

Statutory Accounts

M.P. SMITH & CO LIMITED

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

Company Registration No. 01234802

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M.P.SMITH & CO LIMITED

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M.P.SMITH & CO LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2023

	Notes	2023 £	£	2022 £	£
Fixed assets					
Tangible assets	3		190,478		176,572
Current assets					
Stocks		2,651,179		3,146,702	
Debtors	4	1,890,126		6,013,170	
Cash at bank and in hand		199,767		267,884	
		4,741,072		9,427,756	
Creditors: amounts falling due within one year	5	(512,551)		(574,603)	
Net current assets			4,228,521		8,853,153
Total assets less current liabilities			4,418,999		9,029,725
Creditors: amounts falling due after more than one year	6		(23,048)		(32,586)
Provisions for liabilities			(47,978)		(33,156)
Net assets			4,347,973		8,963,983
Capital and reserves					
Called up share capital			6,440		6,440
Share premium account			144,320		144,320
Profit and loss reserves			4,197,213		8,813,223
Total equity			4,347,973		8,963,983

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

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 29 November 2023 and are signed on its behalf by:


Mr D G Hibbert
Director

Company Registration No. 01234802

M.P.SMITH & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

Company information

M.P.Smith & Co Limited is a private company limited by shares incorporated in England and Wales. The registered office is Holloway Drive, Wardley Industrial Estate, Manchester, M28 2LA.

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. 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 goods provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	33% Straight line
Plant and equipment	15% Straight line
Fixtures, fittings & equipment	10%/20% Straight line
Motor vehicles	25% Reducing balance

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 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.

M.P.SMITH & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

1.5 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.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.6 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the financial instrument.

Cash and cash equivalents

These comprise cash at bank.

Debtors

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the Profit and Loss account when there is objective evidence that the asset is impaired.

Trade creditors

Trade creditors are not interest bearing and are stated at their nominal value

1.7 Taxation

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

M.P.SMITH & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

1 Accounting policies

(Continued)

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.

Deferred tax

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes.

1.8 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.

1.9 Leases

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

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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.

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.

2 Employees

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

	2023 Number	2022 Number
Total	49	50

M.P.SMITH & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 September 2022	134,375	702,819	837,194
Additions	-	57,491	57,491
At 31 August 2023	134,375	760,310	894,685
Depreciation and impairment			
At 1 September 2022	124,096	536,526	660,622
Depreciation charged in the year	5,191	38,394	43,585
At 31 August 2023	129,287	574,920	704,207
Carrying amount			
At 31 August 2023	5,088	185,390	190,478
At 31 August 2022	10,279	166,293	176,572

4 Debtors

	2023	2022
	£	£
Amounts falling due within one year:		
Trade debtors	683,101	712,434
Amounts owed by group undertakings	1,142,132	5,242,605
Other debtors	64,893	58,131
	1,890,126	6,013,170

5 Creditors: amounts falling due within one year

	2023	2022
	£	£
Trade creditors	193,782	201,857
Corporation tax	105,711	103,229
Other taxation and social security	102,298	102,450
Other creditors	110,760	167,067
	512,551	574,603

Other creditors includes amounts on hire purchase £9,538 (2022: £9,538), these amounts are secured on the assets the agreements relate to.

M.P.SMITH & CO LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2023

6 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Other creditors	23,048	32,586

Other creditors includes amounts on hire purchase £23,048 (2022: £32,586), these amounts are secured on the assets the agreements relate to.

7 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

Senior Statutory Auditor: Sharon Westbury F.C.A.
Statutory Auditor: Milnes & Co

8 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:

	2023 £	2022 £
	160,000	280,000

9 Parent company

The ultimate parent company is Stax Trade Centres Limited, a company registered in England and Wales. The registered office is Holloway Drive, Wardley Industrial Estate, Worlsey, Manchester, M28 2LA, this is also the trading office of the company

The ultimate controlling party is Stax Trade Centres Limited.