

Cummins and Pope Limited

Annual Report and Unaudited Financial Statements
for the Year Ended 31 August 2020

MMO Limited
Chartered Accountants
Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

**Chartered Accountants' Report to the Board of Directors on the Preparation of the Unaudited
Statutory Accounts of
Cummins and Pope Limited
for the Year Ended 31 August 2020**

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the accounts of Cummins and Pope Limited for the year ended 31 August 2020 as set out on pages 2 to 10 from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <http://www.icaew.com/regulation>.

This report is made solely to the Board of Directors of Cummins and Pope Limited, as a body, in accordance with the terms of our engagement letter. Our work has been undertaken solely to prepare for your approval the accounts of Cummins and Pope Limited and state those matters that we have agreed to state to the Board of Directors of Cummins and Pope Limited, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Cummins and Pope Limited and its Board of Directors as a body for our work or for this report.

It is your duty to ensure that Cummins and Pope Limited has kept adequate accounting records and to prepare statutory accounts that give a true and fair view of the assets, liabilities, financial position and profit of Cummins and Pope Limited. You consider that Cummins and Pope Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the accounts of Cummins and Pope Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory accounts.

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MMO Limited
Chartered Accountants
Wellesley House
204 London Road
Waterlooville
Hampshire
PO7 7AN

7 May 2021

Cummins and Pope Limited
(Registration number: 01631333)
Balance Sheet as at 31 August 2020

| | Note | 2020 £ | 2019 £ |
|---|----------|--------------------|--------------------|
| Fixed assets | | | |
| Tangible assets | <u>4</u> | 569,228 | 580,545 |
| Other financial assets | | <u>1,450,000</u> | <u>1,450,000</u> |
| | | <u>2,019,228</u> | <u>2,030,545</u> |
| Current assets | | | |
| Stocks | <u>5</u> | 35,000 | 117,250 |
| Debtors | <u>6</u> | 959,885 | 1,343,866 |
| Investments | <u>7</u> | 100 | 100 |
| Cash at bank and in hand | | <u>959,719</u> | <u>661,701</u> |
| | | 1,954,704 | 2,122,917 |
| Creditors: Amounts falling due within one year | <u>8</u> | <u>(1,303,845)</u> | <u>(1,649,666)</u> |
| Net current assets | | <u>650,859</u> | <u>473,251</u> |
| Total assets less current liabilities | | 2,670,087 | 2,503,796 |
| Provisions for liabilities | | <u>(10,514)</u> | <u>(10,268)</u> |
| Net assets | | <u>2,659,573</u> | <u>2,493,528</u> |
| Capital and reserves | | | |
| Called up share capital | <u>9</u> | 400 | 400 |
| Profit and loss account | | <u>2,659,173</u> | <u>2,493,128</u> |
| Shareholders' funds | | <u>2,659,573</u> | <u>2,493,528</u> |

For the financial year ending 31 August 2020 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 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 7 May 2021 and signed on its behalf by:

Cummins and Pope Limited
(Registration number: 01631333)
Balance Sheet as at 31 August 2020

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D A Pope
Director

.....

C Hardy
Company secretary and director

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

1 General information

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

The address of its registered office is:

12 The Spinney
Forest Road
Denmead
Waterlooville
Hampshire
PO7 6AR
United Kingdom

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.

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 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.

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

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 |
|------------------|------------------------------|
| Land & buildings | 2% per annum straight line |
| Motor vehicles | 25% written down value |
| Office equipment | 20% written down value |

Investments

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

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.

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

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.

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

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, analysed by category was as follows:

| | 2020 No. | 2019 No. |
|----------------------------|-------------|-------------|
| Production | 14 | 16 |
| Administration and support | 6 | 7 |
| | <u>20</u> | <u>23</u> |

