

Company Registration No. 01607961 (England and Wales)

# **A.T. LITTLE & SONS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 28 FEBRUARY 2019**

## **A.T. LITTLE & SONS LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Mrs Y J Stafford Mr A T Little Mr J J Little
<b>Company number</b>	01607961
<b>Registered office</b>	22-28 George Street Hull HU1 3AP
<b>Auditor</b>	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

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## **A.T. LITTLE & SONS LIMITED**

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## **A.T. LITTLE & SONS LIMITED**

### **STRATEGIC REPORT**

#### **FOR THE YEAR ENDED 28 FEBRUARY 2019**

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The directors present the strategic report for the year ended 28 February 2019.

##### **Fair review of the business**

The Board is able report another pleasing financial performance during the year, including increasing turnover to £17,093,168 (2018: £16,677,871). The principal themes driving such growth are carried over from those seen in the previous years, delivered from a mix of existing customers expanding their order book with the company and through new connections. It is pleasing to again note that the company derives income from both overseas and domestic sales, given the continued marketing efforts in the year.

The company specialises in the supply of books, e-books, DVDs and related services to schools, colleges and academic institutions throughout the United Kingdom and overseas. Educational institutions have been under budget pressure for a number of years which is a significant risk to operations, even though reading materials and complementary services are essential to them.

The directors monitor performance using levels of turnover, gross margin and by comparing actual results with budgets so again, on all levels, the financial performance was excellent. Gross margins were increased at 15.1% (2018: 14.8%) demonstrating the company has retained the efficient manner in which it delivers all service offerings to our customers, alongside the vast range available to purchase.

In the same report for the 2017/18 financial period, the Board noted its aim of further fuelling growth with the investments in additional staffing, provision of a modern working environment, the utilisation of the latest technology and novel marketing techniques. Each facet of this approach is aimed as a continued investment to future proof the company and aid its position within the principal markets in which it operates. Average staff numbers, being a non-financial KPI, increased to 71 (2018: 63). There are plans to continue this strategy in the year ahead. Due to these continued investments operating profits reduced to £440,328 (2018: £720,502), which the Board accept is necessary to effect the plans noted above.

A further key performance indicator is the significant positive cash at bank balance of £1,753,961 (2018: £2,033,840). The directors and company finance department monitor working capital controls tightly given the sometime fragmented profile of the company's turnover over the course of a twelve month period. The company therefore remains highly liquid and so has the ability to be agile in its operations where opportunities may present themselves. A key component of working capital management is the monitoring of credit risk. Partly due to the typical nature of the company's customer base, allied with the company's controls, it has not suffered any bad debts in the year. Financial risk management is further referenced within the Directors' Report.

The company increased its balance sheet after tax and dividends to £1,617,882 (2018: £1,451,233), providing a strong base from which to operate in the year ahead. In light of this, the directors consider that the company remains well placed to continue to deliver the sustainable growth set out as part of their plans. As part of these plans the company has invested in a 'Book Bus' which was operational from April 2018. The 'Book Bus' is now touring book fairs and educational establishments throughout the country and has demonstrated tangible success in further connecting its customer base with the company's services, supply chain and publishers alike. The company has received significant positive feedback from visits and school children, in particular, are enthused about reading after spending time aboard. Coupled to this the Board will continually explore all angles to further the company and its reputation within the markets in which it operates.

**A.T. LITTLE & SONS LIMITED**

**STRATEGIC REPORT (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2019**

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Finally, the directors would like to place on record their sincere thanks to the dedicated and talented staff employed throughout the company, without whose efforts the company would not continue to thrive.

On behalf of the board

**Mrs Y J Stafford**  
**Director**

18 June 2019

## **A.T. LITTLE & SONS LIMITED**

### **DIRECTORS' REPORT**

#### **FOR THE YEAR ENDED 28 FEBRUARY 2019**

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The directors present their annual report and financial statements for the year ended 28 February 2019.

#### **Principal activities**

The principal activity of the company is the supply of books, e-books, DVDs and related services to libraries and educational establishments.

The company specialises in the supply of books and related services to schools, colleges and academic institutions throughout the United Kingdom and overseas.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mrs Y J Stafford

Mr A T Little

Mr J J Little

#### **Results and dividends**

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £200,000. The directors do not recommend payment of a further dividend.

