

Company Registration No. 02706400 (England and Wales)

ANDREW F. WATSON (HEREFORD) LTD
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020
PAGES FOR FILING WITH REGISTRAR

ANDREW F. WATSON (HEREFORD) LTD

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ANDREW F. WATSON (HEREFORD) LTD

REPORT TO THE DIRECTOR ON THE PREPARATION OF THE UNAUDITED STATUTORY ACCOUNTS OF ANDREW F. WATSON (HEREFORD) LTD

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Andrew F. Watson (Hereford) Ltd for the year ended 31 July 2020 which comprise, the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Association of Chartered Certified Accountants, we are subject to its ethical and other professional requirements which are detailed at <https://www.accaglobal.com/gb/en/member/standards/rules-and-standards/rulebook.html>.

This report is made solely to the Director of Andrew F. Watson (Hereford) Ltd in accordance with the terms of our engagement letter dated 12 May 2017. Our work has been undertaken solely to prepare for your approval the financial statements of Andrew F. Watson (Hereford) Ltd and state those matters that we have agreed to state to the Director of Andrew F. Watson (Hereford) Ltd in this report in accordance with the requirements of the Association of Chartered Certified Accountants as detailed at https://www.accaglobal.com/content/dam/ACCA_Global/Technical/fact/technical-factsheet-163.pdf. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Andrew F. Watson (Hereford) Ltd and its Director, for our work or for this report.

It is your duty to ensure that Andrew F. Watson (Hereford) Ltd has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Andrew F. Watson (Hereford) Ltd. You consider that Andrew F. Watson (Hereford) Ltd 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 financial statements of Andrew F. Watson (Hereford) Ltd. 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 financial statements.

Hawkins Priday Ltd

30 July 2021

Chartered Certified Accountants

5 Bridge Street
Hereford
HR4 9DF

ANDREW F. WATSON (HEREFORD) LTD

STATEMENT OF FINANCIAL POSITION

AS AT 31 JULY 2020

	Notes	2020 £	£	2019 £	£
Non-current assets					
Property, plant and equipment	3		1,653		3,163
Current assets					
Inventories		430,448		469,052	
Trade and other receivables	4	1,092,077		1,182,344	
Cash and cash equivalents		31,327		-	
		<u>1,553,852</u>		<u>1,651,396</u>	
Current liabilities	5	<u>(480,631)</u>		<u>(593,602)</u>	
Net current assets			1,073,221		1,057,794
Total assets less current liabilities			<u>1,074,874</u>		<u>1,060,957</u>
Non-current liabilities	6		(49,167)		-
Provisions for liabilities			<u>(310)</u>		<u>(597)</u>
Net assets			<u>1,025,397</u>		<u>1,060,360</u>
Equity					
Called up share capital			1,000		1,000
Retained earnings			<u>1,024,397</u>		<u>1,059,360</u>
Total equity			<u>1,025,397</u>		<u>1,060,360</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

For the financial year ended 31 July 2020 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476.

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

ANDREW F. WATSON (HEREFORD) LTD

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 JULY 2020

The financial statements were approved and signed by the director and authorised for issue on 30 July 2021

Mr A F Watson

Director

Company Registration No. 02706400

ANDREW F. WATSON (HEREFORD) LTD

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

Company information

Andrew F. Watson (Hereford) Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Arrow Cottage, Huntington, Kington, Herefordshire, HR5 3QA.

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 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services 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.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Property improvements	15% reducing balance
Plant and equipment	25% reducing balance
Computers	33% straight line

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.

ANDREW F. WATSON (HEREFORD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

1 Accounting policies

(Continued)

1.4 Inventories

Inventories 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 inventories to their present location and condition.

Inventories 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 inventories 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.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.6 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 statement of financial position 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 trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs. Financial assets classified as receivable within one year are not amortised.

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 trade and other payables and bank loans are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Taxation

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

ANDREW F. WATSON (HEREFORD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

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 income statement 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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.8 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

2 Employees

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

	2020 Number	2019 Number
Total	1	2

ANDREW F. WATSON (HEREFORD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

3 Property, plant and equipment

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 August 2019	132	7,845	7,977
Additions	-	67	67
Disposals	-	(2,511)	(2,511)
At 31 July 2020	132	5,401	5,533
Depreciation and impairment			
At 1 August 2019	110	4,704	4,814
Depreciation charged in the year	3	869	872
Eliminated in respect of disposals	-	(1,806)	(1,806)
At 31 July 2020	113	3,767	3,880
Carrying amount			
At 31 July 2020	19	1,634	1,653
At 31 July 2019	22	3,141	3,163

4 Trade and other receivables

	2020 £	2019 £
Amounts falling due within one year:		
Trade receivables	1,081,440	1,127,603
Other receivables	10,637	54,741
	1,092,077	1,182,344

5 Current liabilities

	2020 £	2019 £
Bank loans and overdrafts	833	42,904
Trade payables	258,138	280,519
Taxation and social security	36,483	44,417
Other payables	185,177	225,762
	480,631	593,602

ANDREW F. WATSON (HEREFORD) LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2020

6 Non-current liabilities

	2020	2019
	£	£
Bank loans and overdrafts	49,167	-

8 Director's advances, credits and guarantees

There are no specific terms of repayment and no interest has been paid or is payable in connection with this balance.

Description	% Rate	Opening balance £	Amounts advanced £	Amounts repaid £	Closing balance £
Directors' short term loan	-	52,592	56,991	(101,556)	8,027
		52,592	56,991	(101,556)	8,027

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.