

Prime Irrigation Ltd.

Annual Report and Unaudited Financial Statements
for the Year Ended 31 January 2023

Prime Irrigation Ltd.
(Registration number: 01208495)
Balance Sheet as at 31 January 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	<u>4</u>	200,200	236,600
Tangible assets	<u>5</u>	414,974	401,543
		<u>615,174</u>	<u>638,143</u>
Current assets			
Stocks	<u>6</u>	411,576	377,722
Debtors	<u>7</u>	925,017	811,690
Cash at bank and in hand		843,693	607,709
		2,180,286	1,797,121
Creditors: Amounts falling due within one year	<u>8</u>	(519,789)	(375,840)
Net current assets		1,660,497	1,421,281
Total assets less current liabilities		2,275,671	2,059,424
Provisions for liabilities		(75,327)	(72,551)
Net assets		<u>2,200,344</u>	<u>1,986,873</u>
Capital and reserves			
Called up share capital	<u>9</u>	500	500
Retained earnings		2,199,844	1,986,373
Shareholders' funds		<u>2,200,344</u>	<u>1,986,873</u>

Prime Irrigation Ltd.

(Registration number: 01208495) Balance Sheet as at 31 January 2023

For the financial year ending 31 January 2023 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. As permitted by section 444 (5A) of the Companies Act 2006, the directors have not delivered to the registrar a copy of the Profit and Loss Account.

Approved and authorised by the Board for issue on 27 September 2023 and signed on its behalf by:

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G F Scrapps

Director

.....

A S Williams

Director

Prime Irrigation Ltd.

Notes to the Financial Statements for the Year Ended 31 January 2023

1 General information

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

The address of its registered office is:

Trustans Farm
Westleton Road
Darsham
Saxmundham
Suffolk
IP17 3BP

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 smaller entities - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' and the Companies Act 2006 (as applicable to companies subject to the small companies' regime).

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 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.

Prime Irrigation Ltd.

Notes to the Financial Statements for the Year Ended 31 January 2023

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 property	4% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Asset class	Amortisation method and rate
Goodwill	10 years straight line

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.

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Notes to the Financial Statements for the Year Ended 31 January 2023

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.

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 23 (2022 - 23).

Prime Irrigation Ltd.

Notes to the Financial Statements for the Year Ended 31 January 2023

4 Intangible assets

	Goodwill £	Total £
Cost or valuation		
At 1 February 2022	364,000	364,000
At 31 January 2023	364,000	364,000
Amortisation		
At 1 February 2022	127,400	127,400
Amortisation charge	36,400	36,400
At 31 January 2023	163,800	163,800
Carrying amount		
At 31 January 2023	200,200	200,200
At 31 January 2022	236,600	236,600

5 Tangible assets

	Motor vehicles £	Other tangible assets £	Total £
Cost or valuation			
At 1 February 2022	245,911	652,146	898,057
Additions	35,903	87,788	123,691
Disposals	(25,285)	-	(25,285)
At 31 January 2023	256,529	739,934	996,463
Depreciation			
At 1 February 2022	129,384	367,130	496,514
Charge for the year	29,621	70,979	100,600
Eliminated on disposal	(15,625)	-	(15,625)
At 31 January 2023	143,380	438,109	581,489
Carrying amount			
At 31 January 2023	113,149	301,825	414,974
At 31 January 2022	116,527	285,016	401,543

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Notes to the Financial Statements for the Year Ended 31 January 2023

6 Stocks

	2023 £	2022 £
Work in progress	70,731	121,294
Other inventories	340,845	256,428
	<u>411,576</u>	<u>377,722</u>

7 Debtors

	2023 £	2022 £
Current		
Trade debtors	809,448	704,081
Prepayments	40,134	31,153
Other debtors	75,435	76,456
	<u>925,017</u>	<u>811,690</u>

8 Creditors

Creditors: amounts falling due within one year

	Note	2023 £	2022 £
Due within one year			
Trade creditors		331,781	160,602
Taxation and social security		94,767	113,192
Other creditors		93,241	102,046
		<u>519,789</u>	<u>375,840</u>

9 Share capital

Allotted, called up and fully paid shares

	No.	2023 £	No.	2022 £
Ordinary shares of £1 each	500	500	500	500
		<u>500</u>	<u>500</u>	<u>500</u>

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Notes to the Financial Statements for the Year Ended 31 January 2023

10 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of financial commitments not included in the balance sheet is £82,500 (2022 - £97,500). The commitment figure is in respect of property lease.

11 Related party transactions

Transactions with directors

	At 1 February 2022	Advances to director	Repayments by director	At 31 January 2023
	£	£	£	£
2023				
A S Williams	56,411	6,691	(6,000)	57,102

	At 1 February 2021	Advances to director	Repayments by director	At 31 January 2022
	£	£	£	£
2022				
A S Williams	6,568	54,343	(4,500)	56,411

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.