

TOW MASTER LIMITED
UNAUDITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

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BALANCE SHEET
AS AT 28 FEBRUARY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	152,017	198,760
Current assets			
Stocks		139,229	42,191
Debtors: amounts falling due within one year	5	156,690	126,077
Cash at bank and in hand		813,077	738,568
		<u>1,108,996</u>	<u>906,836</u>
Creditors: amounts falling due within one year	6	(423,947)	(380,769)
Net current assets		<u>685,049</u>	<u>526,067</u>
Total assets less current liabilities		<u>837,066</u>	<u>724,827</u>
Creditors: amounts falling due after more than one year	7	-	(84,375)
Provisions for liabilities			
Deferred tax		(28,913)	(37,763)
Net assets		<u><u>808,153</u></u>	<u><u>602,689</u></u>
Capital and reserves			
Called up share capital		1,250	1,250
Profit and loss account		806,903	601,439
		<u><u>808,153</u></u>	<u><u>602,689</u></u>

BALANCE SHEET (CONTINUED)
AS AT 28 FEBRUARY 2023

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 19 July 2023.

S.R. McIlhagga
Director

The notes on pages 3 to 9 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

1. General information

Tow Master Limited (the company) is a private company limited by shares incorporated in England. The address of the registered office is Rutland House, 148 Edmund Street, Birmingham, West Midlands, B3 2FD and its principal place of business is Unit 5 Amber Court, Walthew House Lane, Martland Park, Wigan, WN5 0JY.

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 financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 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:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.3 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 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.3 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods.

Depreciation is provided on the following basis:

Improvements to leasehold property	- Over the term of the lease
Plant & machinery	- 25% on a reducing balance basis
Motor vehicles	- 25% on a reducing balance basis
Fixtures & fittings	- 15% on a reducing balance basis
Computer equipment	- 25% on a straight line basis
Hire fleet	- 20% on a reducing balance basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.4 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.

2.5 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.8 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of income and retained earnings in the same period as the related expenditure.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

2.11 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.

2.12 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

2. Accounting policies (continued)

2.13 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet, 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 except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

The average monthly number of employees, including directors, during the year was 13 (2022 - 12).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023

4. Tangible fixed assets

	improve-ments to leasehold property £	Plant & machinery £	Motor vehicles £	Fixtures, fittings and computer equipment £	Hire fleet £	Total £
Cost						
At 1 March 2022	32,459	34,688	111,571	75,467	276,176	530,361
Additions	-	8,424	-	-	10,335	18,759
Disposals	-	-	(16,125)	-	(38,250)	(54,375)
At 28 February 2023	32,459	43,112	95,446	75,467	248,261	494,745
Depreciation						
At 1 March 2022	32,459	32,407	65,965	73,606	127,163	331,600
Charge for the year on owned assets	-	1,848	11,402	279	26,885	40,414
Disposals	-	-	(15,963)	-	(13,323)	(29,286)
At 28 February 2023	32,459	34,255	61,404	73,885	140,725	342,728
Net book value						
At 28 February 2023	-	8,857	34,042	1,582	107,536	152,017
At 28 February 2022	-	2,280	45,606	1,861	149,013	198,760

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

5. Debtors

	2023 £	2022 £
Trade debtors	128,600	105,304
Other debtors	18,782	11,610
Prepayments and accrued income	9,308	9,163
	<u>156,690</u>	<u>126,077</u>

6. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	-	37,500
Payments received on account	251,779	216,779
Trade creditors	76,843	58,049
Corporation tax	91,906	64,324
Other creditors	-	765
Accruals and deferred income	3,419	3,352
	<u>423,947</u>	<u>380,769</u>

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

	2023 £	2022 £
Bank loans	<u>-</u>	<u>84,375</u>

8. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £145,733 (2022: £41,405). There were contributions of £Nil outstanding at the balance sheet date (2022: £814).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2023**

9. Commitments under operating leases

At 28 February 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	2022 £
Not later than 1 year	39,000	39,000
Later than 1 year and not later than 5 years	100,750	139,750
	<u>139,750</u>	<u>178,750</u>

10. Directors' benefits: advances, credit and guarantees

Included in debtors is a loan from the company to a director of £5,440 (2022: £4,440). Payments totalling £1,000 were made in the year (2022: £4,440) and repayments totalling £Nil (2022: £Nil) were made in the year. The maximum amount outstanding at any point during the year was £5,440 (2022: £4,440). The loan is unsecured, interest-free and repayable on demand.

Also included in debtors is a loan from the company to another director of £3,000 (2022: £Nil). Payments totalling £3,000 were made in the year (2022: £Nil) and repayments totalling £Nil (2022: £Nil) were made in the year. The maximum amount outstanding at any point during the year was £3,000 (2022: £Nil). The loan is unsecured, interest-free and repayable on demand.

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.