4 Tangible assets

| | Land and buildings £ | Office equipment £ | Motor vehicles £ | Total £ |
|--------------------------|----------------------------|--------------------------|---------------------|----------------|
| Cost or valuation | | | | |
| At 1 September 2019 | 494,162 | 43,357 | 209,696 | 747,215 |
| Additions | - | 5,688 | 16,950 | 22,638 |
| Disposals | - | (2,496) | (12,126) | (14,622) |
| At 31 August 2020 | <u>494,162</u> | <u>46,549</u> | <u>214,520</u> | <u>755,231</u> |
| Depreciation | | | | |
| At 1 September 2019 | 14,012 | 30,797 | 121,862 | 166,671 |
| Charge for the year | 5,850 | 3,332 | 21,556 | 30,738 |
| Eliminated on disposal | - | (898) | (10,508) | (11,406) |
| At 31 August 2020 | <u>19,862</u> | <u>33,231</u> | <u>132,910</u> | <u>186,003</u> |
| Carrying amount | | | | |
| At 31 August 2020 | <u>474,300</u> | <u>13,318</u> | <u>81,610</u> | <u>569,228</u> |
| At 31 August 2019 | <u>480,150</u> | <u>12,560</u> | <u>87,835</u> | <u>580,545</u> |

Included within the net book value of land and buildings above is £474,300 (2019 - £480,150) in respect of freehold land and buildings.

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

5 Stocks

| | 2020 £ | 2019 £ |
|------------------|-----------|-----------|
| Work in progress | 35,000 | 117,250 |

6 Debtors

| | Note | 2020 £ | 2019 £ |
|---------------------------------------|------|-----------|-----------|
| Trade debtors | | 512,390 | 1,321,671 |
| Amounts owed by related parties | 11 | 447,495 | 22,195 |
| Total current trade and other debtors | | 959,885 | 1,343,866 |

7 Current asset investments

| | 2020 £ | 2019 £ |
|------------------------------|-----------|-----------|
| Shares in group undertakings | 100 | 100 |

8 Creditors

| | Note | 2020 £ | 2019 £ |
|--|------|-----------|-----------|
| Due within one year | | | |
| Loans and borrowings | | 6,950 | 370,488 |
| Trade creditors | | 575,483 | 653,062 |
| Amounts due to related parties | 11 | 116,691 | 116,691 |
| Social security and other taxes | | 251,325 | 186,796 |
| Outstanding defined contribution pension costs | | - | 649 |
| Accrued expenses | | 212,208 | 123,759 |
| Corporation tax liability | | 141,188 | 198,221 |
| | | 1,303,845 | 1,649,666 |

9 Share capital

Allotted, called up and fully paid shares

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

| | 2020 | | 2019 | |
|------------------------------|------------|------------|------------|------------|
| | No. | £ | No. | £ |
| Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| A Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| B Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| C Ordinary shares of £1 each | 100 | 100 | 100 | 100 |
| | <u>400</u> | <u>400</u> | <u>400</u> | <u>400</u> |

10 Loans and borrowings

| | 2020 | 2019 |
|-------------------------------------|--------------|----------------|
| | £ | £ |
| Current loans and borrowings | | |
| Bank overdrafts | - | 370,488 |
| HP and finance lease liabilities | <u>6,950</u> | <u>-</u> |
| | <u>6,950</u> | <u>370,488</u> |

Cummins and Pope Limited

Notes to the Unaudited Financial Statements for the Year Ended 31 August 2020

11 Related party transactions

Summary of transactions with all subsidiaries

4 London Road Limited (Incorporated 5th July 2017)
Intercompany loan

Summary of transactions with all associates

Havant and Waterloooville Football Company Limited
Working capital loans

Loans to related parties

| | | Associates | Total |
|--------------------|-------------------|-------------------|--------------|
| | | £ | £ |
| 2020 | | | |
| At start of period | | 22,195 | 22,195 |
| Advanced | | 425,300 | 425,300 |
| At end of period | | 447,495 | 447,495 |
| | Subsidiary | Associates | Total |
| | £ | £ | £ |
| 2019 | | | |
| At start of period | 3,418 | 1,338,395 | 1,341,813 |
| Advanced | - | 133,800 | 133,800 |
| Repaid | (3,418) | (1,450,000) | (1,453,418) |
| At end of period | - | 22,195 | 22,195 |

Loans from related parties

| | Subsidiary | Total |
|--------------------|-------------------|--------------|
| | £ | £ |
| 2020 | | |
| At start of period | 116,582 | 116,582 |
| At end of period | 116,582 | 116,582 |
| | Subsidiary | Total |
| | £ | £ |
| 2019 | | |
| Advanced | 120,000 | 120,000 |
| Repaid | (3,418) | (3,418) |
| At end of period | 116,582 | 116,582 |

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.