#### **Financial instruments**

##### ***Financial risk management objectives and policies***

The company's operations expose it to a variety of financial risks that include credit risk, liquidity risk and interest rate risk. The company has in place a risk management programme that seeks to limit the adverse effect of these risks on the performance of the company. The company does not use derivative financial instruments and as such no hedge accounting is applied.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policies set by the board of directors are implemented by the company's finance department.

##### ***Credit Risk***

The company has implemented policies that require appropriate credit checks on potential customers before sales are made.

##### ***Liquidity and interest rate risk***

The company currently has sufficient cash balances to make debt finance unnecessary. Bank interest rates are monitored to ensure the company is earning maximum interest whilst maintaining liquidity.

##### ***Auditor***

The auditor, MHA Moore and Smalley, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

##### ***Information referred to in the strategic report***

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of future developments.

**A.T. LITTLE & SONS LIMITED**

**DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 28 FEBRUARY 2019**

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**Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

**Mrs Y J Stafford**  
**Director**

18 June 2019

## **A.T. LITTLE & SONS LIMITED**

### **DIRECTORS' RESPONSIBILITIES STATEMENT**

#### **FOR THE YEAR ENDED 28 FEBRUARY 2019**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **A.T. LITTLE & SONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT**

#### **TO THE MEMBERS OF A.T. LITTLE & SONS LIMITED**

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##### **Opinion**

We have audited the financial statements of A.T. Little & Sons Limited (the 'company') for the year ended 28 February 2019 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

## **A.T. LITTLE & SONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A.T. LITTLE & SONS LIMITED**

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## **A.T. LITTLE & SONS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF A.T. LITTLE & SONS LIMITED**

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#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Joe Sullivan (Senior Statutory Auditor)  
for and on behalf of MHA Moore and Smalley  
Chartered Accountants  
Statutory Auditor**

Richard House  
9 Winckley Square  
Preston  
PR1 3HP

26 June 2019

# A.T. LITTLE & SONS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	17,093,168	16,677,871
Cost of sales		(14,519,893)	(14,204,747)
<b>Gross profit</b>		<u>2,573,275</u>	<u>2,473,124</u>
Distribution costs		(229,501)	(191,275)
Administrative expenses		(1,969,117)	(1,600,024)
Other operating income		65,671	38,677
<b>Operating profit</b>	<b>4</b>	<u>440,328</u>	<u>720,502</u>
Interest receivable and similar income	<b>7</b>	14,407	7,824
<b>Profit before taxation</b>		<u>454,735</u>	<u>728,326</u>
Tax on profit	<b>8</b>	(88,086)	(139,209)
<b>Profit for the financial year</b>		<u><u>366,649</u></u>	<u><u>589,117</u></u>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

**A.T. LITTLE & SONS LIMITED****BALANCE SHEET****AS AT 28 FEBRUARY 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	10		261,619		144,625
<b>Current assets</b>					
Stocks	11	23,014		14,401	
Debtors	12	1,749,729		1,741,266	
Cash at bank and in hand		1,753,961		2,033,840	
		<u>3,526,704</u>		<u>3,789,507</u>	
<b>Creditors: amounts falling due within one year</b>	13	<u>(2,170,441)</u>		<u>(2,482,899)</u>	
<b>Net current assets</b>			<u>1,356,263</u>		<u>1,306,608</u>
<b>Total assets less current liabilities</b>			<u>1,617,882</u>		<u>1,451,233</u>
<b>Capital and reserves</b>					
Called up share capital	16	10,000		10,000	
Profit and loss reserves		1,607,882		1,441,233	
<b>Total equity</b>			<u>1,617,882</u>		<u>1,451,233</u>

The financial statements were approved by the board of directors and authorised for issue on 18 June 2019 and are signed on its behalf by:

**Mrs Y J Stafford**  
Director

**Mr J J Little**  
Director

**Company Registration No. 01607961**

**A.T. LITTLE & SONS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 28 FEBRUARY 2019**

		Share capital	Profit and loss reserves	Total
	Notes	£	£	£
<b>Balance at 1 March 2017</b>		10,000	1,302,116	1,312,116
<b>Year ended 28 February 2018:</b>				
Profit and total comprehensive income for the year		-	589,117	589,117
Dividends	9	-	(450,000)	(450,000)
<b>Balance at 28 February 2018</b>		10,000	1,441,233	1,451,233
<b>Year ended 28 February 2019:</b>				
Profit and total comprehensive income for the year		-	366,649	366,649
Dividends	9	-	(200,000)	(200,000)
<b>Balance at 28 February 2019</b>		10,000	1,607,882	1,617,882

## **A.T. LITTLE & SONS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

#### **FOR THE YEAR ENDED 28 FEBRUARY 2019**

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#### **1 Accounting policies**

##### **Company information**

A.T. Little & Sons Limited is a private company limited by shares incorporated in England and Wales. The registered office is 22-28 George Street, Hull, HU1 3AP.

