

# Franks & Holloway Limited

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

# **Franks & Holloway Limited**

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**Franks & Holloway Limited**  
**(Registration number: 03326596)**  
**Balance Sheet as at 31 March 2020**

|                                                                | Note     | 2020<br>£ | 2019<br>£ |
|----------------------------------------------------------------|----------|-----------|-----------|
| <b>Fixed assets</b>                                            |          |           |           |
| Tangible assets                                                | <u>4</u> | 36,392    | 24,347    |
| <b>Current assets</b>                                          |          |           |           |
| Debtors                                                        | <u>5</u> | 98,897    | 112,831   |
| Cash at bank and in hand                                       |          | 258,214   | 289,758   |
|                                                                |          | 357,111   | 402,589   |
| <b>Creditors: Amounts falling due within one year</b>          | <u>6</u> | (19,668)  | (52,401)  |
| <b>Net current assets</b>                                      |          | 337,443   | 350,188   |
| <b>Total assets less current liabilities</b>                   |          | 373,835   | 374,535   |
| <b>Creditors: Amounts falling due after more than one year</b> | <u>6</u> | (18,030)  | -         |
| <b>Provisions for liabilities</b>                              |          | (1,880)   | (2,144)   |
| <b>Net assets</b>                                              |          | 353,925   | 372,391   |
| <b>Capital and reserves</b>                                    |          |           |           |
| Called up share capital                                        |          | 150       | 150       |
| Profit and loss account                                        |          | 353,775   | 372,241   |
| <b>Total equity</b>                                            |          | 353,925   | 372,391   |

**Franks & Holloway Limited**  
**(Registration number: 03326596)**  
**Balance Sheet as at 31 March 2020**

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

Director's 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 director acknowledges her 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 director on 9 November 2020

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R L Franks  
Director

# **Franks & Holloway Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

### **1 General information**

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

The address of its registered office is:

Woodbury House  
Worgret  
Warcham  
Dorset  
BH20 6AD

These financial statements were authorised for issue by the director on 9 November 2020.

### **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.

In light of the rapid global spread of the Coronavirus "COVID-19" in early 2020, the director has reviewed and stress tested projections and budgets for the next twelve months. Following this review, the director considers there to be little impact on the Company's ability to act as a going concern.

The director has reviewed the supply chains, key customers and the capital resources available and considers that the company has adequate resources in place to continue trading for the next twelve months.

#### **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 and deferred 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.

# Franks & Holloway Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### 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                     |
|----------------------------------|--------------------------------------------------|
| Plant and machinery              | 25% reducing balance                             |
| Fixtures, fittings and equipment | 25% reducing balance                             |
| Motor vehicles                   | 25% reducing balance.                            |
| Leased motor vehicles            | Finance lease depreciated over the term of lease |

### 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.

### 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

# **Franks & Holloway Limited**

## **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

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 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.

### **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 the director) during the year, was 4 (2019 - 4).

# Franks & Holloway Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

### 4 Tangible assets

|                          | Fixtures and fittings<br>£ | Motor vehicles<br>£ | Plant and machinery<br>£ | Total<br>£ |
|--------------------------|----------------------------|---------------------|--------------------------|------------|
| <b>Cost or valuation</b> |                            |                     |                          |            |
| At 1 April 2019          | 10,231                     | 65,763              | 19,356                   | 95,350     |
| Additions                | 840                        | 31,344              | -                        | 32,184     |
| Disposals                | (1,758)                    | (24,725)            | -                        | (26,483)   |
| At 31 March 2020         | 9,313                      | 72,382              | 19,356                   | 101,051    |
| <b>Depreciation</b>      |                            |                     |                          |            |
| At 1 April 2019          | 8,918                      | 44,445              | 17,640                   | 71,003     |
| Charge for the year      | 380                        | 9,339               | 430                      | 10,149     |
| Eliminated on disposal   | (1,547)                    | (14,946)            | -                        | (16,493)   |
| At 31 March 2020         | 7,751                      | 38,838              | 18,070                   | 64,659     |
| <b>Carrying amount</b>   |                            |                     |                          |            |
| At 31 March 2020         | 1,562                      | 33,544              | 1,286                    | 36,392     |
| At 31 March 2019         | 1,313                      | 21,318              | 1,716                    | 24,347     |

Included within net book value of tangible fixed assets is £27,869 (2019 - £9,778) in respect of assets held under finance leases and similar hire purchase contracts. Depreciation for the year on these assets was £3,448 (2019 - £3,259).

