

RUSSELLS (ELECTRICAL) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021

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BALANCE SHEET
AS AT 30 APRIL 2021

| | Note | 2021 £ | 2020 £ |
|---|------|-----------------------|-----------------------|
| Fixed assets | | | |
| Tangible assets | 4 | 26,565 | 20,838 |
| Current assets | | | |
| Stocks | | 84,841 | 89,808 |
| Debtors: amounts falling due after more than one year | 5 | 36,737 | 28,700 |
| Debtors: amounts falling due within one year | 5 | 531,258 | 434,864 |
| Cash at bank and in hand | | - | 88 |
| | | <u>652,836</u> | <u>553,460</u> |
| Creditors: amounts falling due within one year | 6 | (383,893) | (387,323) |
| Net current assets | | <u>268,943</u> | <u>166,137</u> |
| Total assets less current liabilities | | <u>295,508</u> | <u>186,975</u> |
| Creditors: amounts falling due after more than one year | 7 | (46,612) | (3,014) |
| Provisions for liabilities | | | |
| Deferred tax | 8 | (5,050) | (3,962) |
| | | <u>(5,050)</u> | <u>(3,962)</u> |
| Net assets | | <u><u>243,846</u></u> | <u><u>179,999</u></u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | 243,844 | 179,997 |
| | | <u><u>243,846</u></u> | <u><u>179,999</u></u> |

BALANCE SHEET (CONTINUED)
AS AT 30 APRIL 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

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 financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 1 April 2022.

A Hunter
Director

The notes on pages 3 to 8 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

1. General information

Russells (Electrical) Limited (the Company) is a private company, limited by shares, incorporated in England. The address of its registered office is Unit 14 Empire Industrial Park, Aldridge, Walsall, WS9 8UQ which is also its principal place of business.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have taken advantage of the Government's Job Retention Scheme, in respect of assisting to cover remuneration normally payable and have also raised additional funding facilities through the Government backed loan scheme. The directors have considered the position of the business and its future cash flows and consider that sufficient resources are in place to ensure it can continue as a going concern for the foreseeable future.

Accordingly, the financial statements have been prepared on a going concern basis.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)**2.4 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows:

| | |
|---------------------------------|----------------------|
| Leasehold property improvements | - |
| | 10% straight line |
| Plant & machinery | - |
| | 25% reducing balance |
| Motor vehicles | - |
| | 25% reducing balance |
| Fixtures & fittings | - |
| | 25% reducing balance |
| Computer software | - |
| | 33% straight line |

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is 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.

2.6 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

2.7 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences.

3. Employees

The average monthly number of employees, including directors, during the year was 16 (2020 - 16).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

4. Tangible fixed assets

| | Leasehold property improvements | Plant & machinery | Motor vehicles | Fixtures & fittings | Computer software | Total |
|---|---------------------------------------|----------------------|-------------------|------------------------|----------------------|----------|
| | £ | £ | £ | £ | £ | £ |
| Cost | | | | | | |
| At 1 May 2020 | 44,454 | 23,236 | 64,584 | 64,790 | 10,683 | 207,747 |
| Additions | - | - | 14,495 | - | - | 14,495 |
| Disposals | - | - | (10,995) | - | - | (10,995) |
| At 30 April 2021 | 44,454 | 23,236 | 68,084 | 64,790 | 10,683 | 211,247 |
| Depreciation | | | | | | |
| At 1 May 2020 | 43,342 | 23,195 | 45,713 | 63,976 | 10,683 | 186,909 |
| Charge for the year on owned assets | 1,112 | 41 | 2,449 | 204 | - | 3,806 |
| Charge for the year on financed assets | - | - | 2,504 | - | - | 2,504 |
| Disposals | - | - | (8,537) | - | - | (8,537) |
| At 30 April 2021 | 44,454 | 23,236 | 42,129 | 64,180 | 10,683 | 184,682 |
| Net book value | | | | | | |
| At 30 April 2021 | - | - | 25,955 | 610 | - | 26,565 |
| At 30 April 2020 | 1,112 | 41 | 18,871 | 814 | - | 20,838 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2021 £ | 2020 £ |
|----------------|---------------|--------------|
| Motor vehicles | 20,800 | 8,809 |
| | <u>20,800</u> | <u>8,809</u> |

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021

5. Debtors

| | 2021 £ | 2020 £ |
|-------------------------------------|-----------------------|-----------------------|
| Due after more than one year | | |
| Retentions | <u>36,737</u> | <u>28,700</u> |
| Due within one year | | |
| Trade debtors | 416,818 | 359,323 |
| Other debtors | 102,415 | 61,232 |
| Prepayments and accrued income | <u>12,025</u> | <u>14,309</u> |
| | <u>531,258</u> | <u>434,864</u> |

6. Creditors: Amounts falling due within one year

| | 2021 £ | 2020 £ |
|---|-----------------------|-----------------------|
| Bank overdrafts | 65,876 | 64,671 |
| Bank loans | 8,705 | - |
| Trade creditors | 207,433 | 229,361 |
| Corporation tax | 25,839 | 25,277 |
| Obligations under hire purchase contracts | 8,760 | 3,333 |
| Other creditors | 48,057 | 50,750 |
| Accruals and deferred income | <u>19,223</u> | <u>13,931</u> |
| | <u>383,893</u> | <u>387,323</u> |

The bank overdrafts and obligations under hire purchase contracts are secured on the assets of the company. The bank loan is secured by government guarantee.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 APRIL 2021**

7. Creditors: Amounts falling due after more than one year

| | 2021 £ | 2020 £ |
|--|---------------|--------------|
| Bank loans | 41,295 | - |
| Net obligations under finance leases and hire purchase contracts | 5,317 | 3,014 |
| | <u>46,612</u> | <u>3,014</u> |

The obligations under hire purchase contracts are secured on the assets of the company. The bank loan is secured by government guarantee.

8. Deferred taxation

| | 2021 £ | 2020 £ |
|----------------------------|----------------|----------------|
| At beginning of year | (3,962) | (5,845) |
| Released to profit or loss | (1,088) | 1,883 |
| At end of year | <u>(5,050)</u> | <u>(3,962)</u> |

The provision for deferred taxation is made up as follows:

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|----------------|
| Accelerated capital allowances | (5,050) | (3,962) |
| | <u>(5,050)</u> | <u>(3,962)</u> |

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.