##### **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.

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 on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of The Little Group Limited. These consolidated financial statements are available from its registered office, 1 Whittle Drive, Willingdon Drove, Eastbourne, BN23 6QH.

##### **1.2 Going concern**

The directors have prepared budgets and projected cash flow information for the period following the balance sheet date. On the basis of these documents and the directors' knowledge of the company's financial position and prospects, they consider it appropriate to prepare the financial statements on the going concern basis.

##### **1.3 Turnover**

Turnover represents the net amounts invoiced by the company in respect of goods and services supplied during the year and is stated net of trade discounts and value added tax. Income is recognised on despatch of physical books, or when e-books are downloaded. Income in respect of services provided is recognised when that service is delivered.

##### **1.4 Tangible fixed assets**

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

## A.T. LITTLE & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold land and buildings	- 5% per annum straight line
Fixtures, fittings and equipment	- 15% per annum reducing balance
Computer equipment	- 20% per annum straight line
Motor vehicles	- 25% per annum 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.

##### 1.5 Impairment of fixed assets

At each reporting 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.

##### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct purchase expense and, where applicable, 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 due to obsolescence or slow moving stock. 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.

##### 1.7 Cash at bank and in hand

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 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.

## A.T. LITTLE & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 1 Accounting policies

(Continued)

##### **Other financial assets**

All of the company's financial assets are basic financial instruments.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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 and loans from fellow group companies 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 receipts 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.

##### **Other financial liabilities**

All of the company's financial liabilities are basic financial instruments.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

## A.T. LITTLE & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

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#### 1 Accounting policies

(Continued)

##### 1.9 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.

##### 1.10 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.

###### *Deferred tax*

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

##### 1.11 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.

##### 1.12 Retirement benefits

The company operates two contributory pension schemes for the employees. Both are defined contribution schemes, the assets of which are held separately from those of the company. Contributions are charged to the profit and loss account as they become payable.

The company also operates a Group Life scheme (a defined contribution scheme) under a centralised scheme administered by Gardeners Book Limited, and contributions are charged to the profit and loss account as they become payable.

## A.T. LITTLE & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 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.

##### **Critical judgements**

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### ***Useful economic life of tangible fixed assets***

The useful economic life of tangible fixed assets is judged at the point of purchase and reviewed at each balance sheet date. Further details are provided within note 1.4 to the financial statements.

##### **Key sources of estimation uncertainty**

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

##### ***Provision for irrecoverable trade debtors***

At each balance sheet date, management undertake a review of the outstanding trade debtor balances and estimate the balance that should either be impaired or provided against.

This calculation is based on the financial position of the customers, the historical speed of payment compared to approved credit terms and the status/progress of any ongoing communications with them.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Attributable to the company's continuing principal activities	17,093,168	16,677,871
	<b>=====</b>	<b>=====</b>
	2019 £	2018 £
<b>Other significant revenue</b>		
Interest income	14,407	7,824
	<b>=====</b>	<b>=====</b>

# A.T. LITTLE & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

### 3 Turnover and other revenue (Continued)

	2019 £	2018 £
<b>Turnover analysed by geographical market</b>		
UK	15,145,368	14,580,011
Overseas	1,947,800	2,097,860
	<u>17,093,168</u>	<u>16,677,871</u>

### 4 Operating profit

	2019 £	2018 £
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	8,400	7,950
Depreciation of owned tangible fixed assets	62,334	36,677
Loss on disposal of tangible fixed assets	517	-
Cost of stocks recognised as an expense	14,376,622	14,045,235
	<u>14,447,973</u>	<u>14,129,862</u>