### 5 Debtors

|                                    | Note | 2020<br>£ | 2019<br>£ |
|------------------------------------|------|-----------|-----------|
| Trade debtors                      |      | 69,672    | 110,664   |
| Amounts owed by group undertakings | 8    | 185       | 185       |
| Corporation tax refund             |      | 1,583     | -         |
| Prepayments and accrued income     |      | 27,457    | 1,982     |
|                                    |      | 98,897    | 112,831   |



# Franks & Holloway Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

### 6 Creditors

#### Creditors: amounts falling due within one year

|                                 | Note     | 2020<br>£     | 2019<br>£     |
|---------------------------------|----------|---------------|---------------|
| <b>Due within one year</b>      |          |               |               |
| Bank loans and overdrafts       | <u>7</u> | 3,300         | 11,555        |
| Trade creditors                 |          | 161           | 9,001         |
| Social security and other taxes |          | 4,846         | 6,479         |
| Other creditors                 |          | 3,084         | 5,055         |
| Accruals and deferred income    |          | 8,277         | 7,838         |
| Corporation tax liability       |          | -             | 12,473        |
|                                 |          | <u>19,668</u> | <u>52,401</u> |
| <b>Due after one year</b>       |          |               |               |
| Loans and borrowings            | <u>7</u> | <u>18,030</u> | <u>-</u>      |

### 7 Loans and borrowings

|                                         | 2020<br>£     | 2019<br>£     |
|-----------------------------------------|---------------|---------------|
| <b>Non-current loans and borrowings</b> |               |               |
| Finance lease liabilities               | <u>18,030</u> | <u>-</u>      |
| <b>Current loans and borrowings</b>     |               |               |
| Finance lease liabilities               | <u>3,300</u>  | <u>11,555</u> |

# Franks & Holloway Limited

## Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020

### 8 Related party transactions

#### Loans to related parties

|                    | Parent<br>£ | Total<br>£ |
|--------------------|-------------|------------|
| <b>2020</b>        |             |            |
| At start of period | 185         | 185        |
| At end of period   | 185         | 185        |
| <b>2019</b>        |             |            |
| At start of period | 185         | 185        |
| At end of period   | 185         | 185        |

#### Terms of loans to related parties

The loan is interest free and repayable on demand.

Dividends of £9,000 (2019 - £10,000) were paid during the year to Franks & Holloway Holdings Limited.

#### Loans from related parties

|                    | Key<br>management<br>£ | Total<br>£ |
|--------------------|------------------------|------------|
| <b>2020</b>        |                        |            |
| At start of period | 5,055                  | 5,055      |
| Repaid             | (1,706)                | (1,706)    |
| At end of period   | 3,349                  | 3,349      |
| <b>2019</b>        |                        |            |
| At start of period | 7,294                  | 7,294      |
| Repaid             | (2,239)                | (2,239)    |
| At end of period   | 5,055                  | 5,055      |

### 9 Parent and ultimate parent undertaking

The ultimate controlling party is R L Franks and P Holloway, equal shareholders of Franks and Holloway Holdings Limited.

## **Franks & Holloway Limited**

### **Notes to the Unaudited Financial Statements for the Year Ended 31 March 2020**

#### **10 Non adjusting events after the financial period**

Since the reporting date, the growth of the COVID-19 pandemic across the world has led to some doubts as to whether the company can continue as a going concern for the next twelve months.

Due to the nature of the business, there have been impacts on both the supply chain and ability to trade with customers who are also facing difficulties at this time.

The director has performed stress tests and applied these to various budgets and forecasts and although there is an impact on the 2020 performance, this will not significantly impact going concern. Given the level of cash held by the company, high levels of reserves and support of the shareholders / parent company, the company is in a position to continue as a going concern for the next twelve months.

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.