

Company Registration No. 00374939 (England and Wales)

**SCRUTON & CO., (BUILDERS) LIMITED**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2021**  
**PAGES FOR FILING WITH REGISTRAR**



# **SCRUTON & CO., (BUILDERS) LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Balance sheet	1
Notes to the financial statements	2 - 8

---

# SCRUTON & CO., (BUILDERS) LIMITED

## BALANCE SHEET

AS AT 31 JULY 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	4		88,013		148,631
Investment properties	5		30,667,000		25,897,720
Investments	6		889,497		768,571
			<u>31,644,510</u>		<u>26,814,922</u>
<b>Current assets</b>					
Stocks		2,304,990		4,345,071	
Debtors	7	3,069,483		2,478,188	
Cash at bank and in hand		2,763,450		1,588,117	
		<u>8,137,923</u>		<u>8,411,376</u>	
<b>Creditors: amounts falling due within one year</b>	8	(1,289,629)		(1,356,587)	
<b>Net current assets</b>			<u>6,848,294</u>		<u>7,054,789</u>
<b>Total assets less current liabilities</b>			<u>38,492,804</u>		<u>33,869,711</u>
<b>Creditors: amounts falling due after more than one year</b>	9		(1,069,110)		(1,412,242)
<b>Provisions for liabilities</b>			<u>(991,081)</u>		<u>(590,534)</u>
<b>Net assets</b>			<u><u>36,432,613</u></u>		<u><u>31,866,935</u></u>
<b>Capital and reserves</b>					
Called up share capital			107,119		107,119
Share premium account			80,383		80,383
Capital redemption reserve			3,423		3,423
Profit and loss reserves			<u>36,241,688</u>		<u>31,676,010</u>
<b>Total equity</b>			<u><u>36,432,613</u></u>		<u><u>31,866,935</u></u>

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 July 2021 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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

The financial statements were approved by the board of directors and authorised for issue on 6 January 2022 and are signed on its behalf by:

  
I W Scruton

Director

Company Registration No. 00374939

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2021

---

### 1 Accounting policies

#### Company information

Scruton & Co., (Builders) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Deck 4, The Riverside Building, Livingstone Road, Hessle, East Yorkshire, HU13 0DZ.

#### 1.1 Accounting convention

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. 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.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for the sale of property and building services to outside customers provided in the normal course of business and is shown net of VAT and other sales related taxes. Sales are recognised when both legal exchange of contracts has taken place and also the property is substantially complete.

#### 1.3 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 recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and machinery	15% p.a. straight line
Fixtures, fittings & equipment	25% p.a. straight line
Motor vehicles	20% p.a. straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.4 Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is initially recognised at cost, which includes the purchase cost and any directly attributable expenditure. Subsequently it is measured at fair value at the reporting end date. Changes in fair value are recognised in profit or loss.

#### 1.5 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

---

#### 1 Accounting policies

(Continued)

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

---

#### 1 Accounting policies

(Continued)

##### 1.9 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 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Classification of financial liabilities**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

##### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

---

#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

##### **1.12 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 fixed assets.

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

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.13 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.14 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

##### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JULY 2021

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### 3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Total	18	16

#### 4 Tangible fixed assets

	Plant and machinery etc £
<b>Cost</b>	
At 1 August 2020 and 31 July 2021	546,489
<b>Depreciation and impairment</b>	
At 1 August 2020	397,858
Depreciation charged in the year	60,618
At 31 July 2021	458,476
<b>Carrying amount</b>	
At 31 July 2021	88,013
At 31 July 2020	148,631



# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 5 Investment property

	2021 £
<b>Fair value</b>	
At 1 August 2020	25,897,720
Additions	1,582,357
Revaluations	3,186,923
At 31 July 2021	<u>30,667,000</u>

Investment property comprises commercial and residential property held by the company.

The fair value of the commercial property has been arrived at on the basis of an independent valuation of certain property by Jones Lang Lasalle Chartered Surveyors and by the directors of the company for the remainder of the commercial property portfolio, based on recent valuations carried out by PPH Commercial Limited, Chartered Surveyors. In both cases, the basis of valuation was an open market basis.

The company's portfolio of residential properties was valued at the year end by Matthew Limb Estate Agents Limited on an open market value basis.

### 6 Fixed asset investments

	2021 £	2020 £
Shares in group undertakings and participating interests	100	100
Other investments other than loans	889,397	768,471
	<u>889,497</u>	<u>768,571</u>

#### Fixed asset investments revalued

Investments are stated at market value at the balance sheet date. The historic cost of these investments is £738,176 (2020 : £694,747).

#### Movements in fixed asset investments

	Shares in subsidiaries £	Other investments £	Total £
<b>Cost or valuation</b>			
At 1 August 2020	100	768,471	768,571
Additions	-	317,952	317,952
Valuation changes	-	77,931	77,931
Disposals	-	(274,957)	(274,957)
At 31 July 2021	<u>100</u>	<u>889,397</u>	<u>889,497</u>
<b>Carrying amount</b>			
At 31 July 2021	<u>100</u>	<u>889,397</u>	<u>889,497</u>
At 31 July 2020	<u>100</u>	<u>768,471</u>	<u>768,571</u>

# SCRUTON & CO., (BUILDERS) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2021

### 7 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	69,131	488,135
Amounts owed by group undertakings	2,814,564	1,801,896
Other debtors	185,788	188,157
	<u>3,069,483</u>	<u>2,478,188</u>

### 8 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	235,870	422,468
Corporation tax	213,363	8,443
Other taxation and social security	25,585	25,922
Other creditors	814,811	899,754
	<u>1,289,629</u>	<u>1,356,587</u>

### 9 Creditors: amounts falling due after more than one year

	2021 £	2020 £
Other creditors	<u>1,069,110</u>	<u>1,412,242</u>

### 10 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2021 £	2020 £
	<u>93,000</u>	<u>111,000</u>

### 11 Directors' transactions

Dividends totalling £285,000 (2020 : £280,000) were paid in the year in respect of shares held by the company's directors.

At the year end, the company owed its directors £500,000 (2020 : £500,000) in respect of funding advances made under normal business conditions. This amount is technically repayable on demand.