### 5 Employees

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

	2019 Number	2018 Number
Administration	27	25
Directors	3	3
Sales and management	12	11
Warehouse and production	29	24
	<u>71</u>	<u>63</u>

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	1,150,864	1,023,002
Social security costs	87,271	77,887
Pension costs	42,021	14,642
	<u>1,280,156</u>	<u>1,115,531</u>

**A.T. LITTLE & SONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 28 FEBRUARY 2019****6 Directors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Remuneration for qualifying services	65,792	66,000

**7 Interest receivable and similar income**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	14,407	7,824

**8 Taxation**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	88,697	140,038
<b>Deferred tax</b>		
Origination and reversal of timing differences	(611)	(829)
<b>Total tax charge</b>	<b>88,086</b>	<b>139,209</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Profit before taxation	454,735	728,326
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.08%)	86,400	138,965
Tax effect of expenses that are not deductible in determining taxable profit	1,614	136
Effect of change in corporation tax rate	72	108
<b>Taxation charge for the year</b>	<b>88,086</b>	<b>139,209</b>

**9 Dividends**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Final paid	200,000	450,000

# A.T. LITTLE & SONS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 28 FEBRUARY 2019

### 10 Tangible fixed assets

	Leasehold land and buildings	Fixtures, fittings and equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 March 2018	151,953	128,968	147,672	88,795	517,388
Additions	395	10,186	58,278	110,986	179,845
Disposals	-	-	(67,341)	-	(67,341)
At 28 February 2019	152,348	139,154	138,609	199,781	629,892
<b>Depreciation and impairment</b>					
At 1 March 2018	117,566	85,926	115,628	53,643	372,763
Depreciation charged in the year	2,246	7,321	16,640	36,127	62,334
Eliminated in respect of disposals	-	-	(66,824)	-	(66,824)
At 28 February 2019	119,812	93,247	65,444	89,770	368,273
<b>Carrying amount</b>					
At 28 February 2019	32,536	45,907	73,165	110,011	261,619
At 28 February 2018	34,387	43,042	32,044	35,152	144,625

### 11 Stocks

	2019 £	2018 £
Finished goods and goods for resale	23,014	14,401

### 12 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	1,683,949	1,632,912
Other debtors	46,475	33,068
Prepayments and accrued income	15,920	72,512
	1,746,344	1,738,492
<b>Amounts falling due after more than one year:</b>		
Deferred tax asset (note 14)	3,385	2,774
<b>Total debtors</b>	1,749,729	1,741,266

**A.T. LITTLE & SONS LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 28 FEBRUARY 2019****13 Creditors: amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Trade creditors	36,316	11,335
Amounts owed to group undertakings	1,980,484	2,273,400
Corporation tax	27,827	63,067
Other taxation and social security	38,225	30,200
Accruals and deferred income	87,589	104,897
	<u>2,170,441</u>	<u>2,482,899</u>

**14 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Assets</b>	<b>Assets</b>
	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Decelerated capital allowances	<u>3,385</u>	<u>2,774</u>
		<b>2019</b>
		<b>£</b>
<b>Movements in the year:</b>		
Liability/(Asset) at 1 March 2018		(2,774)
Credit to profit or loss		(611)
Liability/(Asset) at 28 February 2019		<u>(3,385)</u>

The deferred tax asset set out above in respect of decelerated capital allowances is not expected to reverse over the next five years in the majority. As a consequence deferred tax has been provided for at a rate of 17% as this has been substantively enacted at the balance sheet date.

**15 Retirement benefit schemes**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>42,021</u>	<u>14,642</u>

The company operates defined contribution pension schemes for all qualifying employees. The assets of the schemes are held separately from those of the company in an independently administered fund.

## A.T. LITTLE & SONS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 28 FEBRUARY 2019

#### 16 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	10,000	10,000
	<u>          </u>	<u>          </u>

#### 17 Operating lease commitments

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

	2019 £	2018 £
Within one year	11,430	1,616
Between two and five years	37,450	2,381
	<u>          </u>	<u>          </u>
	48,880	3,997
	<u>          </u>	<u>          </u>

#### 18 Ultimate controlling party

The ultimate parent undertaking is The Little Group Limited, a company registered in England and Wales. Copies of its group financial statements, which include A. T. Little & Sons Limited, are publicly available at Companies House.

The directors consider that the Little family possess ultimate control of the company.

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.