344,994</u></u>

Hire Purchase Contracts

Included within the net book value of tangible fixed assets is £170,226 (2020 - £222,910) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £48,515 (2020 - £55,695).

5 Stocks

	2021 £	2020 £
Stock	<u>1,235,123</u>	<u>1,179,802</u>

6 Debtors

	2021 £	2020 £
Trade debtors	1,290,041	1,593,251
Prepayments	55,750	55,947
Other debtors	<u>1,248</u>	<u>17,521</u>
	<u><u>1,347,039</u></u>	<u><u>1,666,719</u></u>

Riley & Shutt (Tools) Limited

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

7 Creditors

Creditors: amounts falling due within one year

	Note	2021 £	2020 £
Loans and borrowings	9	1,012,067	1,675,058
Trade creditors		1,220,528	1,018,443
Taxation and social security		117,584	90,942
Accruals and deferred income		25,010	46,588
Other creditors		30,165	31,979
		<u>2,405,354</u>	<u>2,863,010</u>

Creditors include invoice discounting loans, overdrafts and net obligations under hire purchase contracts which are secured of £994,567 (2020 - £1,635,059).

Creditors: amounts falling due after more than one year

	Note	2021 £	2020 £
Loans and borrowings	9	<u>325,604</u>	<u>147,890</u>

Creditors include net obligations under hire purchase contracts which are secured of £79,187 (2020 - £123,098).

8 Share capital

Allotted, called up and fully paid shares

	2021		2020	
	No.	£	No.	£
Ordinary share of £1 each	100	100	100	100
Ordinary B share of £1 each	100	100	100	100
Ordinary C share of £1 each	100	100	100	100
	<u>300</u>	<u>300</u>	<u>300</u>	<u>300</u>

Riley & Shutt (Tools) Limited

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

9 Loans and borrowings

	2021 £	2020 £
Non-current loans and borrowings		
Bank borrowings	240,000	-
Hire purchase liabilities	79,187	123,098
Other borrowings	6,417	24,792
	<u>325,604</u>	<u>147,890</u>

	2021 £	2020 £
Current loans and borrowings		
Bank overdrafts	44,214	458,666
Hire purchase liabilities	58,769	65,522
Other borrowings	909,084	1,150,870
	<u>1,012,067</u>	<u>1,675,058</u>

Riley & Shutt (Tools) Limited

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

10 Related party transactions

Transactions with directors

	At 1 April 2020 £	Advances to directors £	Repayments by director £	At 31 March 2021 £
2021				
Mr C Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	8,614	87,682	(96,337)	(41)
Mrs SA Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	637	44,648	(45,713)	(428)
Mr DI Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	479	44,649	(45,714)	(586)
2020				
Mr C Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	8,302	103,907	(103,595)	8,614
Mrs SA Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	(194)	48,141	(47,310)	637
Mr DI Shutt				
Loan to director made throughout the year. No interest was charged and no fixed repayment terms where in force.	(1,353)	49,142	(47,310)	479

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

Summary of transactions with other related parties

Loan to participator

Loan made to participator throughout the year. No interest was charged and no fixed repayment terms were in force.

Loans to related parties

	Other related parties £	Total £
2021		
At start of period	7,002	7,002
Advanced	17,357	17,357
Repaid	(24,400)	(24,400)
At end of period	(41)	(41)
	Other related parties £	Total £
2020		
At start of period	3,021	3,021
Advanced	23,981	23,981
Repaid	(20,000)	(20,000)
At end of period	7,002	7,002

Blackburn

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